

Qualified Dividend Income %

Highland Funds Year Ended December 31, 2018

<b>HIGHLAND FUNDS</b>	<b>QDI %</b>
Highland Fixed Income Fund	5.15%
Highland Floating Rate Opportunities Fund	2.03%
Highland Global Allocation Fund	27.95%
Highland Long/Short Equity Fund	15.25%
Highland Long/Short Healthcare Fund	0.00%
Highland Merger Arbitrage Fund	4.83%
Highland Opportunistic Credit Fund	0.00%
Highland Premier Growth Equity Fund	83.71%
Highland Small-Cap Equity Fund	15.60%
Highland Tax-Exempt Fund	0.00%
Highland Total Return Fund	100.00%
NexPoint Capital, Inc.	0.00%
NexPoint Strategic Opportunities Fund	5.58%
NexPoint Real Estate Strategies Fund	0.62%

Dividend Received Deduction %

Highland Funds Year Ended December 31, 2018

<b>HIGHLAND FUNDS</b>	<b>DRD %</b>
Highland Fixed Income Fund	5.30%
Highland Floating Rate Opportunities Fund	1.62%
Highland Global Allocation Fund	23.77%
Highland Long/Short Equity Fund	13.33%
Highland Long/Short Healthcare Fund	0.00%
Highland Merger Arbitrage Fund	5.35%
Highland Opportunistic Credit Fund	0.00%
Highland Premier Growth Equity Fund	84.76%
Highland Small-Cap Equity Fund	13.62%
Highland Tax-Exempt Fund	0.00%
Highland Total Return Fund	100.00%
NexPoint Capital, Inc.	0.00%
NexPoint Strategic Opportunities Fund	8.25%
NexPoint Real Estate Strategies Fund	0.61%

Income By State %

Highland Funds Year Ended December 31, 2018

Highland Tax Exempt Fund	% Income By State
ALABAMA	0.00%
ALASKA	4.11%
ARIZONA	3.80%
ARKANSAS	0.00%
CALIFORNIA	10.35%
COLORADO	5.11%
CONNECTICUT	7.32%
DELAWARE	0.00%
DISTRICT OF COLUMBIA	5.27%
FLORIDA	2.88%
GEORGIA	5.36%
HAWAII	5.51%
IDAHO	0.00%
ILLINOIS	10.47%
INDIANA	1.86%
IOWA	0.00%
KANSAS	0.00%
KENTUCKY	0.00%
LOUISIANA	0.00%
MAINE	0.15%
MARYLAND	0.00%
MASSACHUSETTS	1.91%
MICHIGAN	4.63%
MINNESOTA	0.00%
MISSISSIPPI	0.00%
MISSOURI	3.84%

Highland Tax Exempt Fund	% Income By State
MONTANA	0.00%
NEBRASKA	0.00%
NEVADA	0.00%
NEW HAMPSHIRE	0.00%
NEW JERSEY	11.00%
NEW MEXICO	0.00%
NEW YORK	0.00%
NORTH CAROLINA	0.00%
NORTH DAKOTA	0.00%
OHIO	0.00%
OKLAHOMA	0.00%
OREGON	0.00%
PENNSYLVANIA	10.21%
RHODE ISLAND	0.00%
SOUTH CAROLINA	0.00%
SOUTH DAKOTA	0.00%
TENNESSEE	0.00%
TEXAS	6.22%
UTAH	0.00%
VERMONT	0.00%
VIRGINIA	0.00%
WASHINGTON	0.00%
WEST VIRGINIA	0.00%
WISCONSIN	0.00%
WYOMING	0.00%
Other Non-Taxable	0.00%
Total	100.00%



Government Income Obligations  
 Highland Funds Year Ended December 31, 2018

Fund Name	Treasury	Agency	FNMA / GNMA	Repo Agreements	Mutual Funds	Other	Total
Highland Fixed Income Fund	2.47%	0.00%	10.98%	0.00%	3.95%	82.60%	100%
Highland Total Return Fund	1.57%	0.00%	1.81%	0.01%	5.29%	91.32%	100%

**Agencies:** SLMA, Federal Farm Credit, Tennessee Valley Authority, Commodity Credit Corp., FDIC, Federal Financing Bank, Federal Home Loan Bank, Federal Intermediate, Credit Bank, Federal Land Bank Association, Federal Savings and Loan Insurance Corp., General Insurance fund, Government Services Administration (GSA), Production Credit Association and the U.S. Post Office.