

FIXED INCOME FUND

A: HFBAX C: HFBCX Y: HFBYX¹

ACCESS TO INSTITUTIONALLY MANAGED FIXED INCOME

The Fund seeks to provide maximum income consistent with prudent investment management and the preservation of capital.

- A total return strategy combining top-down positioning with fundamental, bottom-up issue selection managed within a disciplined risk framework
- The Fund invests primarily in a variety of investment-grade debt securities, such as mortgage-backed securities, corporate bonds, U.S. Government Securities and money market instruments. The Fund normally has a weighted average maturity of approximately 5 to 10 years
- Top-down yield curve positioning and sector allocation
- Bottom-up bond selection
- Long-term investment horizon

TOTAL RETURN ANALYSIS (%)

AS OF 3/31/2019

SHARE CLASS/INDEX	Incept.	YTD	1-YR	3-YR	5-YR	10-YR	Since Incept.
Class A	2.22.93	2.98	3.12	3.01	2.64	4.01	4.55
Class A (w/load)	2.22.93	-1.36	-1.29	1.53	1.74	3.56	4.38
Class C	9.30.99	2.79	-2.29	2.24	1.89	3.23	3.52
Class C (w/load)	9.30.99	1.79	-3.27	2.24	1.89	3.23	3.52
Class Y	11.29.93	3.05	3.38	3.27	2.90	4.27	4.81
Bloomberg Barclays Capital U.S. Aggregate Bond		2.94	4.48	2.03	2.74	3.77	2.78

SALES CHARGES

Class A Max Sales Charge: 4.25%. 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, 2020.

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.

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.

FUND FACTS

Inception Date (Class A)	2/22/1993
Sub-Advisor	First Foundation
Fund Manager	John Hakoplan Over 25 years of experience

DISTRIBUTION (CLASS Y)

Distribution Frequency	Monthly
30-Day SEC Yield	3.00%

FEES & EXPENSES (%)

	Gross	Net
Class A	1.06	1.03
Class C	1.81	1.78
Class Y	0.81	0.80

RISK STATISTICS²

Fund Standard Deviation (%)	2.24
Benchmark Standard Deviation (%)	2.79
Alpha	1.01
Beta	0.64
Upside Capture (%)	86
Downside Capture (%)	60

DURATION (% OF NET ASSETS)

Up to 3 Years	58.9
3 to 5 Years	20.5
5 to 8 Years	15.0
Over 8 Years	4.4
Not Classified	1.3

CREDIT RATINGS³ (% OF NET ASSETS)

AAA	14.6
AA	33.7
A	8.1
BBB	33.2
BB	2.0
B	0.9
CCC	0.1
Not Rated	5.7
Cash	1.8

RISK CONSIDERATIONS

Asset and Mortgaged-Backed Securities Risk. The risk of investing in asset or mortgaged-backed securities, and includes interest rate risk, prepayment risk and the risk that the Fund could lose money if there are defaults on the loans underlying these securities. **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. **Debt Securities Risk.** The Fund's ability to invest in high-yield debt securities generally subjects the Fund to greater risk than securities with higher ratings. **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. **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. **High Yield Securities Risk.** The risk that high yield securities or unrated securities of similar credit quality (commonly known as "junk bonds") are more likely to default than higher rated securities. **Interest Rate Risk.** The risk that fixed income securities will decline in value because of changes in interest rates. A fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration. **Prepayment Risk.** The risk that during periods of falling interest rates, issuers of debt securities may repay higher rate securities before their maturity dates. **30 Day SEC Yield:** A standard yield calculation developed by the Securities and Exchange Commission (SEC) that allows for fairer comparisons of bond funds. **Barclays Capital U.S. Aggregate Bond Index** is an unmanaged, market value weighted index of investment-grade debt issues, including government, corporate, asset-backed and mortgage-backed securities, with maturities of more than 1 year. 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 5-year period, through the date of this fact sheet. Benchmark risk measures are calculated in relation to the Bloomberg Barclay's U.S. Aggregate Bond 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/Downside Capture Ratio** shows you whether a given fund has outperformed—gained more or lost less than—a broad market benchmark during periods of market strength and weakness. An upside capture ratio over 100 indicates a fund has generally outperformed the benchmark during periods of positive returns for the benchmark. Meanwhile, a downside capture ratio of less than 100 indicates that a fund has lost less than its benchmark in periods when the benchmark has been in the red. If a fund generates positive returns, however, while the benchmark declines, the fund's downside capture ratio will be negative (meaning it has moved in the opposite direction of the benchmark).

³ Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). The rating categories reflected are issued by Standards and Poor's, a Nationally Recognized Statistical Rating Organization ("NRSRO"). The ratings used were those for the specific position or debt issuer held in the Fund as of the date of this fact sheet. Quality ratings reflect the credit quality of the underlying positions in the fund portfolio and not the fund itself. A fund's portfolio and composition is subject to change.

Source: SEI

Prepared by NexPoint Securities, Inc. ("NexPoint"), Member FINRA/SIPC

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE