

## Highland Capital Management Welcomes Index Enhancements for Highland/iBoxx Senior Loan ETF

*Highland Supports Changes Resulting from the IHS Markit iBoxx USD Loans Annual Index Review Process*

DALLAS – November 29, 2018 – Highland Capital Management Fund Advisors, L.P. (together with its affiliates “Highland”) is pleased to announce its support for a series of changes to the Markit iBoxx USD Liquid Leveraged Loans Index (“LLI” or the “Index”) set forth by IHS Markit. The changes will impact the [Highland/iBoxx Senior Loan ETF](#) (Ticker: SNLN), which seeks to track the investment results that correspond to LLI performance. The changes are a product of the iBoxx USD Loans Annual Index Review process, which concluded earlier this month.

The changes introduce new elements to the LLI methodology, including:

- the introduction of a weekly cash reinvestment process, which addresses cash in the Index from restructured and/or paid down loans intra-month, providing a system for reinvesting that cash into the next eligible loan(s); and
- the introduction of a loans substitution process, which provides the ability to substitute a restructured loan with a replacement loan from the same issuer.

More details on these updates can be found on the [IHS Markit website](#).

Highland supports the changes and believes they ensure the Index—and in turn, the firm’s senior loan ETF, SNLN—represents current loan market dynamics. Enhancing the Index’s ability to replicate loan market operations provides cost efficiencies and creates more precise loan market exposure, which are positive developments for Index users.

“For a passively-managed fund, index construction and methodology are key,” said Highland/iBoxx Senior Loan ETF co-portfolio manager Taylor Ridgely. “Enhancing some of the structural features of the Index results in exposure that better reflects the realities of the underlying loan market. In turn, this strengthens Highland’s ability to provide strategic, low-cost access to the most liquid part of the loan market in an efficient vehicle via SNLN.”

Highland, along with other market participants, served on an advisory committee that evaluated the proposed amendments, which were ultimately approved for implementation by IHS Markit following its index review process. Not only does Highland use the Index for its senior loan ETF, SNLN, but the firm is also a long-standing investor in the loan market. A significant portion of Highland’s multibillion-dollar investment platform is comprised of loan investments spanning multiple fund structures and strategies.

The changes are expected to take effect in 2019. A separate announcement will be made ahead of implementation.

## 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., a multibillion-dollar global alternative investment manager founded in 1993 by Jim Dondero and Mark Okada. A pioneer in the leveraged loan market, the firm has evolved over 25 years, building on its credit expertise and value-based approach to expand into other asset classes. Today, Highland operates a diverse investment platform, serving both institutional and retail investors worldwide. In addition to high yield credit, Highland's investment capabilities include public equities, real estate, private equity and special situations, structured credit, and sector- and region-specific verticals built round specialized teams. Highland is headquartered in Dallas, Texas and maintains offices in New York, Buenos Aires, Rio de Janeiro, Singapore, and Seoul. For more information visit [www.highlandfunds.com](http://www.highlandfunds.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 [www.highlandfunds.com](http://www.highlandfunds.com) or call 1-877-665-1287. Please read the fund prospectus carefully before investing.*

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