

NexPoint Strategic Opportunities Fund

About NexPoint Strategic Opportunities Fund (NHF)

The NexPoint Strategic Opportunities Fund (NYSE:NHF) is a closed-end fund managed by NexPoint Advisors, L.P. that is in the process of converting to a diversified REIT. The Company has completed the initial repositioning of its investment portfolio sufficient to achieve REIT tax status and is operating during its 2021 taxable year so that it may qualify for taxation as a REIT.

GENERAL INFORMATION

NYSE Symbol	NHF
CUSIP	65340G205
Inception Date	June 29, 2006
Year-End Date	December 31
Total Managed Assets (M)	\$831
Total Net Assets (M)	\$758
Fund Manager	Jim Dondero, CFA, Founder

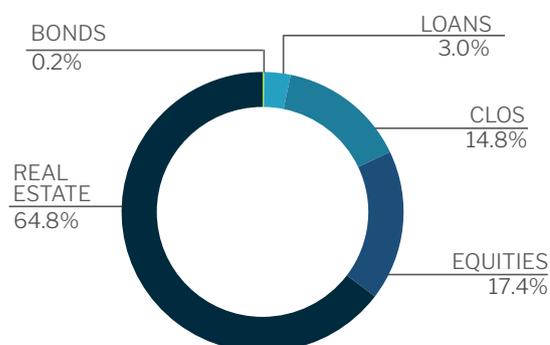
COMMON STOCK

Shares Outstanding (Common)	36,982,298
Market Price	\$13.76
Net Asset Value (NAV)	\$20.49
Premium/(Discount) to NAV	(32.85%)
Average Daily Volume (3 mo)	124,407

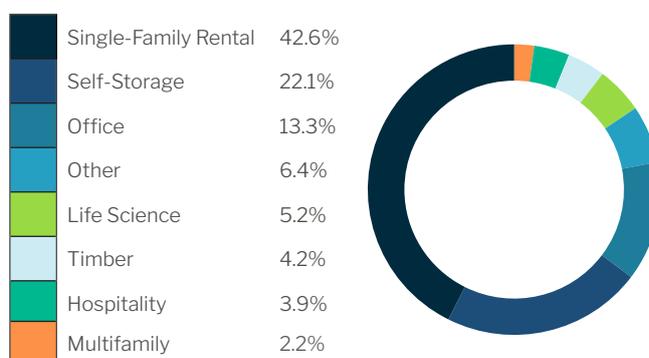
PORTFOLIO CHARACTERISTICS

Number of Holdings	60
Monthly Distribution Rate Per Share	\$0.05
Distribution Rate (Price) ¹	4.4%
Distribution Rate (NAV)	2.9%
Regulatory Leverage (M)	\$157.4
Leverage Percentage	17.2%
Portfolio Turnover ²	20.0%

PORTFOLIO ALLOCATION*



REAL ESTATE ALLOCATION BY PROPERTY TYPE



TOP 10 EXPOSURES*

Investment	Equity	Debt	Preferred	Total
NexPoint Real Estate Finance ³	15.6%	-	-	15.6%
VineBrook Homes ⁴	11.8%	-	-	11.8%
NexPoint Storage Partners	10.0%	-	-	10.0%
Cityplace Tower ⁴	8.8%	-	-	8.8%
Terrestar Corporation	4.6%	2.9%	-	7.5%
Specialty Financial Products	5.8%	-	-	5.8%
SAFStor Inc. ⁴	4.6%	-	-	4.6%
Metro Goldwyn Mayer	4.4%	-	-	4.4%
IQHQ Inc. ⁵	3.2%	-	-	3.2%
Greenbrier CLO	3.0%	-	-	3.0%

1 Does not include non-income sources such as loan proceeds or borrowings. See Distribution disclosure for more information.

2 As reported in the Fund's Annual Report dated December 31, 2020.

3 On February 11, 2020, as part of the formation transaction for NexPoint Real Estate Finance (NYSE:NREF), certain assets held in NHF, were contributed in exchange for operating partnership units of NREF. The NREF Op Units are convertible one-to-one for NREF Common shares and therefore are priced daily in NHF using the NREF common share price.

4 Held in NexPoint Real Estate Opportunities, LLC
5 Inclusive of 0.3% exposure held in NexPoint Real Estate Capital, LLC

* Calculated as a percentage of long market value

ANNUALIZED RETURNS (%) AS OF 6/30/2021

	YTD	1-Year	3-Year	5-Year	10-Year
NHF Market Price	34.07	40.62	-4.79	3.46	7.26
NHF NAV	20.19	21.76	2.12	7.13	10.02
MARKET INDICES					
DJCS Hedge Fund Index ¹	5.96	16.60	5.84	5.62	4.24
HFRX Global Hedge Fund Index ¹	2.91	12.01	4.22	4.22	1.85

EXPENSE RATIOS ²	
Management Fee	1.00%
Interest Expense	0.57%
Total Expense Ratio	2.55%
Expense Ratio Excluding Interest	1.98%

1 Index Definitions: The Dow Jones Credit Suisse Hedge Fund Index is an asset-weighted index that includes funds with assets of \$50m or more. Indices are unmanaged, have no fees or costs, and are not available for investment. The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Unlike NHF, 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.

2 Expense ratios based on managed net assets as reported in NHF's Annual Report dated December 31, 2020.

Past performance is no guarantee of future results. The rate of return will vary and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Returns are historical and include change in share price and reinvestment of all distributions. Total investment return does not reflect broker sales charges or commissions. All performance information is for common shares of the Trust. See the prospectus and financial statements for more information before investing. Investors should consider the investment objectives, risks, charges and expenses of the NexPoint Strategic Opportunities Fund carefully before investing. For a copy of a prospectus which contains this and other information, please visit our website at www.nexpoint.com or call 1-866-351-4440. Please read the fund prospectus carefully before investing.

This Fact Sheet contains information about prior investments made by the Adviser of NHF. This information was prepared by the Adviser based on its experience in the industry and on assumptions of fact and opinion as to future events which the Adviser believed to be reasonable when made. There can be no assurance that the Adviser and/or NHF will be as successful as these earlier investments. Prior investment returns are not indicative of future results. While NexPoint is committed to the REIT conversion, it is still contingent upon regulatory approval and the ability to reconfigure NHF's portfolio to attain REIT status and deregister as an investment company. The time required to reconfigure the Company's portfolio could be impacted by, among other things, the COVID-19 pandemic and related market volatility, determinations to preserve capital, the Company's ability to identify and execute on desirable investments, and applicable regulatory, lender and governance requirements. The conversion process could take up to 24 months; and there can be no assurance that conversion of NHF to REIT status will improve its performance or reduce the discount to NAV. Further, the SEC may determine not to grant the Company's request for the Deregistration Order, which would materially change the Company's plans for its business and investments. In addition, these actions may adversely affect the Company's financial condition, return on investment, results of operations, cash flow, per share trading price of our common shares and ability to satisfy debt service obligations, if any, and to make cash distributions to shareholders. Whether the Company remains a registered investment company or converts to a REIT, its common shares, like an investment in any other public company, are subject to investment risk, including the possible loss of investment. For a discussion of certain other risks relating to the proposed conversion to a REIT, see "Implementation of the Business Change Proposal and Related Risks" in the proxy statement. The information herein has been prepared by the Adviser, is based upon unaudited information, and has not been independently audited or verified. This summary is for informational purposes only and is subject to change. Portfolio and industry composition may change with market conditions. NHF's portfolio holdings are subject to change without notice. The mention of specific securities is not a recommendation or solicitation for any person to buy, sell or hold any particular security. Shares of closed-end funds frequently trade at a discount to their net asset value. Because of this possibility and the recognition that any such discount may not be in the interest of shareholders, the Board might consider from time to time engaging in open-market repurchases tender offers for shares or other programs intended to reduce the discount.

Closed-End Fund Risk. The Company is a closed-end investment company designed primarily for long-term investors and not as a trading vehicle. No assurance can be given that a shareholder will be able to sell his or her shares on the NYSE when he or she chooses to do so, and no assurance can be given as to the price at which any such sale may be effected.

Interest Rate Risk. The risk that debt securities, and the Company's net assets, may decline in value because of changes in interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline.

Credit Risk. Investments rated below investment grade are commonly referred to as high-yield, high risk or "junk debt." They are regarded as predominantly speculative with respect to the issuing company's continuing ability to meet principal and/or interest payments. Non-payment of scheduled interest and/or principal would result in a reduction of income to the Company, a reduction in the value of the asset experiencing non-payment and a potential decrease in NAV of the Company.

Leverage Risk. The Company uses leverage through borrowings from notes and a credit facility, and may also use leverage through the issuances of preferred shares. The use of leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by the Company. Insofar as the Company employs leverage in its investment operations, the Company will be subject to substantial risks of loss.

Illiquidity Risk. The investments made by the Company may be illiquid, and consequently, the Company may not be able to sell such investments at prices that reflect the Investment Adviser's assessment of their fair value or the amount paid for such investments by the Company.

Industry Concentration Risk. The Company must invest at least 25% of the value of its total assets at the time of purchase in securities of issuers conducting their principal business activities in the real estate industry. The Company may be subject to greater market fluctuations than a fund that does not concentrate its investments in a particular industry. Financial, economic, business, and other developments affecting issuers in the real estate industry will have a greater effect on the Company, and if securities of the real estate industry fall out of favor, the Company could underperform, or its NAV may be more volatile than, funds that have greater industry diversification.

Real Estate Risk. Real estate investments are subject to various risk factors. Generally, real estate investments could be adversely affected by a recession or general economic downturn where the properties are located. The full extent of the impact and effects of the recent outbreak of COVID-19 on the future financial performance of the Company, and specifically, on its investments and tenants to properties held by its REIT subsidiaries, are uncertain at this time. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown.

Distributions: If a Fund estimates that it has distributed more than its income and net realized capital gains in the current fiscal year; a portion of its distribution may be a return of capital. A return of capital may occur, for example, when some or all of a shareholder's investment is paid back to the shareholder. A return of capital distribution does not necessarily reflect a Fund's investment performance and should not be confused with "yield" or "income". When distributions exceed total return performance, the difference will reduce the Fund's net asset value per share. Although the character of income will not be determined until the end of the Fund's fiscal year, please refer to the section on the website for Section 19a notices that provide estimated amounts and sources of the fund's distributions, which should not be relied upon for tax reporting purposes. Source: SEI

NEXPOINT

www.nexpoint.com

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