

HEALTHCARE OPPORTUNITIES FUND A: HHCAX C: HHCCX Z: HHCZX¹

Effective November 20, 2019, the Highland Long Short Healthcare Fund was renamed the Highland Healthcare Opportunities Fund.

FUND OVERVIEW

INVESTMENT OBJECTIVE

The Healthcare Opportunities Fund seeks long-term capital appreciation by pairing effective risk management with alpha generating potential from investments in public equities and fixed income securities across all market capitalizations in the Healthcare industry.

- Seeks long-term capital appreciation.
- Seeks to participate in the long term growth potential of the Healthcare market.
- Our strategy seeks to pair effective risk management with alpha generating potential from superior stock picking.
- The primary focus of the Fund will be in public equities and fixed income securities across all market capitalizations in the Healthcare sector.

TOTAL RETURN ANALYSIS (%)

AS OF 12/31/2019

SHARE CLASS/ INDEX	Incept.	YTD	1-YR	3-YR	5-YR	10-YR	Since Incept.
Class A	5.5.08	10.96	10.96	10.52	1.35	5.78	5.92
Class A (w/load)	5.5.08	4.87	4.87	8.47	0.21	5.18	5.41
Class C	5.5.08	10.28	10.28	9.81	0.74	5.16	5.29
Class C (w/load)	5.5.08	9.28	9.28	9.81	0.74	5.16	5.29
Class Z	5.5.08	11.43	11.43	10.92	1.74	6.16	6.30
S&P 500		31.49	31.49	15.27	11.70	13.56	9.80

SALES CHARGES

Class A Max Sales Charge: 5.50%. Class C Contingent Deferred Sales Charge ("CDSC") is 1% within the first year from each purchase.

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.

Note: Effective November 20, 2019, the Highland Long Short Healthcare Fund was renamed the Highland Healthcare Opportunities Fund. In addition to these changes, the Fund will no longer pursue a principal long/short investment strategy and will increase its exposure to fixed-income securities of any credit quality, including securities that are rated non-investment grade ("junk" or "high yield" securities).

FUND FACTS

Inception Date (Class A)	5/5/2008
Fund Managers	James Dondero, CFA President, Co- Founder
	Nate Burns, Managing Director

FEES & EXPENSES

	Gross	Net
Class A	2.27	2.27
Class C	2.92	2.92
Class Z	1.92	1.92

TOP HOLDINGS (% OF NET ASSETS)

Minerva Neurosciences Inc.	8.9
Bio-Rad Laboratories	5.9
Ascendis Pharma	5.2
Humana	4.9
Biohaven Pharmaceutical	3.7

RISK CONSIDERATIONS

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.

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. **Industry Concentration Risk.** Because the Fund normally invests at least 80% of the value of its assets in healthcare companies, the Fund's performance largely depends on the overall condition of the healthcare industry and the Fund is susceptible to economic, political and regulatory risks or other occurrences associated with the healthcare industry. **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. Micro, Small and Mid-Cap **Securities Risk.** Investments in securities of companies with micro, small or medium capitalizations involve certain risks that may differ from, or be greater than, those for larger companies, such as higher volatility, lower trading volume, fewer business lines and lack of public information. **Non-U.S. Securities Risk.** Investments in securities of non-U.S. issuers involve certain risks not involved in domestic investments (for example, expropriation or political or economic instability). **Portfolio Turnover Risk.** High portfolio turnover will increase the Fund's transaction costs and may result in increased realization of net short-term capital gains, higher taxable distributions and lower after-tax performance. **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.** Hedging is a strategy for reducing exposure to investment risk. An investor can hedge the risk of one investment by taking an offsetting position in another investment. The values of the offsetting investments should be inversely correlated. There is no assurance that hedging strategies will be successful. **Fixed Income Market Risk.** The risk that fixed income markets may, in response to governmental intervention, economic or market developments (including potentially a reduction in the number of broker dealers willing to engage in market-making activity), or other factors, experience periods of increased volatility and reduced liquidity. During those periods, the Fund may experience increased levels of shareholder redemptions, and may have to sell securities at times when it would otherwise not do so, and at unfavorable prices. Fixed income securities may be difficult to value during such periods. **High Yield Debt Securities Risk.** The risk that below investment grade securities or unrated securities of similar credit quality (commonly known as "high yield securities" or "junk securities") are more likely to default than higher rated securities. The Fund's ability to invest in high-yield debt securities generally subjects the Fund to greater risk than securities with higher ratings. Such securities are regarded by the rating organizations as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. The market value of these securities is generally more sensitive to corporate developments and economic conditions and can be volatile. Market conditions can diminish liquidity and make accurate valuations difficult to obtain. **Prepayment Risk.** The risk that during periods of falling interest rates, issuers of debt securities may repay higher rate securities before their maturity dates. This may cause the Fund to lose potential price appreciation and to be forced to reinvest the unanticipated proceeds at lower interest rates. This may adversely affect the NAV of the Fund's shares. **Senior Loans Risk.** The risk associated with Senior Loans, which are typically below investment grade and are considered speculative because of the credit risk of their issuers. As with any debt instrument, Senior Loans are generally subject to the risk of price declines and to increases in interest rates, particularly long-term rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may increase the risk 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. The secondary market for loans is generally less liquid than the market for higher grade debt. Less liquidity in the secondary trading market could adversely affect the price at which the Fund could sell a loan, and could adversely affect the NAV of the Fund's shares. The volume and frequency of secondary market trading in such loans varies significantly over time and among loans. Although Senior Loans in which the Fund will invest will often be secured by collateral, there can be no assurance that liquidation of such collateral would satisfy the borrower's obligation in the event of a default or that such collateral could be readily liquidated.

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. Investors cannot invest directly into an index.

¹ Only eligible investors may purchase Class Z 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