

## Capital Gains Estimates for 2020

A fund's capital gains distributions are taxable to shareholders even if they are paid from gains earned by a Fund prior to the shareholder's investment and thus were included in the price paid for the shares.

For example, a shareholder who purchases shares on or just before the record date of a Fund distribution will pay full price for the shares and may receive a portion of his or her investment back as a taxable distribution.

The following are the final capital gains distributions for the upcoming year-end to be made by Highland Capital Management Fund Advisors, L.P.

Fund Name	\$ Per Share			% of Fund			NAV** as of 12/18/2020	Record Date	Ex/ Reinvestment Date	Payable Date
	Short Term	Long Term	Total Per Share	Short Term	Long Term	Total Per Share				
Highland Income Fund	0.000	0.000	0.000	0.00%	0.00%	0.00%	12.94	N/A	N/A	N/A
Highland Global Allocation Fund	0.000	0.000	0.000	0.00%	0.00%	0.00%	9.97	N/A	N/A	N/A
Highland Healthcare Opportunities Fund	0.000	0.000	0.000	0.00%	0.00%	0.00%	17.99	N/A	N/A	N/A
Highland Opportunistic Credit Fund	0.000	0.000	0.000	0.00%	0.00%	0.00%	2.34	N/A	N/A	N/A
Highland/iBoxx Senior Loan ETF	0.000	0.000	0.000	0.00%	0.00%	0.00%	15.98	N/A	N/A	N/A
Highland Socially Responsible Equity Fund	0.000	0.000	0.000	0.00%	0.00%	0.00%	15.61	N/A	N/A	N/A
Highland Total Return Fund	0.000	0.000	0.000	0.00%	0.00%	0.00%	25.70	N/A	N/A	N/A
Highland Small-Cap Equity Fund	0.000	0.000	0.000	0.00%	0.00%	0.00%	5.17	N/A	N/A	N/A
Highland Fixed Income Fund	0.099	0.007	0.106	0.73%	0.05%	0.79%	13.44	12/18/2020	12/21/2020	12/21/2020
NexPoint Merger Arbitrage Fund	1.131	0.031	1.162	5.72%	0.16%	5.88%	19.76	12/18/2020	12/21/2020	12/21/2020

**\*As of 12/18/2020**

**\*\*NAV based on institutional share classes Y and Z**

***The tax information provided is for informational purposes only and should not be construed as legal or tax advice. Consult an attorney or tax professional regarding your specific legal or tax situation.***

***Before investing, 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](http://highlandfunds.com) or call 1-877-665-1287. Please read the fund prospectus carefully before investing.***