Dear Shareholders,

We are pleased to present NexPoint Real Estate Strategies Fund's (NRES) annual report for the 2021 calendar year-end. We continue to spend an enormous amount of time, energy, and effort in constructing a strategy that we believe provides investors unique access to the real estate sector while strategically allocating capital in a thoughtful, forward-thinking manner throughout the entire real estate cycle. We aim to achieve four primary objectives: to provide (i) current income, (ii) long-term total return, (iii) lower correlation to the equity markets and consistently outperform the MSCI US REIT Index, and (iv) minimize drawdowns during market downturns while maximizing risk-adjusted returns. Our investment philosophy employs a "hands on" approach whereby each step of the investment process is performed in-house by an investment team that is active in all facets of the real estate capital markets. As a result, we believe we can identify and effectively exploit the arbitrage between public and private real estate values.

In a year highlighted by the "reopening" of the economy after the first wave of COVID, followed by renewed concerns around variants and the possibility of additional shutdowns, publicly traded REITs posted their best total return on record, as measured by the MSCI US REIT Index (RMZ), of 43.1%. REITs also outperformed the S&P 500 by 14.4% in 2021. NexPoint Real Estate Strategies Class Z shares returned 42.7% during 2021, lagging the MSCI US REIT Index, the Fund's primary benchmark, by 0.4%. Since inception in July 2016, NexPoint Real Estate Strategies Class Z shares returned 55.9%, underperforming the MSCI US REIT Index by 3.9%.

Looking ahead, as the rate of COVID related hospitalizations and fatalities continues to decline, the investment community has turned their focus to supply-chain issues, geopolitics and inflationary concerns. While we believe inflationary pressures will require central banks to raise rates at the short end of the curve, geo-political uncertainties and an unprecedented wall of capital looking for safe investments could propel real estate values for certain asset types even higher. We remain positive on companies who focus on assets located in high-growth job markets with short duration lease terms which we believe will outperform in a rising interest rate environment.

We believe our ability to leverage information from being both an owner-operator and lender to commercial real estate investments allows us to find relative value throughout the capital stack with the goal of delivering higher than average risk-adjusted returns. We will continue to seek to take advantage of market dislocations and be tactical in our investment decisions by shifting the portfolio's asset-mix based upon where we believe we are in the real estate cycle.

We want to thank you for your support and we will continue to work diligently to create value for our shareholders.

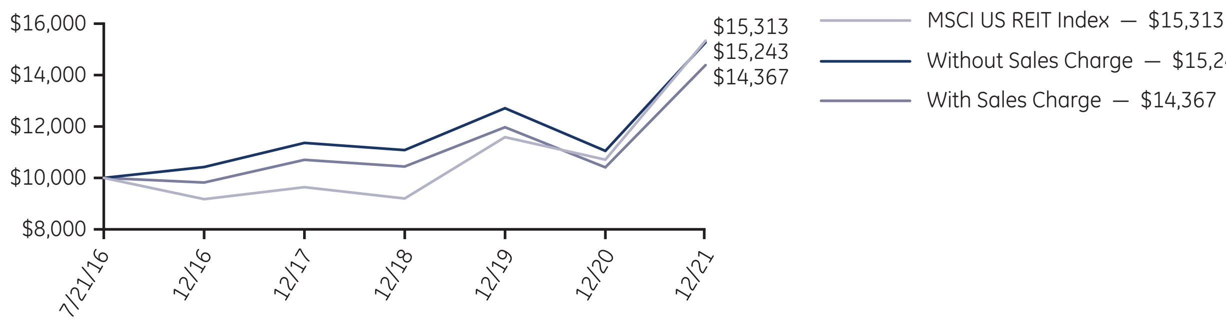
Sincerely,

Jim Dondero
Portfolio Manager
NexPoint Real Estate Strategies Fund

Matt McGraner
Portfolio Manager
NexPoint Real Estate Strategies Fund

Matthew Goetz
Portfolio Manager
NexPoint Real Estate Strategies Fund

Growth of Hypothetical $10,000 Investment



Average Annual Total Returns	Class A		Class C		Class Z	
	Without Sales Charge	With Sales Charge	Without Sales Charge	With Sales Charge	Without Sales Charge	With Sales Charge
Year Ended	42.42%	34.23%	41.32%	39.91%	42.68%	NA
Five Year	7.90%	6.63%	7.36%	7.36%	8.40%	NA
Since Inception: (July 21, 2016) for Class A and C (July 1, 2016) for Class Z	8.05%	6.88%	7.49%	7.49%	8.42%	NA

Returns shown in the chart and table do not reflect taxes that a shareholder would pay on Fund distributions or on the sale of the Fund shares.

"Without Sales Charge" returns do not include sales charges or contingent deferred sales charges ("CDSC"). "With Sales Charge" returns reflect the maximum sales charge of 5.75% on Class A Shares. The CDSC on Class C Shares is 1.00% within 18 months after purchase; there is no CDSC on Class C Shares thereafter. The performance data quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate so that an investor's share 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 visit our website at www.nexpointres.com. The gross annualized expense ratios of the Fund are: Class A: 3.08%, Class C: 3.85%, Class Z: 2.85%. NexPoint Advisors, L.P. (the "Investment Adviser") has contractually agreed to limit the total annual operating expenses (including organizational and offering expenses, but excluding distribution fees, interest, dividend expenses on short sales, brokerage commissions and other transaction costs, acquired fund fees and expenses, taxes, litigation expenses and extraordinary expenses), to the extent that they exceed 1.75% per annum of the Fund's average Daily Gross Assets (as defined in Note 7). Total net annualized operating expenses for each class after reimbursement are Class A 1.99%, Class C 2.74%, Class Z 1.73%. Performance results reflect any contractual waivers and/or reimbursements of fund expenses by the Investment Adviser. Absent this limitation, performance results would have been lower.

Stock and bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, factors related to a specific issuer or industry and, with respect to bond prices, changing market perceptions of the risk of default and changes in government intervention. These factors may also lead to increased volatility and reduced liquidity in the bond markets. The Fund may invest in foreign securities which may cause more volatility and less liquidity due to currency changes, political instability and accounting differences.

Interval fund investing involves risk including the possible loss of principal.