

TOTAL RETURN FUND

A: HTAAX C: HTACX Y: HTAYX¹

Following discussions held at meetings on June 17-18, 2020, August 13, 2020, September 17-18, 2020 and September 23, 2020, the Board of Trustees (the "Board") of the Trust unanimously approved an Agreement and Plan of Reorganization (the "Plan") for the reorganization of Highland Total Return Fund and Highland Fixed Income Fund (each a "Target Fund" and collectively, the "Target Funds") with and into the First Foundation Total Return Fund and First Foundation Fixed Income Fund, respectively (the "Acquiring Funds" and, together with the Target Funds, the "Funds"), each newly created series of The Advisors' Inner Circle Fund III ("AIC III"), with the Acquiring Funds being the surviving funds for accounting and performance purposes (each a "Reorganization" and, together, the "Reorganizations"). Under the Plan, the Target Funds would be reorganized into the Acquiring Funds on or around December 14, 2020 (the "Closing Date").

Upon the recommendation of the Highland Capital Management Fund Advisors, L.P. ("HCMFA"), the investment advisor to Highland Total Return Fund and Highland Fixed Income Fund (each a "Fund", and together the "Funds"), the Board of Trustees of the Trust has approved the conversion of the Funds' Class C Shares into Class Y Shares and the subsequent termination of the Funds' Class C Shares. The Funds' Class C Shares will be converted into Class Y Shares on or about November 16, 2020 (the "Effective Date") and the Class C Shares will be terminated thereafter.

ACCESS TO INSTITUTIONALLY MANAGED ASSET ALLOCATION

The Fund seeks to maximize total return by investing primarily in a combination of U.S. and foreign equity and debt securities.

- Asset allocation process utilizes information from the Fund's sub-adviser, First Foundation Advisors, to diversify holdings across asset classes
- Adjusts its weightings based on market and economic conditions to meet its objectives
- The Fund may also at times adjust its investment exposure through the use of various investment techniques, including investments in derivative instruments to gain exposure to certain types of securities as an alternative to investing directly in such securities, to manage currency exposure and interest rate exposure, and to manage exposure to credit quality

TOTAL RETURN ANALYSIS (%) AS OF 9/30/2020

SHARE CLASS/ INDEX	Incept.	YTD	1-YR	3-YR	5-YR	10-YR	Since Incept.
Class A	2.22.93	-4.22	0.39	0.70	5.03	5.13	6.30
Class A (w/load)	2.22.93	-9.72	-5.37	-1.27	3.80	4.51	6.07
Class C	9.30.99	-4.70	-0.30	-0.06	4.24	4.34	3.58
Class C (w/load)	9.30.99	-5.66	-1.29	-0.06	4.24	4.34	3.58
Class Y	11.29.93	-4.03	0.68	0.94	5.28	5.38	6.48
S&P 500 TR		5.57	15.15	12.28	14.15	13.74	9.66
Barclays Capital U.S. Aggregate Bond		6.79	6.98	5.24	4.18	3.64	3.91

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, 2021.

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 call 877-665-1287.

FUND FACTS

Inception Date (Class A)	2/22/1993
Sub-Advisor	First Foundation Advisors
Fund Managers	John Hakopian Jim Garrison Eric Speron

DISTRIBUTION (CLASS Y)

Distribution Frequency	Annually
30-Day SEC Yield	5.79

FEES & EXPENSES (%)

	Gross	Net
Class A	1.33	1.33
Class C	2.08	2.08
Class Y	1.08	1.08

FUND CHARACTERISTICS

Number of Equity Securities	63
Number of Fixed Income Securities	39

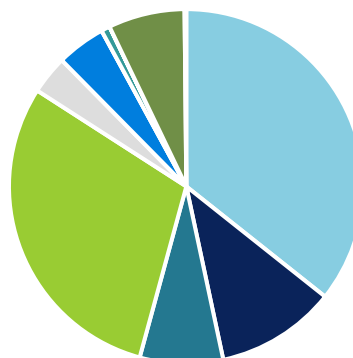
TOP 5 EQUITY HOLDINGS (% OF NET ASSETS)

Pico Holdings Inc.	8.7
Bollore	6.8
Liberty Media Corp	4.7
Berkshire Hathaway Inc.	4.4
Lumen Technologies	4.4

EQUITY ALLOCATION

(% OF PORTFOLIO)

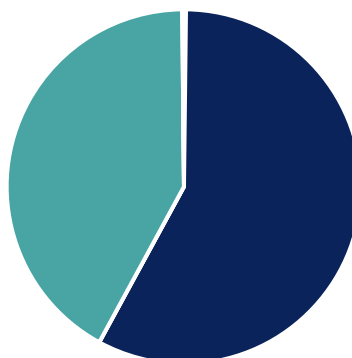
Communication Services	35.7%
Financials	29.9%
Customer Discretionary	11.0%
Industrials	7.6%
Energy	7.0%
Healthcare	4.5%
Real Estate	3.5%
Customer Staples	0.8%
Utilities	0.2%



FIXED INCOME ALLOCATION

(% OF PORTFOLIO)

Registered Investment Company	57.7%
Corporate Stocks & Bonds	41.9%
Non-Agency Collateralized Mortgage-Backed Security	0.1%
Agency Mortgage-Backed Security	0.1%
Master Limited Partnership	0.1%
Asset-Backed Security	0.1%



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.

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. **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. **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. **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. **Mid-Cap Company Risk.** The risk of investing in securities of mid-cap companies that could entail greater risks than investments in larger, more established companies. Mid-cap companies tend to have more narrow product lines, more limited financial resources and a more limited trading market for their stocks, as compared with larger companies. As a result, their stock prices may decline significantly as market conditions change. **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.

The **S&P 500 Total Return Index** is an index of a basket of 500 stocks designed to provide a broad snapshot of the overall U.S. equity market. The total return index series reflects both ordinary and special dividends. **Bloomberg 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.

¹Only eligible investors may purchase Class Y Shares. Please refer to the prospectus for information and conditions.

Source: SEI

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NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE