NexPoint Event Driven Fund

FACT SHEET Q3 2021

On September 17, 2021, the Board of Trustees of Highland Funds I (the "Board"), on behalf of the Fund, approved certain changes related to the repositioning of the Fund's investment strategy such that it will seek to invest primarily in securities that the Fund's investment adviser expects to benefit from an event catalyst. The Board approved a change of the Fund's name from Highland Healthcare Opportunities Fund ("Fund") to the "NexPoint Event Driven Fund."

INVESTMENT STRATEGY

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

With the effective name change, the Fund's principal investment strategies and principal risks to reflect that the Fund, while maintaining compliance with its non-fundamental investment policy to invest at least 80% of the value of its total assets in securities of healthcare companies (the "80% Policy"), will:

(a) invest in specific event catalysts including, but not limited to: mergers, acquisitions, tender offers, asset sales or other divestitures, restructurings, refinancings, recapitalizations, reorganizations, other corporate events, macroeconomic and industry catalysts, or other special situations; and

(b) utilize various arbitrage and short-selling investment strategies

In addition, effective on or about January 3, 2022, the Fund's 80% Policy will be removed such that the Fund will no longer invest at least 80% of the value of its total assets in securities of healthcare companies, as defined in the Prospectus. Following the removal of the 80% Policy, the Fund will continue to pursue its investment objective via the event-driven strategy described in the Supplement.

GENERAL INFORMATION

Symbols	A:HHCAX C: HHCCX Z: HHCZX[1]
Inception Date	May 5, 2008
Fund Manager	Jim Dondero, CFA *Co-Founder* Eric Fritz *Managing Director*

FEES & EXPENSES

	Gross	Net
Class A	2.75	2.75
Class C	3.40	3.40
Class Z	2.40	2.40

TOP 5 HOLDINGS (% OF NET ASSETS)

Holding	Equity
Berkeley Lights Inc.	8.6
Samsung Biologics Co. LTD.	7.9
NextCure Inc.	7.9
Convey Holdings Parent Inc.	7.5
Natera Inc.	4.2

ANNUALIZED RETURNS (%) AS OF 9/30/2021

Share Class/Index	Incept.	YTD	1-Year	3-Year	5-Year	10-Year	Since Incept.
Class A	5.5.08	-19.66	-10.01	-2.00	3.58	3.50	4.95
Class A (w/load)	5.5.08	-24.09	-14.94	-3.82	2.42	2.92	4.51
Class C	5.5.08	-20.06	-10.53	-2.63	2.92	2.87	4.33
Class C (w/load)	5.5.08	-20.86	-11.43	-2.63	2.92	2.87	4.33
Class Z	5.5.08	-19.50	-9.71	-1.65	3.96	3.88	5.33
S&P 500		15.92	30.00	15.99	16.90	16.63	11.07

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 call 877-665-1287.

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

RISK CONSIDERATIONS

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. **Merger Arbitrage and Event-Driven Risk** is the risk that the Adviser's evaluation of the outcome of a proposed event, whether it be a merger, reorganization, regulatory issue or other event, will prove incorrect and that the Fund's return on the investment will be negative. Even if the Adviser's judgment regarding the likelihood of a specific outcome proves correct, the expected event may be delayed or completed on terms other than those originally proposed, which may cause the Fund to lose money. The Fund's expected gain on an individual arbitrage investment is normally considerably smaller than the possible loss should the transaction be unexpectedly terminated. **Special Purpose Acquisition Companies Risk** is the risk that the Fund may invest in stock of, warrants to purchase stock of, and other interests in special purpose acquisition companies or similar special purpose entities that pool funds to seek potential acquisition opportunities (collectively, "SPACs"). Because SPACs and similar entities have no operating history or ongoing business other than seeking acquisitions, the value of their securities is particularly dependent on the ability of the entity's management to identify and complete a profitable acquisition.

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

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