

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Nexpoint Strategic Opportunities Fund		80-0139099	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
SHAREHOLDER SERVICES	1-800-357-9167		
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
200 Crescent Court, Suite 700		Dallas, TX 75201	
8 Date of action		9 Classification and description	
SEE BELOW		NON-TAXABLE RETURN OF CAPITAL DISTRIBUTION	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
65340G205		XNHFX	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ THE HIGHLAND INCOME FUND PAID A NON-TAXABLE RETURN OF CAPITAL DISTRIBUTION DURING THE YEAR. PLEASE SEE ATTACHED STATEMENT FOR DETAIL.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ SEE ATTACHED STATEMENT FOR DETAIL

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ SEE ATTACHED STATEMENT FOR DETAIL

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC 301 & 316

18 Can any resulting loss be recognized? ▶ NOT APPLICABLE TO THIS TRANSACTION AS NO LOSS MAY BE RECOGNIZED ON A RETURN OF CAPITAL DISTRIBUTIONS. THE SHAREHOLDERS COST BASIS SHOULD BE ADJUSTED TO REFLECT THE RETURN OF CAPITAL DISTRIBUTION WHICH MAY AFFECT THE GAIN OR LOSS REALIZED BY THE SHAREHOLDER UPON DISPOSITION OF THERE SHARES.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ THE INFORMATION PROVIDED HERIN HAS BEEN PROVIDED TO EACH SHAREHOLDER ON THEIR 2020 FORM 1099-DIV STATEMENT, BOX 3 FROM THEIR RESPECTIVE BROKER/DEALER.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ SIGNATURE ON FILE Date ▶ 3/18/2021
Print your name ▶ Frank Waterhouse Title ▶ PFO/CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Nexpoint Strategic Opportunities Fund
 Supplemental Attachment to Form 8937
 Part II, Question 14, 15, 16

EIN: 80-0139099

Detail of the distributions paid during the fiscal year ending December 31, 2020 is described below:

FUND NAME	CUSIP	TICKER SYMBOL	RECORD DATE	EX DIVIDEND DATE	PAYABLE DATE	INCOME DIVIDENDS	% OF TAXABLE DISTRIBUTION	TAXABLE DIVIDENDS AMOUNT	% RETURN OF CAPITAL DISTRIBUTION	RETURN OF CAPITAL AMOUNT
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	01/24/2020	01/23/2020	01/31/2020	\$ 0.2000000	26.25%	\$ 0.0525000	73.75%	\$ 0.1475000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	02/21/2020	02/20/2020	02/28/2020	\$ 0.2000000	26.25%	\$ 0.0525000	73.75%	\$ 0.1475000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	03/24/2020	03/23/2020	03/31/2020	\$ 0.1000000	26.00%	\$ 0.0260000	74.00%	\$ 0.0740000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	04/23/2020	04/22/2020	04/30/2020	\$ 0.1000000	26.20%	\$ 0.0262000	73.80%	\$ 0.0738000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	05/22/2020	05/21/2020	05/29/2020	\$ 0.1000000	26.20%	\$ 0.0262000	73.80%	\$ 0.0738000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	06/23/2020	06/22/2020	06/30/2020	\$ 0.1000000	26.20%	\$ 0.0262000	73.80%	\$ 0.0738000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	07/24/2020	07/23/2020	07/31/2020	\$ 0.1000000	26.20%	\$ 0.0262000	73.80%	\$ 0.0738000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	08/25/2020	08/24/2020	08/31/2020	\$ 0.1000000	26.20%	\$ 0.0262000	73.80%	\$ 0.0738000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	09/22/2020	09/21/2020	09/30/2020	\$ 0.1000000	26.20%	\$ 0.0262000	73.80%	\$ 0.0738000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	10/26/2020	10/23/2020	10/30/2020	\$ 0.0500000	26.20%	\$ 0.0131000	73.80%	\$ 0.0369000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	11/23/2020	11/20/2020	11/30/2020	\$ 0.0500000	26.20%	\$ 0.0131000	73.80%	\$ 0.0369000
NexPoint Strategic Opportunities Fund	65340G205	XNHFX	12/22/2020	12/21/2020	12/31/2020	\$ 0.0500000	26.20%	\$ 0.0131000	73.80%	\$ 0.0369000
						\$ 1.2500000		\$ 0.3275000		\$ 0.9225000