NEXPOINT

November 15, 2026

Dear Valued Investor,

Thank you for investing in the NexPoint Storage II DST. In an effort to keep you informed, please find an unaudited financial and operational report for the nine months ended September 30, 2026.

If you have any questions, please contact your financial advisor or our Shareholder Services team at 833-586-1960 during the hours of 8 am – 5 pm Central Time.

All the best,

NexPoint Management Team

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Commentary from NexPoint Storage Partners CEO:

We are pleased to provide you with an update of operations for NexPoint Storage II DST as of and for the nine months ended September 30, 2026. Actual operating results are compared to operating results set forth in the annual budget provided by the third-party property manager, Extra Space Storage ("EXR"). Each year, NexPoint Storage Partners and EXR jointly prepare annual operating budgets for each property using historical performance, current market conditions, and other relevant factors.

Operating results for the nine months ended September 30, 2026 support the view by leaders of the self-storage industry that fundamentals have improved and are poised to inflect to the positive in 2027. Our listed-REIT peers recently reported continued strong occupancy, steady revenue growth and strong expense controls that drove stronger earnings than was generally expected earlier in the year. That said, we continue to deal with the headwind of a persistently weak housing market, and move-in rents continue to lag stabilized rents. However, the size of the gap between move-in and stabilized rates has narrowed, and rate increases to existing customers have remained strong, pointing to further upside as demand conditions normalize. Customer length of stay continues to increase, which adds to the benefit of existing customer rate increase programs. Finally, we continue to see a favorable supply environment that has allowed us to retain high occupancy rates and somewhat offset slower demand caused by the weak housing market. Our focus as we look forward to 2027 is to continue to hold industry-leading occupancy and maximize the available rate increases to existing customers.

Financial highlights for DST II for the nine months ended September 30, 2026, include:

- For the nine months ended September 30, 2026, total revenue was $4.7 million and net operating income was $2.8 million, compared to total revenue and net operating income, respectively, for the nine months ended September 30, 2025 of $4.6 million and $2.8 million. Property taxes drove the year over year increase to expenses, ultimately pushing NOI -1.8% year-over-year.
- Physical occupancy at September 30, 2026 for the four DST II properties was 95.7%, compared to 94.4% at September 30, 2025. The current occupancy level remains higher than the average occupancy reported by the self-storage REITs.
- Average in-place annual rental rate per square foot was $24.26 at September 30, 2026, compared to $24.38 at September 30, 2025. The reduction in annual rental rate per square foot is tied to lowering rates to hold occupancy in the difficult operating environment of the St. Petersburg market.

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We continue to monitor new supply in our submarkets, as a large influx of new supply could materially affect our future performance. Continued inflation in building costs, high land prices, persistently high interest rates, tightness of credit and difficulties in the entitlement/permitting process have continued to suppress new development, and most industry experts predict that supply will remain relatively muted for the next several quarters, resulting in stability in operating performance during that period.

Extra Space Storage continues to provide industry-leading management of all NexPoint Storage Partners owned self-storage properties as well as our DST properties, including the properties in NexPoint Storage II DST. Extra Space continues to lead the industry in average occupancy, and that leadership in occupancy is reflected in the strong occupancy experienced by DST II in the nine months ended September 30, 2026.

We have consistently reiterated our belief that the markets and submarkets represented by the NexPoint Storage II DST properties are among the best self-storage markets in the US. The positive inflection in national self-storage fundamentals, in general, and fundamentals in these markets specifically, together with continued strong operating performance of these properties, give us optimism for 2027 and the longer-term performance of DST II for our investors.

In 2026, the Master Tenant is making Base Rent payments to the Trust at a 3.65% annualized rate of return, a 0.05% increase from the 3.60% rate paid in 2025. This determination reflects NexPoint Storage Partners' assessment of current storage sector conditions, which are showing measured but encouraging signs of improvement.

Regards,



John Good
Chief Executive Officer
NexPoint Storage

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Q3 2026 INVESTOR LETTER

NexPoint Storage II DST

INVESTMENT OVERVIEW

Number of Properties		4
Acquisition Date		10/1/2021
Ownership Period		60 Months
Total Invested Equity	$	66,105,324
Total Distributions Paid to DST Investors	$	13,198,766

		Per NRSF	*Total*
Purchase Price	$	302.93	81,600,000
Current Debt Balance	$	105.80	28,500,000

DISTRIBUTIONS TO INVESTORS

(1/1/2026 - 09/30/2026)	***Annualized Rate***	***$ YTD***
Total Distributions	**3.65%**	**1,804,125**

NON-GAAP MEASURES

EBITDA:		
Net Income	$	386
Depreciation and Amortization		1,598
Interest Expense		1,018
Taxes		-
EBITDA:	$	3,002





KEY PERFORMANCE METRICS

($ in 000's)	***Budget***	***Actual***	***Variance***
Rental Income	4,523	4,405	-2.6%
Discounts	(70)	(83)	18.3%
Write-Offs	(57)	(46)	-19.0%
Net Rental Income	4,396	4,275	-2.7%
Other Income	164	168	2.3%
Non-Storage Income	212	211	-0.4%
Total Income	4,771	4,654	-2.5%
Total Expenses	(1,914)	(1,873)	-2.1%
Net Operating Income	**$ 2,857**	**$ 2,781**	**-2.7%**

* Unaudited financial results for the period: 1/1/2026 - 09/30/2026

** Extra Space Storage 2026 Operating Budget

ASSET MANAGEMENT NOTES

1. Rental income for the nine months ended September 30, 2026, was 2.6% below budget as the manager has lowered rates and increased discounts to retain occupancy across the portfolio.
2. Total expenses for the nine months ended September 30, 2026, came in 2.1% below budget. Favorable results in marketing, payroll, insurance, management fees, administrative costs, and utilities more than offset higher R&M spending and property tax fees.
3. In 2026, the Master Tenant made Base Rent payments to the Trust at a 3.65% annualized rate of return on invested equity, an increase from the 3.60% rate paid in 2025. Distributions for the period totaled $1.8 million, bringing cumulative distributions paid to DST investors since inception to $13.2 million.

PERFORMANCE REVIEW

NexPoint Storage II DST ended the period at approximately 95.7% occupancy. For the nine months ended September 30, 2026, DST II underperformed projected NOI by 2.7%. The storage industry is facing demand headwinds from muted home sales, but DST II assets continued to hold occupancy above industry averages, leading to a larger in-place tenant base. The strategy employed by the property manager is centered on maintaining higher occupancy and utilizing aggressive Existing Customer Rate Increases to fuel rent growth. Management remains optimistic about the performance of this portfolio.

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NEXPOINT STORAGE PARTNERS DST II
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2026
(in thousands)
(Unaudited)

Assets:		
Cash and cash equivalents	$	210
Restricted cash		959
Self-storage real estate owned, net		67,678
TOTAL ASSETS	$	68,847
Liabilities:		
Long term debt, net	$	27,654
Accounts payable, accrued expenses and other liabilities		2,879
Total Liabilities		30,533
Stockholders' Equity:		
Equity Class 1		60,160
Entity Distributions Class 1		(12,980)
Accumulated deficit		(8,866)
Total Stockholders' Equity		38,314
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	68,847

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NEXPOINT STORAGE PARTNERS DST II
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026
(in thousands)
(Unaudited)

Revenues:		
Rental and other property related income from real estate owned	$	3,323
Total revenues		3,323
Costs and expenses:		
General and administrative expenses		107
Depreciation and amortization of real estate owned		1,598
Management fees		214
Total costs and expenses		1,919
Net Operating Income		1,404
Other expenses:		
Interest expense		1,018
Total other expenses		1,018
Net Income	$	386

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NEXPOINT STORAGE PARTNERS DST II
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026
(in thousands)
(Unaudited)

	Class 1	Accumulated Deficit	Total Stockholders' Equity
Balance at December 31, 2025	$ 48,984	$ (9,252)	$ 39,732
Distributions	(1,804)	—	(1,804)
Net Income	—	386	386
Balance at September 30, 2026	$ 47,180	$ (8,866)	$ 38,314

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NEXPOINT STORAGE PARTNERS DST II
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026
(in thousands)
(Unaudited)

Cash flows from operating activities:		
Net Income	$	386
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization		1,470
Amortization of debt issuance costs		127
Accounts payable, accrued expenses, and other liabilities		882
Net cash provided by operating activities		2,865
Cash flows from investing activities:		
Capital additions to self-storage real estate owned		(351)
Net cash used in investing activities		(351)
Cash flows from financing activities:		
Distributions		(1,804)
Net cash used in financing activities		(1,804)
Net change in cash and cash equivalents		709
Cash and cash equivalents and Restricted cash at the beginning of the period		460
Cash and cash equivalents and Restricted cash at the end of the period	$	1,169
Supplemental disclosure of cash flow information:		
Interest paid	$	1,018

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