

Shareholders of Highland Floating Rate Opportunities Fund Approve Proposal Authorizing Board to Convert to a Closed-End Fund

DALLAS – November 3, 2017 - Highland Capital Management Fund Advisors, L.P. (together with its affiliates, "Highland") announced today that shareholders of the Highland Floating Rate Opportunities Fund (the "Fund", HFRA, HFRCX, and HFRZX) approved a proposal authorizing the Board of Trustees (the "Board") of the Fund to convert the Fund from an open-end fund to a closed-end fund (the "Conversion") at a special meeting of shareholders on November 3, 2017. The Board took action to convert the Fund to a closed-end fund effective shortly after 4:00 p.m. Eastern Time on November 3, 2017. As of close of business on November 2, 2017, the Fund had total assets of approximately \$1.09 billion.

The Proposal

Originally announced by Highland on [September 25, 2017](#), the proposal sought to protect the interests of shareholders in the event that the Fund's previously-disclosed judgment against Credit Suisse Group AG ("Credit Suisse") is upheld on appeal by a Dallas County District Court. The judgement stems from a case Highland brought against Credit Suisse in 2013 on behalf of the Fund and other Highland accounts. In 2015, the case culminated in a \$287.5 million breach of contract and fraud judgment against Credit Suisse. If upheld, Highland expects that approximately \$279 million of the judgment would be allocated to the Fund, which would be reduced by attorneys' fees and other litigation-related expenses. In such an event, this judgment is expected to be recorded as an asset of the Fund upon exhaustion of the appeals process.

The magnitude of the judgment and its potential impact to the Fund relative to the Fund's NAV is highly unusual, if not unprecedented, in the mutual fund industry and Highland believes a closed-end fund structure for the Fund would best protect shareholder value in this unique circumstance.

"We and the Fund's Board are grateful for the level of engagement from shareholders in understanding this unique situation and supporting our proposed solution," said Dustin Norris, Chief Product Strategist at Highland and Secretary of the Fund. "Shareholders clearly recognized the intention of this proposal and the protection provided by a closed-end fund structure."

The Conversion

As part of the Conversion, the Fund effected a reverse stock split of Class A, Class C and Class Z shares of the Fund, with exchange ratios of 2.0626 for one for Class A shares, 2.0636 for one for Class C shares, and 2.0645 for one for Class Z shares, and combined such shares into a single class of common shares under the CUSIP 43010E404. Although the number of shares owned by each shareholder decreased in the Conversion, each shareholder holds the same percentage of the Fund's outstanding shares immediately following the reverse stock split as such shareholder held immediately prior to the reverse stock split, subject to adjustments for fractional shares. Shareholders will not receive fractional shares as a result of the Conversion or the reverse stock split and will instead receive a number of common shares that has been rounded down to a whole number. Shareholders will receive a cash-in-lieu check related to the fractional portion of their Fund shares, if any, promptly after the Conversion. The reverse stock split is intended to provide a per share value that we believe will facilitate efficient trading in the Fund's shares.

The Fund expects to list its shares for trading on the New York Stock Exchange (the “NYSE”) on November 6, 2017. The shares will be listed under the ticker symbol “HFRO” at an initial listing price of \$15.00. The Fund expects to seek a dividend yield of 6-6.5%, subject to Board approval and market conditions. The Fund’s first dividend as a closed-end fund will be announced via press release no later than November 17, 2017.

In the event a shareholder desires to move shares of the Fund to a brokerage account, the shareholder’s adviser or broker dealer will need to transfer Fund shares through the Depository Trust Company’s (“DTC”) Profile System. Shares of the Fund are DTC Eligible.

As of November 6, 2017, American Stock Transfer & Trust Company, LLC (“AST”) will serve as the Fund’s transfer agent and dividend disbursing agent. All shareholder records have been transferred to AST. Shareholders may obtain more information on the shareholder services to be offered to the converted Fund by calling AST at the Fund’s dedicated toll free number 800-357-9167.

Additional details regarding the Conversion are available on the Fund’s website at www.HighlandFunds.com.

About Highland Capital Management Fund Advisors, L.P.

Highland Capital Management Fund Advisors, L.P. is the retail arm of Highland Capital Management, L.P., an SEC-registered investment adviser that, together with its affiliates, has approximately \$13 billion of assets under management. Founded in 1993 by James Dondero and Mark Okada, Highland is one of the largest and most experienced global alternative credit managers. Highland specializes in credit strategies, including credit hedge funds, long-only funds and separate accounts, distressed and special-situation private equity, and collateralized loan obligations (CLOs). Highland also offers alternative investments, including emerging markets, long/short equities, and natural resources. Highland’s diversified client base includes public pension plans, foundations, endowments, corporations, financial institutions, fund of funds, governments, and high net-worth individuals. Highland is headquartered in Dallas, Texas and maintains offices in New York, Sao Paulo, Singapore, and Seoul. For more information visit highlandcapital.com.

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

Past performance is no guarantee of future results. The rate of return will vary and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Returns are historical and include change in share price and reinvestment of all distributions. Total investment return does not reflect broker sales charges or commissions. All performance information is for common shares of the Trust. See the prospectus and financial statements for more information before investing.

Statements in this communication may include forward-looking information and/or may be based on various assumptions. The forward-looking statements and other views or opinions expressed herein are made as of the date of this publication. Actual future results or occurrences may differ significantly from those anticipated and there is no guarantee that any particular outcome will come to pass. The

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