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HIGHLAND CAPITAL MANAGEMENT

Highland Floating Rate Opportunities Fund Announces Name Change to Highland Income Fund

DALLAS – March 20, 2019 – Highland Floating Rate Opportunities Fund (NYSE:HFRO) (the "Fund") announced today the Fund will change its name to Highland Income Fund, effective May 20, 2019.

The Fund's CUSIP 43010E404 will not change. The Fund's investment objective – to provide a high level of current income consistent with preservation of capital – will also remain the same. The Fund will continue to invest in floating-rate loans and other securities deemed to be floating-rate instruments; however, the Fund will expand its investment strategy and remove the Fund's policy of, under normal circumstances, investing at least 80% of its net assets in such securities (the "80% Policy").

The Fund will pursue its investment objective by investing primarily in the following categories of securities and instruments: (i) floating-rate loans and other securities deemed to be floating-rate investments; (ii) investments in securities or other instruments directly or indirectly secured by real estate (including real estate investment trusts ("REITs"), preferred equity, securities convertible into equity securities and mezzanine debt); and (iii) other instruments, including but not limited to secured and unsecured fixed-rate loans and corporate bonds, distressed securities, mezzanine securities, structured products (including but not limited to mortgage-backed securities, collateralized loan obligations and asset-backed securities), convertible and preferred securities, equities (public and private), and futures and options.

Once effective, the Fund will no longer be required to invest at least 80% of its assets in floating-rate loans and other securities deemed to be floating-rate investments. Highland Capital Management Fund Advisors, L.P., the Fund's investment adviser (the "Adviser"), believes the change will expand the Fund's universe of opportunistic investments and provide additional flexibility when investing outside of floating-rate instruments.

Until the effective date, the Fund will continue to invest in accordance with the 80% Policy. Once the changes take place, the Adviser still expects to invest a significant portion of the Fund's portfolio in floating-rate securities.

About Highland Floating Rate Opportunities Fund

Highland Floating Rate Opportunities Fund (to be renamed Highland Income Fund) is a closed-end fund managed by Highland Capital Management Fund Advisors, L.P., an affiliated adviser of Highland Capital Management, L.P. The Fund seeks to provide a high level of current income consistent with preservation of capital. No assurance can be given that the Fund will achieve its investment objectives.

Investors should consider the investment objectives, risks, charges and expenses of the Highland Floating Rate Opportunities Fund carefully before investing. This and other information can be found in the Fund's prospectus, which may be obtained by calling 1-800-357-9167 or visiting www.highlandfunds.com. Please read the prospectus carefully before you invest.

Shares of closed-end investment companies frequently trade at a discount to net asset value. The price of the Fund's shares is determined by a number of factors, several of which are beyond the control of the Fund. Therefore, the Fund cannot predict whether its shares will trade at, below or above net asset value. Past performance does not guarantee future results.

Closed-End Fund Risk: *The Fund is a closed-end investment company designed primarily for long-term investors and not as a trading vehicle. No assurance can be given that a shareholder will be able to* *sell his or her shares on the NYSE when he or she chooses to do so, and no assurance can be given as to the price at which any such sale may be effected.*

Credit Risk: *The Fund may invest all or substantially all of its assets in Senior Loans or other securities that are rated below investment grade and unrated Senior Loans deemed by Highland to be of comparable quality. Securities rated below investment grade are commonly referred to as "high yield securities" or "junk securities." They are regarded as predominantly speculative with respect to the issuing company's continuing ability to meet principal and interest payments. Non-payment of scheduled interest and/or principal 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. Investments in high yield Senior Loans and other securities may result in greater NAV fluctuation than if the Fund did not make such investments.*

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.*

Real Estate Industry Risk: *Issuers principally engaged in real estate industry, including real estate investment trusts, may be subject to risks similar to the risks associated with the direct ownership of real estate, including: (i) changes in general economic and market conditions; (ii) changes in the value of real estate properties; (iii) risks related to local economic conditions, overbuilding and increased competition; (iv) increases in property taxes and operating expenses; (v) changes in zoning laws; (vi) casualty and condemnation losses; (vii) variations in rental income, neighborhood values or the appeal of property to tenants; (viii) the availability of financing and (ix) changes in interest rates and leverage.*

Illiquidity of Investments Risk: *The investments made by the Fund may be illiquid, and consequently the Fund may not be able to sell such investments at prices that reflect the Adviser's assessment of their value or the amount originally paid for such investments by the Fund.*

Ongoing Monitoring Risk: *On behalf of the several financial institutions, an agent generally will be required to administer and manage the Senior Loans and, with respect to collateralized Senior Loans, to service or monitor the collateral. Financial difficulties of agents can pose a risk to the Fund.*

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