

GLOBAL ALLOCATION FUND

A: HCOAX C: HCOCX Y: HCOYX¹

FUND FACTS

Inception Date (Class A)	9/8/1993
Fund Manager	James Dondero, President, Co-Founder Over 30 years of experience
Distribution Frequency	Quarterly

FEES & EXPENSES (%)

	Gross	Net
Class A	1.59	1.59
Class C	2.34	2.34
Class Y	1.34	1.34

KEY STATISTICS²

Fund Standard Deviation (%)	14.12
Benchmark Standard Deviation (%)	9.94
Alpha	2.05
Beta	0.92
Upside Capture (%)	155

TOP 5 HOLDINGS (% OF PORTFOLIO)

Vistra Energy Corp	22.1
Terrestar Corp	16.2
Terrestar Corp Term Loan	10.8
Republic of Argentina	7.6
Energy Transfer Equity LP	6.0

GLOBAL TACTICAL PORTFOLIO

The Fund seeks above-average risk-adjusted total returns by investing in the U.S. and foreign equities and fixed income securities, along with select alternative investments in the pursuit of long-term capital growth and future income.

- Rigorous top down allocation process
- Collaborative management structure where highly experienced portfolio managers in various disciplines bring their best ideas to the fund
- Global thematic investment style
- Extensive analytical support
- Relative value discipline
- Complements traditional U.S. equity and fixed income portfolios

TOTAL RETURN ANALYSIS (%)

AS OF 9/30/2018

SHARE CLASS/INDEX	Incept.	YTD	1-YR	3-YR	5-YR	10-YR	Since Incept.
Class A	9.8.93	7.21	9.70	8.61	6.19	6.72	7.94
Class A (w/load)	9.8.93	1.07	3.36	6.49	4.94	6.09	7.69
Class C	9.30.99	6.45	8.75	7.75	5.39	5.90	4.01
Class C (w/load)	9.30.99	5.45	7.75	7.75	5.39	5.90	4.01
Class Y	1.5.98	7.27	9.95	8.80	6.41	6.96	6.11
FTSE All World		4.03	10.24	13.99	9.28	8.83	6.72

*Comparison of fund returns to the FTSE All World may not be meaningful prior to the investment strategy change on April 9, 2013.

SALES CHARGES

Class A Max Sales Charge: 5.75%. Class C Contingent Deferred Sales Charge ("CDSC") is 1% within the first year from each purchase. Performance results reflect the contractual waivers and/or reimbursements of fund expenses by the Advisor. Absent this limitation, performance results would have been lower. The Advisor has contractually agreed to limit the total annual operating expenses (exclusive of distribution and/or service (12b-1) fees, taxes, such as deferred tax expenses, dividend expenses on short sales, interest payments, brokerage commissions and other transaction costs, acquired fund fees and expenses and extraordinary expenses (collectively, the "Excluded Expenses") of the Fund (the "Expense Cap"). The Expense Cap will continue through at least January 31, 2019.

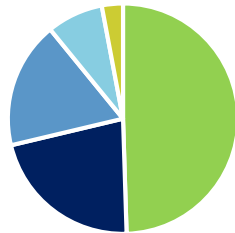
The performance data quoted here represents past performance and is no guarantee of future results. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the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

Note: Effective April 9, 2013, Highland Core America Equity Fund was renamed Highland Global Allocation Fund. At the same time, Highland Capital Management Fund Advisors, LP. became the sole Advisor to the Fund and the Fund no longer utilizes a sub-advisor. In addition to these changes, the Fund's investment strategies were revised and the Fund will no longer invest at least 80% of its assets in domestic equity securities. For more information, please view the Fund's prospectus at highlandfunds.com or call 877.665.1287.

FUND COMPOSITION^{3,4}

(% OF ASSETS)

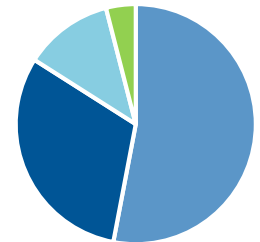
Equities	50%
MLPs	22%
Floating Rate Loans	18%
Sovereign Debt	8%
CLOs	3%



GEOGRAPHIC ALLOCATION^{3,4}

(% OF ASSETS)

Global ⁵	53%
United States	31%
Argentina	12%
Other International ⁶	4%



RISK CONSIDERATIONS

Before investing in the Fund, you should carefully consider the Fund's investment objectives, risks, charges and expense. 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.

Illiquid and Restricted Securities Risk Certain investments made by the Funds are, and others may be, illiquid, and consequently the Funds may not be able to sell such investments at prices that reflect the Investment Adviser's assessment of their value or the amount originally paid for such investments by the Funds. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Funds' investments, especially those in financially distressed companies, may require a long holding period prior to profitability. Restricted securities (i.e., securities acquired in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Funds, however, may not be able to sell these securities when the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, in order to permit resale the securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased. A high percentage of illiquid securities in a Fund creates risk that such a Fund may not be able to redeem its shares without causing significant dilution to remaining shareholders. **Focused Investment Risk** is the risk that although the Fund is a diversified fund, it may invest in securities of a limited number of issuers in an effort to achieve a potentially greater investment return than a fund that invests in a larger number of issuers. As a result, price movements of a single issuer's securities will have a greater impact on the Fund's net asset value, causing it to fluctuate more than that of a more widely diversified fund. **MLP Risk** is the risk of investing in MLP units, which involves some risks that differ from an investment in the equity securities of a company. The Fund currently holds and may in the future hold a significant investment in MLP units. Holders of MLP units have limited control and voting rights on matters affecting the partnership. Holders of units issued by an MLP are exposed to a remote possibility of liability for all of the obligations of that MLP in the event that a court determines that the rights of the holders of MLP units to vote to remove or replace the general partner of that MLP, to approve amendments to that MLP's partnership agreement, or to take other action under the partnership agreement of that MLP would constitute "control" of the business of that MLP, or a court or governmental agency determines that the MLP is conducting business in a state without complying with the partnership statute of that state. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. Additionally: • A sustained reduced demand for crude oil, natural gas and refined petroleum products could adversely affect MLP revenues and cash flows. • Changes in the regulatory environment could adversely affect the profitability of MLPs. Investments in MLP units also present special tax risks. See "MLP Tax Risk" in the prospectus. **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. **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. Derivatives may involve leverage, as described in more detail below, and the Fund's exposure to derivatives may be significant on a notional basis even where the derivatives are not significant on a market value basis. **Foreign and Emerging Markets Risk.** The Fund may invest in foreign and emerging market securities which involves certain risks such as currency volatility, political and social instability and reduced market liquidity. **Growth Investing Risk.** The risk of investing in growth stocks that may be more volatile than other stocks because they are more sensitive to investor perceptions of the issuing company's growth potential. **Leverage Risk.** The risk associated with the use of leverage for investment purposes to create opportunities for greater total returns. Any investment income or gains earned with respect to the amounts borrowed that are in excess of the interest that is due on the borrowing will augment the Fund's income. Conversely, if the investment performance with respect to the amounts borrowed fails to cover the interest on such borrowings, the value of the Fund's shares will decrease more quickly than would otherwise be the case. Interest payments and fees incurred in connection with such borrowings will reduce the amount of net income available for payment to Fund shareholders. **Value Investing Risk.** The risk of investing in undervalued stocks that may not realize their perceived value for extended periods of time or may never realize their perceived value.

The FTSE All-World Index Series is the Large/Mid Cap aggregate of 2,800 stocks from the FTSE Global Equity Index Series. It covers 90-95% of the investable market capitalization. Unlike the Fund, the index is not an investment, does not incur fees or expenses, and is not professionally managed. It is not possible to invest directly in the index.

1 Only eligible investors may purchase Class Y Shares. Please refer to the prospectus for information and conditions.

2 **Risk Statistics:** Risk Statistics are based on Class Y monthly returns for the period since the Fund's investment strategy change from April 2013 to the date of this fact sheet. Benchmark risk measures other than Beta are calculated in relation to the Morningstar World Allocation Category. Beta is calculated in relation to the FTSE All World Index. **Standard Deviation** measures the volatility of the Fund's returns. Higher standard deviation represents higher volatility. **Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Beta** measures the Fund's sensitivity to market movements; beta greater than 1 is more volatile than the market; beta less than 1 is less volatile than the market. **Upside Capture** ratios for funds are calculated by taking the fund's monthly return during months when the benchmark had a positive return and dividing it by the benchmark return during that same month. An upside capture ratio over 100 indicates a fund has generally outperformed the benchmark during periods of positive returns for the benchmark.

3 Information shown does not take into account the notional exposure of any derivative positions. Does not take into account short positions.

4 Calculated as a percent of gross assets, which may include investments purchased with borrowed assets. The Fund may borrow an amount up to 33 1/3% of its total assets (including the amount borrowed) less all liabilities other than borrowings. The Fund may borrow for investment purposes, to meet redemption requests and for temporary, extraordinary or emergency purposes.

5 A company is considered to be a non-U.S. issuer if the company's securities principally trade on a market outside of the United States, the company derives a majority of its revenues or profits outside the United States, the company is not organized in the United States, or the company is significantly exposed to the economic fortunes and risks of regions outside the United States. "Global" allocations reflect U.S. investments with a global qualification in the Fund prospectus: Principally Trade on Foreign Exchange, Majority of Revenue Non-U.S., and Significant Exposure to Non-U.S.

6 "Other International" allocations reflect the investments with a foreign Domicile.

Source: State Street Bank and Trust Company Prepared by Highland Capital Funds Distributor, Member FINRA

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE