

SMALL-CAP EQUITY FUND

A: HSZAX C: HSZCX Y: HSZYX¹

GROWTH EQUITY PLATFORM

The Fund seeks to maximize long-term capital appreciation through investments in stocks of smaller companies.

- Invests primarily in small-cap companies with above-average growth histories and/or growth potential
- Rigorous fundamental research and bottom-up stock selection
- Portfolio comprised of management's top small-cap investment ideas
- Alpha generation comes from management's tactical, nimble portfolio management style
- Significant capacity runway allows management to execute on its investment objectives

TOTAL RETURN ANALYSIS (%)

AS OF 6/30/2019

SHARE CLASS/ INDEX	Incept.	YTD	1-YR	3-YR	5-YR	10-YR	Since Incept.
Class A	9.30.981	24.98	1.89	15.56	9.61	14.71	10.33
Class A (w/load)	9.30.98	17.74	-3.98	13.29	8.31	14.03	10.02
Class C	9.30.99	24.53	1.16	14.73	8.81	13.86	8.94
Class C (w/load)	9.30.99	23.53	0.37	14.73	8.81	13.86	8.94
Class Y	9.30.98	25.13	2.09	15.81	9.86	14.99	10.61
S&P Small Cap 600 Growth Index		13.61	-2.33	13.71	9.87	15.94	10.53

FUND FACTS

Inception Date (Class A) 9/30/1998
Fund Manager Jim Dondero, CFA
*President and Co-Founder
Over 30 years of experience*

FEES & EXPENSES (%)

	Gross	Net
Class A	3.01	2.41
Class C	3.76	3.16
Class Y	2.78	2.17

RISK STATISTICS²

Fund Standard Deviation (%)	16.58
Benchmark Standard Deviation (%)	15.69
Alpha	4.11
Beta	0.82
Upside Capture (%)	98
Downside Capture (%)	83

TOP 5 EQUITY HOLDINGS (% OF NET ASSETS)

Braemar Hotels & Resorts	6.2
Eurobank Ergasias	5.9
Alpha Bank	5.4
NexPoint Residential Trust (NXRT)	5.0
NexPoint Strategic Opportunities (NHF)	4.6

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, 2020.

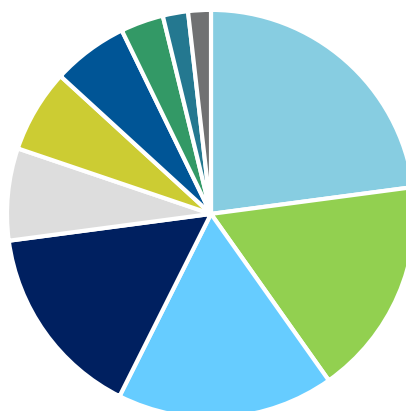
The performance data quoted here represents past performance and is no guarantee of future results. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the 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 expenses. 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.

SECTOR ALLOCATION

(% OF PORTFOLIO)

Financials	23.7%
Healthcare	21.9%
Real Estate	17.8%
Energy	7.3%
Consumer Discretionary	6.4%
Industrials	4.9%
Materials	4.6%
Utilities	3.3%
Consumer Staples	2.1%
Communication	1.5%



RISK CONSIDERATIONS

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. **Diversification Risk.** 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 diversified 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. **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 companies' growth potential. **Hedging Risk.** Although intended to limit or reduce investment risk, hedging strategies may also limit or reduce the potential for profit. There is no assurance that hedging strategies will be successful. **Leverage Risk.** Leverage may increase the risk of loss, cause fluctuations in the market value of the Fund's portfolio to have disproportionately large effects or cause the NAV of the Fund generally to decline faster than it would otherwise. **Short Sales Risk.** The risk of short sales theoretically involves unlimited loss potential since the market price of securities sold short may continuously increase. **Hedging Risk.** Although intended to limit or reduce investment risk, hedging strategies may also limit or reduce the potential for profit. There is no assurance that hedging strategies will be successful. **Leverage Risk.** Leverage may increase the risk of loss, cause fluctuations in the market value of the Fund's portfolio to have disproportionately large effects or cause the NAV of the Fund generally to decline faster than it would otherwise. **Short Sales Risk.** The risk of short sales theoretically involves unlimited loss potential since the market price of securities sold short may continuously increase.

Small-Cap Company Risk. The risk that investing in the securities of small-cap companies may pose a greater market and liquidity risks than larger, more established companies, because of limited product lines and/or operating history, limited financial resources, limited trading markets, and the potential lack of management depth. In addition, the securities of such companies are typically more volatile than securities of larger capitalization companies.

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 **S&P Small Cap 600 Index** measures the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable. 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 S&P Small Cap 600 Growth 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).

Source: SEI

Prepared by NexPoint Securities, Inc., Member FINRA/SIPC

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE