

NexPoint Merger Arbitrage Fund

CAPITAL GAINS ESTIMATES FOR 2021

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 estimates for the upcoming year-end capital gains distributions to be made by Highland Capital Management Fund Advisors, L.P. This table is not intended to be a comprehensive list of all of Highland Funds that may pay a capital gains distribution.

Please note that these estimates are for informational purposes only and may be subject to revisions.

Fund Name	\$ Per Share			% of Fund			NAV* as of 12/8/2021	Record Date	Ex/ Reinvestment Date	Payable Date
	Short Term	Long Term	Total Per Share	Short Term	Long Term	Total Per Share				
NexPoint Merger Arbitrage Fund	0.246	0.166	0.412	1.19%	0.80%	1.99%	20.66	12/21/2021	12/22/2021	12/23/2021

As of 12/8/2021

*NAV based on institutional share class 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 or call 1-877-665-1287. Please read the fund prospectus carefully before investing.