NEXPOINT

DECEMBER 31, 2024 ANNUAL REPORT

NexPoint Real Estate Strategies Fund

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Economic and market conditions change frequently.
There is no assurance that the trends described in this report will continue or commence.

A prospectus must precede or accompany this report. Please read the prospectus carefully before you invest

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Dear Shareholders,
We are pleased to present NexPoint Real Estate Strategies Fund's (NRES) annual report for the 2024 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.

Performance Overview
Publicly traded REITs were down through the first half of 2024, but rebounded beginning in July, ending the year up 8.75%. NexPoint Real Estate Strategies Class Z shares posted a total return of -0.34% during 2024. Since inception in July 2016, NexPoint Real Estate Strategies Class Z shares returned 54.09%, outperforming the MSCI US REIT Index by 4.88%. Private real estate investment trusts and the short positions were the largest detractors to performance in 2024 with a return of -4.29% and -3.16% respectively.

The Markets in Review
2024 was a strong year for equities, driven by solid economic growth, falling inflation, and Federal Reserve interest-rate cuts. The artificial intelligence boom continued to fuel significant gains in Big Tech stocks, leading the overall market higher. While the S&P 500 Index closed out the year up 25%, bonds experienced more muted performance, with only small gains and the Federal Reserve's policy changes contributed to a roller-coaster year for fixed income. Overall, the U.S. economy expanded at a rate of 2.8% in 2024, supported by a strong consumer base, low unemployment, and progress toward a 2% inflation target. A few key events, such as the 2024 elections had a significant impact on market sentiment, with policy shifts around taxes, trade, and regulation influencing the economic landscape.

2024 was a mixed year for commercial real estate (CRE). While some sectors showed resilience, others faced significant challenges. The retail sector outperformed expectations, with growth driven by adaptive reuse of spaces and increased demand in growing areas. The office market continued to struggle, with property values dropping further as the shift towards remote and hybrid work models persisted, leading to higher vacancy rates and lower demand for office space. Industrial real estate remained strong, supported by the ongoing growth of e-commerce and the need for logistics and distribution centers, and the multifamily sector faced distress, with rising vacancy rates and slower rent growth. Although financing was challenging in early 2024, conditions eased as the year progressed, leading to increased lending activity. Market activity saw a gradual recovery, with increased investment opportunities and shifts in tenant preferences, although, the overall recovery was modest and uneven across different sectors.

Portfolio Discussion
As of December 31, 2024, the Fund's long assets totaled $35.6 million. The Fund's long assets were approximately 62% invested in real estate, real estate investment trusts, and mortgage real estate investment trusts and 38% invested across debt securities, public and private equities, and structured products.

The most significant contributor to performance during the period was the Fund's investment in NexPoint Real Estate Finance Inc., REIT, while the largest detractors to performance were private real estate investment trusts and the short positions.

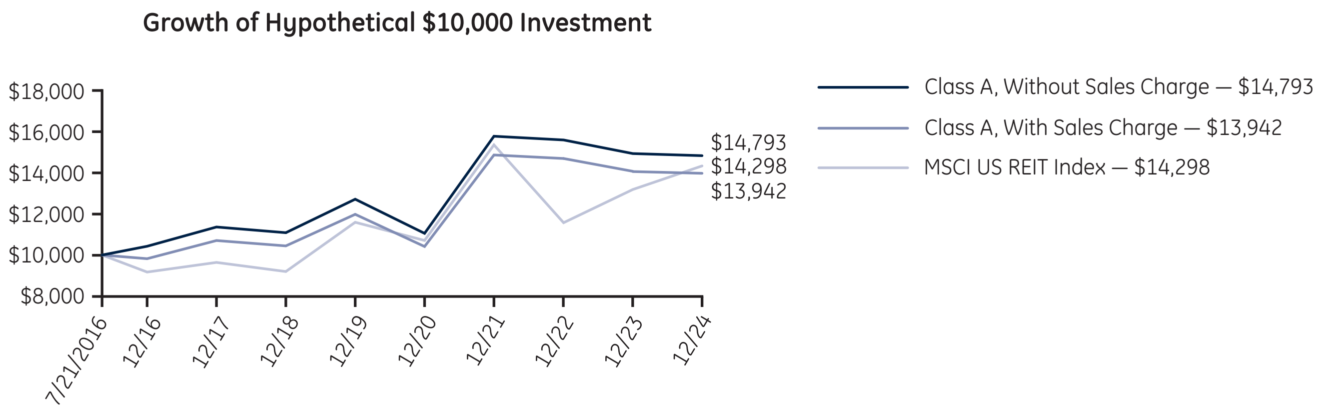
We use our ability to leverage information from being both an owner-operator and lender to commercial real estate investments to allow us to find relative value throughout the capital stack with the goal of delivering higher than average risk-adjusted returns. We will continue to seek to take advantage 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



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	-0.60%	-6.32%	-1.36%	-2.27%	-0.34%	N/A
Five Year	3.11%	1.90%	2.36%	2.36%	3.37%	N/A
Since Inception:	4.74%	4.01%	4.10%	4.10%	5.09%	N/A
(July 21, 2016) for Class A and C						
(July 1, 2016) for Class Z						

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: 4.00%, Class C: 4.74%, Class Z: 3.75%. 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 3.13%, Class C 3.88%, Class Z 2.88%. 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.

Objective

NexPoint Real Estate Strategies Fund seeks long-term total return with an emphasis on current income.

Net Assets as of December 31, 2024

$34.5 million

Portfolio Data as of December 31, 2024

The information below provides a snapshot of NexPoint Real Estate Strategies Fund at the end of the reporting period. NexPoint Real Estate Strategies Fund is actively managed and the composition of its portfolio will change over time. Current and future holdings are subject to risk.

Schedule of Investments Classifications as of 12/31/2024(1)	
Real Estate Investment Trust	34.9%
Real Estate	32.8%
Asset-Backed Security	12.8%
Mortgage Real Estate Investment Trusts (REITs)	2.1%
Agency Collateralized Mortgage Obligation	0.1%
Other Investments and Assets & Liabilities	17.3%

Top 10 Holdings as of 12/31/2024(1)(2)	%
NRESF REIT SUB, LLC (Common Stock)	15.1
NexPoint Real Estate Finance, Inc., REIT (Common Stock)	12.8
NRES REIT SUB II, LLC (Common Stock)	6.2
IQHQ, Inc. 10.50%, 12/31/2049 (Preferred Stock)	6.1
IQHQ, Inc. (Common Stock)	5.9
NRES Storage Partners Operating Co., LLC 9.00%, 9/8/2025 (U.S. Senior Loans)	5.7
FREMF Mortgage Trust 5.90%, 1/25/2029 (Asset-Backed Securities)	5.1
Ground Lease (Common Stock)	5.0
NRES CMP Holdco (Common Stock)	4.4
FREMF Mortgage Trust 5.59%, 3/25/2029 (Asset-Backed Securities)	4.3

(1) Securities Classifications and holdings are calculated as a percentage of total net assets.

(2) Includes NRESF REIT SUB, LLC, as the entity is intended to hold private debt. NRESF REIT SUB, LLC is an affiliated issuer.

A GUIDE TO UNDERSTANDING THE FUND'S FINANCIAL STATEMENTS

Investment Portfolio	The Investment Portfolio details the Fund's holdings and their fair value as of the last day of the reporting period. Portfolio holdings are organized by type of asset and industry to demonstrate areas of concentration and diversification.
Statement of Assets and Liabilities	This statement details the Fund's assets, liabilities, net assets and share price for each share class as of the last day of the reporting period. Net assets are calculated by subtracting all of the Fund's liabilities (including any unpaid expenses) from the total of the Fund's investment and noninvestment assets. The net asset value per share for each class is calculated by dividing net assets allocated to that share class by the number of shares outstanding in that class as of the last day of the reporting period.
Statement of Operations	This statement reports income earned by the Fund and the expenses incurred by the Fund during the reporting period. The Statement of Operations also shows any net gain or loss the Fund realized on the sales of its holdings during the period as well as any unrealized gains or losses recognized over the period. The total of these results represents the Fund's net increase or decrease in net assets from operations.
Statements of Changes in Net Assets	This statement details how the Fund's net assets were affected by its operating results, distributions to shareholders and shareholder transactions (e.g., subscriptions, redemptions and distribution reinvestments) during the reporting period. The Statements of Changes in Net Assets also details changes in the number of shares outstanding.
Statement of Cash Flows	This statement reports net cash and foreign currency provided or used by operating, investing and financing activities and the net effect of those flows on cash and foreign currency during the period.
Financial Highlights	The Financial Highlights demonstrate how the Fund's net asset value per share was affected by the Fund's operating results. The Financial Highlights also disclose the classes' performance and certain key ratios (e.g., net expenses and net investment income as a percentage of average net assets).
Notes to Financial Statements	These notes disclose the organizational background of the Fund, certain of their significant accounting policies (including those surrounding security valuation, income recognition and distributions to shareholders), federal tax information, fees and compensation paid to affiliates and significant risks and contingencies.

Shares		Amortized Cost ($)	Value ($)
Common Stock – 65.0%			
REAL ESTATE – 28.1%			
1,800	Digital Realty Trust (a)	243,557	319,194
4,320	Elme Communities (a)	84,435	65,966
160,205	IQHQ, Inc. (d)(o)	2,467,701	2,042,614
3,800	Iron Mountain (a)	246,538	399,418
1,800	Mid-America Apartment Communities (a)	238,395	278,226
281,817	NexPoint Real Estate Finance, Inc., REIT (a)(e)	5,323,800	4,421,714
60,377	NRES CMP Holdco (b)(c)(d)(e)	1,509,974	1,508,452
37,256	Safehold (a)	1,530,577	688,491
			9,724,075
REAL ESTATE INVESTMENT TRUST – 36.9%			
75,000	Dreamscape Entertainment Properties, Inc. (b)(c)	1,500,000	1,306,500
90,000	Ground Lease (b)(c)(d)	1,800,000	1,737,900
28,322	NexPoint Residential Trust, Inc. (a)(e)	621,277	1,182,443
1,280	NexPoint Storage Partners, Inc. (b)(c)(d)(e)	1,077,618	929,509
235	NRES REIT SUB II, LLC (b)(c)(d)(e)	1,725,751	2,153,021
149,385,399	NRESF REIT SUB, LLC (b)(c)(d)(e)	2,612,266	5,208,173
55,029	United Development Funding IV, REIT (b)(c)	60,479	234,872
			12,752,418
	Total Common Stock (Cost $21,042,368)		22,476,493
Asset-Backed Securities – 13.6%			
291,000	CIFC Funding, Series 2014-5A 0.00%, 7/17/2037 (f)(g)	306,852	142,590
300,000	CIFC Funding, Series 2014-4RA 0.00%, 1/17/2035 (g)	94,500	75,000
250,000	CIFC Funding, Series 2015-1A 0.00%, 1/22/2031 (f)(g)	200,050	21,250
2,000,000	FREMF Mortgage Trust, Series 2024-K515, Class C 5.90%, 1/25/2029 (g)	1,753,682	1,753,780
1,680,560	FREMF Mortgage Trust, Series 2024-K520, Class C 5.59%, 3/25/2029 (g)	1,461,417	1,500,740
541,934	FREMF Mortgage Trust, Series 2020-KF74, Class C SOFR 1 Month + 6.364%, 11.03%, 1/25/2027 (g)(i)(j)	534,541	522,860
16,306,074	FRESB Mortgage Trust, Series 2020-SB76, Class X1 1.15%, 5/25/2030 (h)	518,239	667,853
	Total Asset-Backed Securities (Cost $4,869,281)		4,684,073
Preferred Stock – 8.6%			
FINANCIALS – 2.2%			
40,000	KKR Real Estate Finance Trust 6.50% (a)(k)	636,691	768,400

Shares		Amortized Cost ($)	Value ($)
REAL ESTATE – 6.4%			
2,106	IQHQ, Inc., Series D-1 10.50% (b)(c)	1,822,271	2,106,000
112	IQHQ, Inc., Series E-1 16.50% (b)(c)	111,620	111,620
			2,217,620
	Total Preferred Stock (Cost $2,570,582)		2,986,020
U.S. Senior Loans (l) – 7.7%			
REAL ESTATE – 7.7%			
100,000	NexPoint SFR Operating Partnership L.P., 6/7/2027 (b)(c)(e)	100,000	97,150
600,000	NRES GERONIMO, LLC, 2/24/2028 (b)(c)(e)	600,000	578,782
2,000,000	NRES Storage Partners Operating Co., LLC, 09/08/2025 (b)(c)(e)	2,000,000	1,987,600
			2,663,532
	Total U.S. Senior Loans (Cost $2,700,000)		2,663,532
Revolving Credit Note – 4.1%			
REAL ESTATE – 4.1%			
1,400,000	IQHQ, LP, 12/31/2027 (b)(c)(f)	1,400,000	1,400,000
	Total Revolving Credit Note (Cost $1,400,000)		1,400,000
Corporate Obligation – 2.2%			
REAL ESTATE – 2.2%			
1,000,000	Waypoint Residential 13.00%, 12/15/2026 (g)	1,000,000	756,395
	Total Corporate Obligation (Cost $1,000,000)		756,395
Warrants – 1.8%			
REAL ESTATE – 1.8%			
130,149	IQHQ, Inc. (b)(c)	260,297	628,617
	Total Warrants (Cost $260,297)		628,617
Agency Collateralized Mortgage Obligation – 0.1%			
336,832	FHLMC Multifamily Structured Pass Through Certificates, Series K097, Class X3 2.02%, 9/25/2046 (h)(i)	14,108	26,720
	Total Agency Collateralized Mortgage Obligation (Cost $14,108)		26,720
Cash Equivalents – 2.6%			
MONEY MARKET FUND – 2.6%			
890,740	Dreyfus Treasury Obligations Cash Management, Institutional Shares 4.340% (m)	890,740	890,740
	Total Cash Equivalents (Cost $890,740)		890,740
Total Investments – 105.7% (Cost $34,747,376)			**36,512,590**

Shares		Value ($)
Securities Sold Short – (11.6)%		
COMMON STOCK – (11.6)%		
REAL ESTATE – (11.6)%		
(6,900)	Ryman Hospitality Properties (a)	(719,946)
(48,500)	SL Green Realty (a)	(3,294,120)
		(4,014,066)
	Total Common Stock (Proceeds $1,645,612)	(4,014,066)
	Total Securities Sold Short – (11.6)% (Proceeds $1,645,612)	(4,014,066)
Other Assets & Liabilities, Net – 5.9% (n)		**2,049,924**
Net Assets – 100.0%		**34,548,448**

(a) All or part of this security is pledged as collateral for short sales. The fair value of the securities pledged as collateral was $4,732,972.
(b) Securities with a total aggregate value of $19,988,196, or 57.8% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Financial Statements for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
(c) Represents fair value as determined by the Investment Adviser pursuant to the policies and procedures approved by the Board of Trustees (the "Board"). The Board has designated the Investment Adviser as "valuation designee" for the Fund pursuant to Rule 2a-5 of the Investment Company Act of 1940, as amended. The Investment Adviser considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of $19,988,196, or 57.8% of net assets, were fair valued under the Fund's valuation procedures as of December 31, 2024. Please see Notes to Financial Statements.
(d) Non-income producing security.
(e) Affiliated issuer. Assets with a total aggregate fair value of $18,066,844, or 52.3% of net assets, were affiliated with the Fund as of December 31, 2024.
(f) No interest rate available.
(g) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transactions exempt from registration to qualified institutional buyers. The Board has determined these investments to be liquid. At December 31, 2024, these securities amounted to $4,772,615 or 13.8% of net assets.
(h) Interest only security ("IO"). These types of securities represent the right to receive the monthly interest payments on an underlying pool of mortgages. Payments of principal on the pool reduce the value of the "interest only" holding.
(i) As of December 31, 2024, investments with a total aggregate value of $4,306,599 were fully or partially segregated with broker(s)/custodian as collateral for reverse repurchase agreements.
(j) SOFR 1 Month rate was 4.53% as of December 31, 2024. Please see Notes to Financial Statements.
(k) Perpetual security with no stated maturity date.
(l) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the Secured Overnight Financing Rate ("SOFR") or (iii) the Certificate of Deposit rate. As of December 31, 2024, the SOFR 1 Month and SOFR 3 Month rates were 4.53% and 4.69%, respectively. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity maybe substantially less than the stated maturity shown.
(m) Rate reported is 7 day effective yield.
(n) As of December 31, 2024, $3,944,730 in cash was segregated or on deposit with the brokers to cover investments sold short and is included in "Other Assets & Liabilities, Net".
(o) Securities with a total aggregate value of $2,042,614, or 5.9% of net assets, were valued using the issuer's fair market value NAV as a practical expedient under ASC 820. Please see Notes to Financial Statements for an explanation of this hierarchy.

LLC - Limited Liability Company
REIT - Real Estate Investment Trust

Reverse Repurchase Agreements outstanding as of December 31, 2024 were as follows:

Counterparty	Collateral Pledged	Interest Rate %	Trade Date	Maturity Date	Repurchase Amount	Principal Amount	Value
Mizuho	FHLMC Multifamily Structured Pass Through Certificates, Series K097, Class X3, 9/25/2046	5.64	11/25/2024	1/10/2025	$ (19,137)	$ (19,000)	$ (19,000)
Mizuho	FREMF Mortgage Trust, Series 2020-KF74, Class C, 01/25/2027	6.59	11/25/2024	1/10/2025	(370,090)	(367,000)	(367,000)
Mizuho	FREMF Mortgage Trust, Series 2024-K515, Class C, 01/25/2029	6.59	11/25/2024	1/10/2025	(1,257,500)	(1,247,000)	(1,247,000)
Mizuho	FREMF Mortgage Trust, Series 2024-K520, Class C, 03/25/2029	6.59	11/25/2024	1/10/2025	(1,046,741)	(1,038,000)	(1,038,000)
Mizuho	FRESB Mortgage Trust, Series 2020-SB76, Class X1, 05/25/2030	5.64	11/25/2024	1/10/2025	(319,285)	(317,000)	(317,000)
Total Reverse Repurchase Agreements						$(2,988,000)	$(2,988,000)

		($)
Assets		
Investments, at value		17,555,006
Affiliated investments, at value (Note 11)		18,066,844
Total Investments, at value	$	35,621,850
Restricted cash		3,944,730
Cash and cash equivalents		964,445
Cash pledged as collateral on reverse repurchase agreements		460,000
Receivable for:		
Dividends and Interest		488,391
Due from broker		112,242
Fund shares sold		28,959
Prepaid expenses and other assets		15,215
Total assets		41,635,832
Liabilities:		
Securities sold short, at value (Note 2)		4,014,066
Reverse repurchase agreements (Note 3 and 5)		2,988,000
Payable for:		
Interest expense and commitment fee		20,424
Administration fees		10,961
Investment advisory fees (Note 7)		6,480
12B-1 Fees Class C		2,514
12B-1 Fees Class A		1,702
Accrued expenses and other liabilities		43,237
Total liabilities		7,087,384
Net Assets		**34,548,448**
Net Assets Consist of:		
Paid-in capital		36,484,967
Total accumulated loss		(1,936,519)
Net Assets		**34,548,448**
Investments, at cost		18,285,950
Affiliated investments, at cost (Note 11)		15,570,686
Cash equivalents, at cost		890,740
Proceeds from securities sold short		1,645,612
Proceeds from reverse repurchase agreements		2,988,000
Class A:		
Net assets	$	7,555,162
Shares outstanding (unlimited shares authorized)		472,687
Net asset value per share[(a)(b)]	$	15.98
Maximum offering price per share[(c)]	$	16.95
Class C:		
Net assets	$	2,884,551
Shares outstanding (unlimited shares authorized)		178,015
Net asset value and offering price per share[(a)]	$	16.20
Class Z:		
Net assets	$	24,108,735
Shares outstanding (unlimited shares authorized)		1,487,294
Net asset value, offering and redemption price per share	$	16.21

(a) Redemption price per share is equal to net asset value per share less any applicable contingent deferred sales charge ("CDSC").
(b) Purchases of $500,000 or more are subject to a 1.00% CDSC if redeemed within eighteen months of purchase.
(c) The sales charge is 5.75%. On sales of $500,000 or more, there is no sales charge and therefore the offering will be lower.

	($)
Investment Income:	
Income:	
Dividends from unaffiliated issuers	129,520
Dividends from affiliated issuers (Note 11)	511,180
Securities lending income (Note 12)	38
Interest from unaffiliated issuers	1,381,410
Interest from affiliated issuers	278,087
Total income	2,300,235
Expenses:	
Investment advisory (Note 7)	479,153
Interest expense and commitment fees (Note 5)	308,442
Dividends and fees on securities sold short (Note 2)	176,569
Audit and tax preparation fees	86,777
Transfer agent fees	85,904
Legal fees	75,738
Reports to shareholders	57,559
Distribution and shareholder service fees: (Note 7)	
Class A	21,737
Class C	33,713
Administration fees (Note 7)	51,862
Registration fees	37,602
Insurance	25,414
Pricing fees	18,819
Custodian/wire agent fees	16,290
Trustees fees (Note 7)	15,903
Total operating expenses before waiver	1,491,482
Less: Expenses waived or borne by the investment adviser and administrator	(331,916)
Net operating expenses	1,159,566
Net investment income	1,140,669
Net Realized and Unrealized Gain (loss) on Investments	
Realized Gain (Loss) on:	
Investments from unaffiliated issuers	250,902
Investments from affiliated issuers (Note 11)	36,498
Net Change in Unrealized Appreciation (Depreciation) on:	
Investments from unaffiliated issuers	(1,110,105)
Investments in affiliated issuers (Note 11)	547,423
Securities sold short (Note 2)	(1,063,908)
Net realized and unrealized gain (loss) on investments	(1,339,190)
Total decrease in net assets resulting from operations	(198,521)

	Year Ended December 31, 2024 ($)	Year Ended December 31, 2023 ($)
Increase (Decrease) in Net Assets		
Operations:		
Net investment income	1,140,669	1,187,279
Net realized gain (loss) on investments	287,400	(1,540,780)
Net change in unrealized (depreciation) on investments	(1,626,590)	(1,660,571)
Net (decrease) in net assets resulting from operations	(198,521)	(2,014,072)
Total distributions to shareholders:		
Class A	(287,561)	(263,428)
Class C	(99,495)	(113,165)
Class Z	(887,081)	(800,946)
Total distribution to shareholders	(1,274,137)	(1,177,539)
Return of capital:		
Class A	(442,761)	(458,041)
Class C	(153,194)	(196,450)
Class Z	(1,365,851)	(1,389,803)
Total return of capital	(1,961,806)	(2,044,294)
Total distributions	(3,235,943)	(3,221,833)
Decrease in net assets from operations and distributions	(3,434,464)	(5,235,905)
Share transactions:		
Proceeds from sale of shares		
Class A	1,284,246	3,151,256
Class C	43,310	510,962
Class Z	2,961,727	9,248,119
Value of distributions reinvested		
Class A	306,450	417,822
Class C	75,162	111,271
Class Z	555,029	952,742
Cost of shares redeemed		
Class A	(2,519,128)	(2,413,772)
Class C	(890,747)	(656,667)
Class Z	(4,227,258)	(5,249,158)
Net increase (decrease) from shares transactions	(2,411,209)	6,072,575
Total increase (decrease) in net assets	(5,845,673)	836,670
Net Assets		
Beginning of year	40,394,121	39,557,451
End of year	34,548,448	40,394,121

Amounts designated as "—" are $0 or have been rounded to $0.

	Year Ended December 31, 2024	Year Ended December 31, 2023
CAPITAL STOCK ACTVITIY - SHARES		
Class A:		
Shares sold	76,338	167,227
Issued for distribution reinvested	18,455	22,198
Shares redeemed	(151,258)	(130,958)
Net increase (decrease) in fund shares	(56,465)	58,467
Class C:		
Shares sold	2,510	25,745
Issued for distribution reinvested	4,463	5,837
Shares redeemed	(52,553)	(36,349)
Net decrease in fund shares	(45,580)	(4,767)
Class Z:		
Shares sold	173,272	472,302
Issued for distribution reinvested	32,925	49,439
Shares redeemed	(250,426)	(277,611)
Net increase (decrease) in fund shares	(44,229)	244,130

Amounts designated as "—" are $0 or have been rounded to $0.

	($)
Cash Flows Provided by (Used In) Operating Activities:	
Net increase (decrease) in net assets resulting from operations	(198,521)
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Used in Operating Activities:	
Purchases of investment securities from unaffiliated issuers	(6,230,058)
Purchases of investment securities from affiliated issuers	(52,311)
Proceeds from the disposition of investment securities from unaffiliated issuers	12,928,462
Proceeds from return of capital of investment securities from unaffiliated issuers	233,895
Proceeds from return of capital of investment securities from affiliated issuers	68,669
Net realized (gain) on Investments from unaffiliated issuers	(250,902)
Net realized (gain) on Investments from affiliated issuers	(36,498)
Net change in unrealized (appreciation) depreciation on unaffiliated investments	1,110,105
Net change in unrealized (appreciation) depreciation on affiliated investments	(547,423)
Net change in unrealized (appreciation) depreciation on securities sold short	1,063,908
Net accretion of discount	197,760
(Increase) decrease in dividends and interest receivable	(158,809)
(Increase) decrease in receivable for investment advisory fees	88,749
(Increase) decrease in receivable for line of credit	25,000
(Increase) decrease in due from broker	(112,242)
(Increase) decrease in prepaid expenses and other assets	1,452
Increase (decrease) in due to broker	(23)
Increase (decrease) in payable for investment advisory fees	6,480
Increase (decrease) in payable for interest and commitment fees	709
Increase (decrease) in accrued expense and other liabilities	(61,676)
Net cash flow provided by (used in) operating activities	8,076,726
Cash Flows Used in Financing Activities:	
Payments for reverse repurchase agreements	(3,048,000)
Distributions paid in cash	(2,299,301)
Payments of shares redeemed	(7,637,133)
Proceeds from shares sold net of change in receivable	4,312,134
Net cash flow provided by (used in) financing activities	(8,672,300)
Net decrease in Cash	(595,574)
Cash, Cash Equivalents, Foreign Currency and Restricted Cash:	
Beginning of year	5,964,750
End of year	5,369,176
End of the Year Cash Balances:	
Cash and cash equivalents	964,445
Restricted cash	3,944,730
Cash pledged as collateral on reverse repurchase agreements	460,000
End of year	5,369,175
Supplemental Disclosure of Cash Flow Information:	
Reinvestment of distributions	936,641
Cash paid during the period for interest expense and commitment fees	307,333

Selected data for a share outstanding throughout each period is as follows:

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
Net Asset Value, Beginning of Year	$17.51	$19.73	$21.31	$16.19	$20.36
Income from Investment Operations:					
Net investment income[(a)]	0.48	0.51	0.31	0.09	0.48
Net realized and unrealized gain (loss)	(0.59)	(1.31)	(0.47)	6.46	(3.23)
Total from Investment Operations	(0.11)	(0.80)	(0.16)	6.55	(2.75)
Less Distributions Declared to shareholders:					
From net investment income	(0.57)	(0.52)	(0.30)	(0.34)	(0.39)
From return of capital	(0.85)	(0.90)	(1.12)	(1.09)	(1.03)
Total distributions declared to shareholders	(1.42)	(1.42)	(1.42)	(1.43)	(1.42)
Net Asset Value, End of year[(b)]	$ 15.98	$ 17.51	$ 19.73	$ 21.31	$ 16.19
Total Return[(b)(c)]	(0.60)%	(4.30)%	(1.15)%	42.42%	(12.98)%
Ratios to Average Net Assets / Supplemental Data:[(d)]					
Net Assets, End of Year (000's)	$ 7,555	$ 9,265	$ 9,288	$ 5,903	$ 2,273
Gross operating expenses[(e)]	4.00%	4.25%	2.87%	3.08%	3.41%
Net investment income (loss)	2.88%	2.66%	1.42%	0.51%	2.97%
Portfolio turnover rate	13%	10%	41%	41%	42%
Average commission rate paid[(f)]	$ —	$0.0289	$ —	$0.0225	$0.0348

(a) Per share data was calculated using average shares outstanding during the period.
(b) The Net Asset Value per share and total return have been calculated based on net assets which include adjustments made in accordance with U.S. Generally Accepted Accounting Principles required at period end for financial reporting purposes. These figures do not necessarily reflect the Net Asset Value per share or total return experienced by the shareholder at period end.
(c) Total return is at net asset value assuming all distributions are reinvested and no initial sales charge or CDSC. For periods with waivers/reimbursements, had the Fund's Investment Adviser not waived or reimbursed a portion of expenses, total return would have been lower.
(d) All ratios for the period have been annualized, unless otherwise indicated.
(e) Supplemental expense ratios are shown below:
(f) Represents the total dollar amount of commissions paid on portfolio transactions divided by total number of portfolio shares purchased and sold for which commissions were charged.

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)[(g)]	3.32%	3.18%	2.28%	1.99%	2.44%
Interest expense and commitment fees	0.80%	0.77%	0.25%	—%	0.34%
Dividends and fees on securities sold short	0.46%	0.47%	0.06%	0.02%	—%

(g) This includes the additional voluntarily elected waiver by the Investment Adviser during the period which resulted in a 0.06% impact to the net expenses ratio.

Amounts designated as "—" are zero or have been rounded to zero.

Selected data for a share outstanding throughout each period is as follows:

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
Net Asset Value, Beginning of Year	$17.73	$19.96	$21.56	$16.37	$20.53
Income from Investment Operations:					
Net investment income (loss)[a]	0.36	0.36	0.15	(0.04)	0.36
Net realized and unrealized gain (loss)	(0.60)	(1.31)	(0.49)	6.52	(3.22)
Total from Investment Operations	(0.24)	(0.95)	(0.34)	6.48	(2.86)
Less Distributions Declared to shareholders:					
From net investment income	(0.52)	(0.47)	(0.26)	(0.32)	(0.34)
From return of capital	(0.77)	(0.81)	(1.00)	(0.97)	(0.96)
Total distributions declared to shareholders	(1.29)	(1.28)	(1.26)	(1.29)	(1.30)
Net Asset Value, End of year[b]	$ 16.20	$ 17.73	$ 19.96	$ 21.56	$ 16.37
Total Return[b][c]	(1.36)%	(5.02)%	(1.93)%	41.32%	(13.45)%
Ratios to Average Net Assets / Supplemental Data:[d]					
Net Assets, End of Year (000's)	$ 2,885	$ 3,964	$ 4,558	$ 2,706	$ 1,791
Gross operating expenses[e]	4.74%	4.98%	3.64%	3.85%	4.13%
Net investment income (loss)	2.11%	1.90%	0.69%	(0.21)%	2.14%
Portfolio turnover rate	13%	10%	41%	41%	42%
Average commission rate paid[f]	$ —	$0.0289	$ —	$0.0225	$0.0348

(a) Per share data was calculated using average shares outstanding during the period.
(b) The Net Asset Value per share and total return have been calculated based on net assets which include adjustments made in accordance with U.S. Generally Accepted Accounting Principles required at period end for financial reporting purposes. These figures do not necessarily reflect the Net Asset Value per share or total return experienced by the shareholder at period end.
(c) Total return is at net asset value assuming all distributions are reinvested and no initial sales charge or CDSC. For periods with waivers/reimbursements, had the Fund's Investment Adviser not waived or reimbursed a portion of expenses, total return would have been lower.
(d) All ratios for the period have been annualized, unless otherwise indicated.
(e) Supplemental expense ratios are shown below:
(f) Represents the total dollar amount of commissions paid on portfolio transactions divided by total number of portfolio shares purchased and sold for which commissions were charged.

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)[g]	4.07%	3.93%	3.05%	2.74%	3.18%
Interest expense and commitment fees	0.80%	0.77%	0.25%	–%	0.34%
Dividends and fees on securities sold short	0.46%	0.47%	0.06%	0.02%	–%

(g) This includes the additional voluntarily elected waiver by the Investment Adviser during the period which resulted in a 0.06% impact to the net expenses ratio.
Amounts designated as "–" are zero or have been rounded to zero.

Selected data for a share outstanding throughout each period is as follows:

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
Net Asset Value, Beginning of Year	$17.74	$19.97	$21.54	$16.36	$20.55
Income from Investment Operations:					
Net investment income[(a)]	0.53	0.57	0.36	0.14	0.53
Net realized and unrealized gain (loss)	(0.60)	(1.33)	(0.46)	6.51	(3.26)
Total from Investment Operations	(0.07)	(0.76)	(0.10)	6.65	(2.73)
Less Distributions Declared to shareholders:					
From net investment income	(0.58)	(0.54)	(0.31)	(0.38)	(0.44)
From return of capital	(0.88)	(0.93)	(1.16)	(1.09)	(1.02)
Total distributions declared to shareholders	(1.46)	(1.47)	(1.47)	(1.47)	(1.46)
Net Asset Value, End of year[(b)]	$ 16.21	$ 17.74	$ 19.97	$ 21.54	$ 16.36
Total Return[(b)(c)]	(0.34)%	(4.06)%	(0.85)%	42.68%	(12.75)%
Ratios to Average Net Assets / Supplemental Data:[(d)]					
Net Assets, End of Year (000's)	$24,109	$27,165	$25,711	$15,493	$12,709
Gross operating expenses[(e)]	3.75%	4.02%	2.61%	2.85%	3.24%
Net investment income (loss)	3.12%	2.95%	1.66%	0.78%	3.24%
Portfolio turnover rate	13%	10%	41%	41%	42%
Average commission rate paid[(f)]	$—	$0.0289	$—	$0.0225	$0.0348

(a) Per share data was calculated using average shares outstanding during the period.
(b) The Net Asset Value per share and total return have been calculated based on net assets which include adjustments made in accordance with U.S. Generally Accepted Accounting Principles required at period end for financial reporting purposes. These figures do not necessarily reflect the Net Asset Value per share or total return experienced by the shareholder at period end.
(c) Total return is at net asset value assuming all distributions are reinvested and no initial sales charge or CDSC. For periods with waivers/reimbursements, had the Fund's Investment Adviser not waived or reimbursed a portion of expenses, total return would have been lower.
(d) All ratios for the period have been annualized, unless otherwise indicated.
(e) Supplemental expense ratios are shown below:
(f) Represents the total dollar amount of commissions paid on portfolio transactions divided by total number of portfolio shares purchased and sold for which commissions were charged.

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)[(g)]	3.07%	2.94%	2.03%	1.73%	2.19%
Interest expense and commitment fees	0.80%	0.77%	0.25%	—%	0.34%
Dividends and fees on securities sold short	0.46%	0.47%	0.06%	0.02%	—%

(g) This includes the additional voluntarily elected waiver by the Investment Adviser during the period which resulted in a 0.06% impact to the net expenses ratio.

	For the Years Ended December 31,				
	2024	2023	2022	2021	2020
Borrowings at end of period					
Aggregate Amount Outstanding	2,988,000	6,036,000	3,966,000	29,000	31,000
Asset Coverage Per $1,000*	12,551.77	771.07	1,036.22	832,099.72	542,072.06

* See Note 6 for further details.
Amounts designated as "—" are zero or have been rounded to zero.

Note 1. Organization

NexPoint Real Estate Strategies Fund (the “Fund”) is a Delaware statutory trust and is registered with the U.S. Securities and Exchange Commission (the “SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as a non-diversified, closed-end management investment company that operates as an interval fund. The Fund commenced operations on July 1, 2016. This report includes information for the year ended December 31, 2024. The Fund pursues its investment objective by investing, under normal circumstances, at least 80% of its assets (defined as net assets plus the amount of any borrowing for investment purposes) in real estate and real estate related securities. NexPoint Advisors, L.P. (“NexPoint” or the “Investment Adviser”), an affiliate of NexPoint Asset Management, L.P., is the Investment Adviser to the Fund.

Fund Shares

The Fund is authorized to issue an unlimited number of shares of beneficial interest with no par value (each a “Share” and collectively, the “Shares”). The Fund currently offers the following three share classes to investors, Class A, Class C and Class Z Shares. A fourth share class, the Class L Shares, has been registered but is not currently offered. Class A Shares are sold with a front-end sales charge. Maximum sales load imposed on purchases of Class A Shares (as a percentage of offering price) is 5.75%. There is no front-end sales charge imposed on individual purchases of Class A Shares of $500,000 or more. The front-end sales charge is also waived in other instances as described in the Fund’s prospectus. Purchases of $500,000 or more of Class A Shares at net asset value (“NAV”) pursuant to a sales charge waiver are subject to a 1.00% contingent deferred sales charge (“CDSC”) if redeemed within eighteen months of purchase. Class C Shares may be subject to a CDSC. The maximum CDSC imposed on redemptions of Class C Shares is 1.00% within the first eighteen months of purchase and 0.00% thereafter. No front-end or CDSCs are assessed by the Trust with respect to Class Z Shares of the Fund.

Segment Reporting

The Fund adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280) – *Improvements to Reportable Segment Disclosures* (“ASU 2023-07”). Adoption of the new standard resulted in new financial statement disclosures and did not affect the Fund’s financial position or its results of operations. An operating segment is defined in Topic 280 as a component of a public entity that engages in business activities from which it may recognize revenues and incur expenses, has operating results that are regularly reviewed by the public entity’s chief operating decision maker (“CODM”) to make decisions about resources to be allocated to the segment and assess its performance, and has discrete financial information available.

The CODM for the Fund is the Investment Adviser through its management, investment, and operating functions, which is responsible for assessing performance and making decisions about resource allocation. The CODM has determined that the Fund has a single operating segment based on the fact that the CODM monitors the operating results of the Fund as a whole and that the Fund’s long-term strategic asset allocation is pre-determined in accordance with the terms of its prospectus, based on a defined investment strategy which is executed by the Fund’s portfolio managers as a team. The financial information provided to and reviewed by the CODM is consistent with that presented within the Fund’s Schedule of Investments, Statement of Assets and Liabilities, Statement of Operations, Statement of Changes in Net Assets and Financial Highlights.

Note 2. Significant Accounting Policies

The following summarizes the significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

Use of Estimates

The Fund is an investment company that follows the investment company accounting and reporting guidance of FASB Accounting Standards Codification (“ASC”) Topic 946 *Financial Services – Investment Companies* applicable to investment companies. The Fund’s financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which require the Investment Adviser to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases or decreases in net assets from operations during the reporting period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

Fund Valuation

Each class of the Fund's NAV of the Fund's common shares is calculated daily on each day that the NYSE is open for business as of the close of the regular trading session on the NYSE, usually 4:00 PM, Eastern Time. The NAV is calculated by dividing the value of the Fund's net assets attributable to common shares by the numbers of common shares outstanding.

Valuation of Investments

Pursuant to Rule 2a-5 under the 1940 Act, the Board of Trustees (the "Board") has designated NexPoint as the Fund's valuation designee to perform the fair valuation determination for securities and other assets held by the Fund. NexPoint acting through its "Valuation Committee," is responsible for determining the fair value of investments for which market quotations are not readily available. The Valuation Committee is comprised of officers of NexPoint and certain of NexPoint's affiliated companies and determines fair value and oversees the calculation of the NAV. The Valuation Committee is subject to Board oversight and certain reporting and other requirements intended to provide the Board the information it needs to oversee NexPoint's fair value determinations. The Fund's investments are recorded at fair value. In computing the Fund's net assets attributable to shares, securities with readily available market quotations on the NYSE, National Association of Securities Dealers Automated Quotation ("NASDAQ"), or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies and procedures adopted NexPoint and approved by the Board. Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than once such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund's loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is "stale" or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund's NAV), will be valued by the Fund at fair value, as determined by the Valuation Committee in good faith in accordance with policies and procedures established by NexPoint and approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgement of the Valuation Committee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund's financial statements may vary from the NAV published by the Fund as of its year end because portfolio securities transactions are accounted for on the trade date (rather than the day following the trade date) for financial statement purposes.

Fair Value Measurements

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

Level 1 — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;

Level 2 — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and

Level 3 — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of December 31, 2024, the Fund's investments consisted of Real Estate Investment Trusts ("REITs") and other real estate investments, common stocks, preferred stocks, LLC interest, asset-backed securities, collateralized mortgage obligations, U.S. senior loans, corporate obligations, warrants and cash equivalents. The fair value of the Fund's senior loans and bonds are generally based on quotes received from brokers or independent pricing services. Loans, bonds and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Loans and bonds that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, preferred stocks and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. The Fund's real estate investments include equity interests in limited liability companies and equity issued by REITs that invest in commercial real estate. The fair value of real estate investments that are not actively traded on national exchanges are based on internal models developed by the Investment Adviser. The significant inputs to the models include cash flow projections for the underlying properties, capitalization rates and appraisals performed by independent valuation firms. These inputs are not readily observable, and the Fund has classified the investments as Level 3 assets. At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

Reverse repurchase agreements are priced at their acquisition cost, and assessed for credit adjustments, which represent fair value. These investments will generally be categorized as Level 2 liabilities.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period.

Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise be less liquid than publicly traded securities.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. A summary of the inputs used to value the Fund's assets and liabilities as of December 31, 2024 is as follows:

	Total value at December 31, 2024 ($)	Level 1 Quoted Price ($)	Level 2 Significant Observable Inputs ($)	Level 3 Significant Unobservable Inputs ($)
NexPoint Real Estate Strategies Fund				
Assets				
Common Stock				
Real Estate	7,681,461	6,173,009	—	1,508,452
Real Estate Investment Trust	12,752,418	1,182,444	—	11,569,975
Common Stock — Measured at NAV(1)				
Real Estate	2,042,614	—	—	—
Asset-Backed Securities	4,684,073	—	4,684,073	—
Preferred Stock				
Financials	768,400	—	768,400	—
Real Estate	2,217,620	—	—	2,217,620
U.S. Senior Loans				
Real Estate	2,663,532	—	—	2,663,532
Revolving Credit Note	1,400,000	—	—	1,400,000
Corporate Obligation	756,395	—	756,395	—
Warrants				
Real Estate	628,617	—	—	628,617
Agency Collateralized Mortgage Obligations	26,720	—	26,720	—
Cash Equivalents	890,740	890,740	—	—
Total Assets	36,512,590	8,246,193	6,235,588	19,988,196
Liabilities				
Securities Sold Short				
Common Stock				
Real Estate	(4,014,066)	(4,014,066)	—	—
Reverse Repurchase Agreements	(2,988,000)	—	(2,988,000)	—
Total Liabilities	(7,002,066)	(4,014,066)	(2,988,000)	—
Total	29,510,524	4,232,127	3,247,588	19,988,196

(1) Certain investments measured at fair value using net asset value per share (or its equivalent) as a practical expedient and have not been categorized in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Investment Portfolio.

The table below sets forth a summary of changes in the Fund's assets measured at fair value using significant unobservable inputs (Level 3) for the year ended December 31, 2024.

Issuer	Balance as of December 31, 2023	Transfers into Level 3	Transfers Out of Level 3	Net Amortization (Accretion) of Premium/ (Discount)	Net Realized Gains	Net Unrealized Gains/ (Losses)	Net Purchase	Net (Sales)	Return of Capital	Ending Value as of December 31, 2024	Change in Unrealized Appreciation(Depreciation) from Investments held at December 31, 2024
Common Stock											
NRES CMP Holdco	$ 1,437,244	$—	$ —	$—	$ —	$ 61,235	$ 8,957	$ —	$ 1,017	$ 1,508,452	$ 61,235
Ground Lease	1,833,300	—	—	—	—	(95,400)	—	—	—	1,737,900	(95,400)
United Development Funding IV, REIT	36,391	—	—	—	—	216,366	—	—	(17,885)	234,872	216,366
IQHQ, Inc.	4,057,993	—	(4,057,993)	—	—	—	—	—	—	—	—
NexPoint Storage Partners, Inc.	1,020,507	—	—	—	—	(90,998)	—	—	—	929,509	(90,998)
NRESF REIT SUB, LLC	4,995,342	—	—	—	—	169,477	43,354	—	—	5,208,173	169,477
NRES REIT SUB II, LLC	2,018,005	—	—	—	—	135,016	—	—	—	2,153,021	135,016
Dreamscape Entertainment Properties, Inc.	1,500,000	—	—	—	—	(193,500)	—	—	—	1,306,500	(193,500)
Preferred Stock											
IQHQ, Inc., Series D-1	2,037,450	—	—	—	—	246,979	—	—	(178,429)	2,106,000	246,979
IQHQ, Inc., Series E-1	—	—	—	—	—	—	111,620	—	—	111,620	—
U.S. Senior Loan											
NRES Storage Partners Operating Co., LLC	1,998,308	—	—	—	—	(10,708)	—	—	—	1,987,600	(10,708)
NexPoint SFR Operating Partnership L.P.	97,000	—	—	—	—	150	—	—	—	97,150	150
NRES GERONIMO, LLC	555,624	—	—	—	—	23,158	—	—	—	578,782	23,158
Corporate Obligation											
IQHQ LP	—	—	—	—	260,297	—	1,251,323	(1,511,620)	—	—	—
Revolving Credit Note											
IQHQ, LP	—	—	—	—	—	—	1,400,000	—	—	1,400,000	—
Warrants											
IQHQ, Inc	—	—	—	—	—	368,320	260,297	—	—	628,617	368,320
Total	$21,587,164	$—	$(4,057,993)	$—	$260,297	$ 830,095	$3,075,551	$(1,511,620)	$(195,297)	$19,988,196	$ 830,095

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates without observable inputs and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments.

For the year ended December 31, 2024, there was one transfer out of Level 3 to investments due to electing to use the practical expedient. Practical expedient investments are measured at fair value using the NAV per share (or its equivalent) in accordance with ASC 820-10. Determination of fair value is uncertain because it involves subjective judgments and estimates that are unobservable.

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Fair Value at 12/31/2024	Valuation Technique	Unobservable Inputs	Input Value(s)
Common Stock	$13,078,426	Transaction Indication of Value	Offer Price per Share	$5.21
		Net Asset Value	NAV Discount	20.00%
			Net Asset Value	$16.41
		Net Asset Value	Market Adjustment	-5% -0% (-2.5%)
		Multiples Analysis	NAV / sh multiple	0.85x - 1.15x
		Discounted Cash Flow	Discount Rate	7% - 13.00% (10.00%)
		Direct Capitalization Method	Capitalization Rates	4.875% - 5.50% (5.25%)
		Multiples Analysis	NAV / sh multiple	0.95x - 1.15x (1.05x)
		Market Approach	Discount to NAV	7.50%
Preferred Stock	$ 2,217,620	Cost Approach	Price per Share	$1,000.00
U.S. Senior Loan	$ 4,063,532	Discounted Cash Flow	Discount Rate	6.08% - 12.50% (8.92%)
		Transaction Indication of Value	Cost (mm)	$1.40
Warrants	$ 628,617	Option Pricing Method	Volatility	35.3% -77.0% (56.15%)
Total	$19,988,196			

The significant unobservable inputs used in the fair value measurement of the Fund's common stock positions are the offer price per share, price per share, market adjustment, NAV / sh multiple, discount rate, capitalization rates, and discount to NAV. A significant increase (decrease) in these inputs in isolation could result in a significantly lower (higher) fair value measurement.

The significant unobservable input used in the fair value measurement of the Fund's Preferred Stock is price per share. A significant increase (decrease) in this input in isolation could result in a significantly lower (higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Fund's U.S. Senior Loans are discount rate, NAV Discount, and Cost (mm). A significant increase (decrease) in these inputs in isolation could result in a significantly lower (higher) fair value measurement.

The significant unobservable input used in the fair value measurement of the Fund's Warrants is volatility. A significant increase (decrease) in this input in isolation could result in a significantly lower (higher) fair value measurement.

In accordance with ASC 820-10, investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Portfolio of Investments and Statement of Assets and Liabilities.

The investment measured at fair value using the NAV per share practical expedient has an investment strategy of a private Life Sciences REIT. This private Life Sciences REIT does not permit redemptions.

Security Transactions

Security transactions are accounted for on the trade date. Realized gains (losses) on investments sold are recorded on the basis of the specific identification method for both financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

Income Recognition

Corporate actions (including cash dividends) are recorded on the ex-dividend date, net of applicable withholding taxes, except for certain foreign corporate actions, which are recorded as soon after ex-dividend date as such information becomes available and is verified. Interest income is recorded on the accrual basis.

Accretion of discount on taxable bonds and loans is computed to the maturity date, while amortization of premium on taxable bonds and loans is computed to the earliest call date, both using the effective yield method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

U.S. Federal Income Tax Status

The Fund is treated as a separate taxpayer for U.S. federal income tax purposes. The Fund intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986 (the "Code"), as amended, and will distribute substantially all of its taxable income and gains, if any, for the tax year, and as such will not be subject to U.S. federal income taxes. In addition, the Fund intends to distribute, in each calendar year, all of its net investment income, capital gains and certain other amounts, if any, such that the Fund should not be subject to U.S. federal excise tax. Therefore, no U.S. federal income or excise tax provisions are recorded. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the year ended December 31, 2024, the Fund did not incur any interest or penalties.

The Investment Adviser has analyzed the Fund's tax positions taken on U.S. federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for U.S. federal income tax is required in the Fund's financial statements. The Fund's U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. Furthermore, the Investment Adviser of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

Distributions to Shareholders

The Fund plans to pay distributions from net investment income monthly and net realized capital gains annually to common shareholders. To permit the Fund to maintain more stable monthly distributions and annual distributions, the Fund may from time to time distribute less than the entire amount of income and gains earned in the relevant month or year, respectively. The undistributed income and gains would be available to supplement future distributions. In certain years, this practice may result in the Fund distributing, during a particular taxable year, amounts in excess of the amount of income and gains earned therein. Such distributions would result in a portion of each distribution occurring in that year to be treated as a return of capital to shareholders. Shareholders of the Fund will automatically have all distributions reinvested in Common Shares of the Fund issued by the Fund in accordance with the Fund's Dividend Reinvestment Plan (the "Plan") unless an election is made to receive cash. The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the NAV per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the NYSE on the Declaration Date. Participants in the Plan requesting a sale of securities through the plan agent of the Plan are subject to a sales fee and a brokerage commission.

Statement of Cash Flows

Information on financial transactions which have been settled through the receipt or disbursement of cash is presented in the Statement of Cash Flows. The cash amount shown in the Statement of Cash Flows is the amount included within the Fund's Statement of Assets and Liabilities and includes cash on hand at its custodian bank and/or sub-custodian bank(s) and investments in money market funds deemed to be cash equivalents, and restricted cash posted as collateral in a segregated account or with broker-dealers.

Cash & Cash Equivalents

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. The Fund also considers money market instruments that invest in cash equivalents to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates fair value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of this financial report. These balances may exceed the federally insures limits under the Federal Deposit Insurance Corporation ("FDIC").

Foreign Currency

Accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates using the current 4:00 PM London Time Spot Rate. Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates, between trade and settlement dates on securities transactions and between the accrual and payment dates on dividends, interest income and foreign withholding taxes, are recorded as unrealized foreign currency gains (losses). Realized gains (losses) and unrealized appreciation (depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Statement of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

Securities Sold Short

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. The Fund may have to pay a fee to borrow particular securities and is often obligated to pay any dividends or other payments received on such borrowed securities. In some circumstances, a Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Securities and cash held as collateral for securities sold short are shown on the Investment Portfolio for the Fund. Cash held as collateral for securities sold short is classified as restricted cash on the Statement of Assets and Liabilities, as applicable. Restricted cash in the amount of $3,944,730 was held with the broker for the Fund. Additionally, securities valued at $4,732,972 were posted in the Fund's segregated account as collateral. The Fund's loss on a short sale could be unlimited in cases where the Fund is unable, for whatever reason, to close out its short position.

Other Fee Income

Fee income may consist of origination/closing fees, amendment fees, administrative agent fees, transaction breakup fees and other miscellaneous fees. Origination fees, amendment fees, and other similar fees are non-recurring fee sources. Such fees are received on a transaction by transaction basis and do not constitute a regular stream of income and are recognized when incurred.

Practical Expedient

Pursuant to ASC Topic 820, *Fair Value Measurement*, the Fund may elect to use net asset value per share or its equivalent ("NAV") as a practical expedient to measure the Company's interest in Real Estate investments at fair value, unless it is probable that the investment will be sold at a value different from its NAV. However, in order for the Company to use this methodology, the company must calculate NAV in a manner consistent with the measurement principles established by ASC Topic 820. The Fund is using the practical expedient.

Note 3. Derivative Transactions

The Fund is subject to equity rate risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments.

Options

The Fund may utilize options on securities or indices to varying degrees as part of their principal investment strategy. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by the Fund expires unexercised, the Fund realizes on the expiration date a capital gain equal to the premium received by the Fund at the time the option was written. If an option purchased by the Fund expires unexercised, the Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be affected when the Fund desires. The Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. The Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid. For the year ended December 31, 2024, the Fund did not invest in options during the year.

Reverse Repurchase Agreements

The Fund may engage in reverse repurchase agreement transactions with respect to instruments that are consistent with the Fund's investment objective or policies.

Additional Derivative Information

The Fund is required to disclose; a) how and why an entity uses derivative instruments; b) how derivative instruments and related hedged items are accounted for; c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows; and d) how the netting of derivatives subject to master netting arrangements (if applicable) affects the net exposure of the Fund related to the derivatives.

For the year ended December 31, 2024, the Fund did not have any derivative activity during the year.

Note 4. U.S. Federal Income Tax Information

The character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from GAAP. These differences may include (but are not limited to), losses deferred due to wash sale transactions, partnerships, paydowns and reclasses relating to real estate investment trusts. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. The actual character of amounts received is not known until after the REIT's fiscal year end, and this amount may be revised after the tax reporting period concludes. These reclassifications have no impact on net investment income, realized gains or losses, or NAV of the Fund.

For the year ended December 31, 2024, permanent differences chiefly resulting from return of capital distributions paid by the Fund, and distribution redesignations were identified and reclassified among the components of the Fund's net assets as follows:

Paid-in Capital	Total Distributable Earnings (Loss)
$58,753	$(58,753)

For the year ended December 31, 2024, the Fund's components of distributable earnings on a tax basis are as follows:

Undistributed Ordinary Income	Other Temporary Differences	Accumulated Capital and Other Losses	Net Tax Appreciation/ (Depreciation)
$—	$(7)	$(1,302,969)	$(633,543)

For the year ended December 31, 2024, the Fund had capital loss carryovers as indicated below. The capital loss carryovers are available to offset future realized capital gains to the extent provided in the Code and regulations promulgated thereunder.

	2024
No expiration Short Term	$ 2,919
No expiration Long Term	1,300,050
Total	1,302,969

The Fund may elect to defer and treat as having arisen in the following fiscal year certain capital losses and specified losses realized after October 31 through December 31, in accordance with Federal Income tax regulations. For the year ended December 31, 2024, the Fund elected to defer:

	2024
Post October capital losses	$—
Specified losses	—

The tax character of distributions paid during the year ended December 31, 2024 (unless otherwise indicated) is as follows:

Distributions Paid From:	2024	2023
Ordinary Income[(1)]	$1,274,137	$1,177,539
Realized Gains	—	—
Return of Capital	1,961,806	2,044,294

(1) For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

Unrealized appreciation and depreciation at December 31, 2024, based on cost of investments and securities sold short for U.S. federal income tax purposes is:

Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation)(1)	Cost
$4,587,280	$(5,220,823)	$(633,543)	$33,886,938

(1) Any differences between book-basis and tax-basis net unrealized appreciation/(depreciation) are primarily due to wash sales, partnerships, consent dividends and consolidation basis adjustments.

Note 5. Reverse Repurchase Agreement

On October 3, 2019, the Fund entered into an agreement with Mizuho Securities USA LLC ("Mizuho Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to Mizuho Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from Mizuho Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities.

At December 31, 2024, the Fund had investments in reverse repurchase agreements with a gross value of $2,988,000, which is reflected as reverse repurchase agreements on the Statement of Assets and Liabilities. The value of the related collateral exceeded the value of the reverse repurchase agreements at December 31, 2024. The collateral pledged for the reverse repurchase agreements, with maturities ranging from 30 to 90 days, include Agency Collateralized Mortgage Obligations. The Fund's average daily balance was $4,445,723 at a weighted average interest rate of 7.12% for the days outstanding.

Note 6. Asset Coverage

The Fund is required to maintain 300% asset coverage with respect to any amounts borrowed. Asset coverage is calculated by subtracting the Fund's total liabilities, not including any amount representing bank borrowings and senior securities, from the Fund's total assets and dividing the result by the principal amount of the borrowings outstanding. As of the dates indicated below, the Fund's debt outstanding and asset coverage was as follows:

Date	Total Amount Outstanding	% of Asset Coverage of Indebtedness
12/31/2024	$2,988,000	1,255.18%
12/31/2023	6,036,000	771.07
12/31/2022	3,966,000	1,036.22
12/31/2021	29,000	83,209.97
12/31/2020	31,000	54,078.17
12/31/2019	6,459,135	413.72
12/31/2018	3,354,013	519.10
12/31/2017	—	N/A

Note 7. Investment Advisory, Service and Distribution, Trustee and Other Fees

Investment Advisory Fee

The Investment Adviser to the Fund receives an annual fee, paid monthly, in an amount equal to 1.25% of the Fund's Average Daily Managed Assets. The Fund's "Average Daily Managed Assets" is an amount equal to the total assets of the Fund, including assets resulting from leverage, less any liabilities not representing leverage. On occasion the Investment Adviser voluntarily waives additional fees to the extent assets are invested in certain affiliated investments.

Service and Distribution Fees

NexPoint Securities, Inc. (the "Distributor"), an affiliate of the Investment Adviser, serves as the principal underwriter and distributor of the Fund's shares. The Distributor receives the front-end sales charge imposed on the sale of Class A Shares and the CDSC imposed on certain redemptions of Class A and Class C Shares. The Fund has adopted a "Shareholder Servicing Plan and Agreement" (the "Plan") under which the Fund may compensate financial industry professionals for providing ongoing services in respect of clients with whom they have distributed shares of the Fund. The Plan operates in a manner consistent with Rule 12b-1 under the 1940 Act, which regulates the manner in which an open-end investment company may directly or indirectly bear the expenses of distributing its shares. Although the Fund is not an open-end investment company, it has undertaken to comply with the terms of

Rule 12b-1 as a condition of an exemptive order under the 1940 Act which permits it to have a multi-class structure, CDSCs and distribution and shareholder servicing fees. Under the Plan, the Fund may incur expenses on an annual basis equal to 0.25% of the average net assets of the Class A and Class C Shares.

Class C shares will pay to the Distributor a distribution fee that will accrue at an annual rate equal to 0.75% of the Fund's average daily net assets attributable to Class C shares and will be payable on a quarterly basis.

Expense Limitation Agreement

The Investment Adviser and the Fund have entered into an expense limitation and reimbursement agreement (the "Expense Limitation Agreement") under which the Investment Adviser has agreed contractually to waive its fees and to pay or absorb the ordinary operating expenses of the Fund (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, expenses payable by the Fund for third party administration services, other capitalized expenditures, expenses in other investment companies, litigation expenses and extraordinary expenses), to the extent that they exceed 1.75% per annum of the Fund's average Daily Gross Assets (the "Expense Limitation"). "Daily Gross Assets" is defined in the Expense Limitation Agreement as an amount equal to total assets, less any liabilities, but excluding liabilities evidencing leverage. If the Fund incurs expenses excluded from the Expense Limitation Agreement, the Fund's expense ratio would be higher and could exceed the Expense Limitation. In consideration of the Investment Adviser's agreement to limit the Fund's expenses, the Fund has agreed to repay the Investment Adviser in the amount of any fees waived and Fund expenses paid or absorbed, subject to the limitations that: (1) the reimbursement for fees and expenses will be made only if payable not more than three years from the date of the reimbursement; and (2) the reimbursement may not be made if it would cause the Expense Limitation as of the time of waiver to be exceeded. Any such recoupment by the Investment Adviser will not cause a class to exceed the annual limitation rate in effect at the time of the actual waiver/ reimbursement or at the date of the recoupment. The Expense Limitation Agreement will remain in effect until at least May 1, 2025 unless and until the Board approves its modification or termination. The Expense Limitation Agreement may be terminated only by the Board. After the expiration of the Expense Limitation Agreement, the agreement may be renewed at the discretion of the Investment Adviser and the Board.

On December 31, 2024, the amount subject to possible future recoupment under the Expense Limitation were as follows:

Expiring during Fiscal Years Ending December 31,		
2025	2026	2027
$161,110	$438,580	$312,298*

* The difference between fees waived on the Statement of Operations and fees available to recoup, relate to fees voluntarily waived by the Investment Adviser.

During the year ended December 31, 2024, the Investment Adviser did not recoup any amounts previously waived or reimbursed, and $192,124 of fees previously waived and or reimbursed in the Fund by the Investment Adviser that were eligible for recoupment expired.

Fees Paid to Officers and Trustees

Each Trustee who oversees all of the funds in the Fund Complex receives an annual retainer of $150,000 payable in quarterly installments and allocated among each portfolio in the Fund Complex based on relative net assets. The annual retainer for a Trustee who does not oversee all of the funds in the Fund Complex is prorated based on the portion of the $150,000 annual retainer allocable to the funds overseen by such trustee. The Chairman of the Board receives an additional annual payment of $20,000 and the Chairperson of each committee received an additional annual payment of $10,000 payable in quarterly installments and allocated among each portfolio in the Fund Complex based on relative net assets. The "Fund Complex" consists of all of the registered investment companies advised by the Investment Adviser or its affiliated advisers as of the date of this report and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940.

The Fund pays no compensation to its officers, all of whom are employees of the Investment Adviser or one of its affiliates. Trustees are reimbursed for actual out-of-pocket expenses relating to attendance at meetings.

The Trustees do not receive any separate compensation in connection with service on Committees or for attending Board or Committee Meetings. The Trustees do not have any pension or retirement plan.

Due to Adviser
The balance shown as "Investment advisory fees" on the Statement of Assets and Liabilities represents net amounts owed to the Investment Adviser for advisory fees and Fund expenses paid by the Investment Adviser.

Indemnification
Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

Other Matters
The Investment Adviser has entered into a Services Agreement (the "Services Agreement") with Skyview Group ("Skyview"), pursuant to which NexPoint will receive administrative and operational support services to enable it to provide the required advisory services to the Fund.

Certain Skyview personnel became dual-employees of NexPoint Services, Inc., a wholly-owned subsidiary of the Investment Adviser. The same services are being performed by the dual-employees. The Investment Adviser, and not the Fund, will compensate all Investment Adviser, Skyview, and dual-employee personnel who provide services to the Fund.

Note 8. Repurchase of Shares
Once each quarter, the Fund will offer to repurchase at NAV no more than 5% of the outstanding shares of the Fund (the "Repurchase Offer Amount"), unless such offer is suspended or postponed in accordance with regulatory requirements. The offer to purchase shares is a fundamental policy that may not be changed without the vote of the holders of a majority of the Fund's outstanding voting securities (as defined in the 1940 Act). Shareholders will be notified in writing of each quarterly repurchase offer and the date the repurchase offer ends (the "Repurchase Request Deadline"). Shares will be repurchased at the NAV per share determined as of the close of regular trading on the NYSE no later than the 14th day after the Repurchase Request Deadline, or the next business day if the 14th day is not a business day.

If shareholders tender for repurchase more than the Repurchase Offer Amount for a given repurchase offer, the Fund will repurchase the shares on a pro rata basis. However, the Fund may accept all shares tendered for repurchase by shareholders who own less than one hundred shares and who tender all of their shares, before prorating other amounts tendered. In addition, the Fund will accept the total number of shares tendered in connection with required minimum distributions from an IRA or other qualified retirement plan. The Fund conducted its quarterly tender offer from February 23, 2024, until expiration on March 25, 2024 at 4:00 p.m. New York City time, during which the Fund offered to purchase for cash up to 5.0% of its outstanding shares of common stock. During the first quarter tender offer, 120,140 shares of the Fund were tendered for repurchase at a weighted average price of $17.07/share, constituting approximately 5.1% of the Fund's outstanding shares.

The Fund conducted its quarterly tender offer from May 17, 2024, until expiration on June 20, 2024 at 4:00 p.m. New York City time, during which the Fund offered to purchase for cash up to 5.0% of its outstanding shares of common stock. During the second quarter tender offer, 116,185 shares of the Fund were tendered for repurchase at a weighted average price of $16.82/share, constituting approximately 5.0% of the Fund's outstanding shares.

The Fund conducted its quarterly tender offer from August 23, 2024, until expiration on September 24, 2024 at 4:00 p.m. New York City time, during which the Fund offered to purchase for cash up to 5.0% of its outstanding shares of common stock. During the third quarter tender offer, 81,862 shares of the Fund were tendered for repurchase at a weighted average price of $17.05/share, constituting approximately 3.6% of the Fund's outstanding shares.

The Fund conducted its quarterly tender offer from November 15, 2024, until expiration on December 17, 2024 at 4:00 p.m. New York City time, during which the Fund offered to purchase for cash up to 5.0% of its outstanding shares of common stock. During the fourth quarter tender offer, 112,129 shares of the Fund were tendered for repurchase at a weighted average price of $16.29/share, constituting approximately 5.0% of the Fund's outstanding shares.

Note 9. Disclosure of Significant Risks and Contingencies

The Fund's investments expose the Fund to various risks, certain of which are discussed below. Please refer to the Fund's Prospectus and Statement of Additional Information for a full listing of risks associated with the Fund's investments.

Concentration in Real Estate Securities Risk

Although the Fund does not invest directly in real estate, the Fund will concentrate its investments in investment vehicles that invest principally in real estate and real estate related securities, its portfolio will be significantly impacted by the performance of the real estate market and may experience more volatility and be exposed to greater risk than a more diversified portfolio. The values of companies engaged in the real estate industry are affected by: (i) changes in general economic and market conditions; (ii) changes in the value of real estate properties; (iii) risks related to local economic conditions, overbuilding and increased competition; (iv) increases in property taxes and operating expenses; (v) changes in zoning laws; (vi) casualty and condemnation losses; (vii) variations in rental income, neighborhood values or the appeal of property to tenants; (viii) the availability of financing and (ix) changes in interest rates and leverage.

Debt Securities Risk

When the Fund invests in debt securities, the value of the investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of debt securities. In general, the market price of debt securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments). These risks could affect the value of a particular investment, possibly causing the Fund's share price and total return to be reduced or fluctuate more than other types of investments. This kind of market risk is generally greater for funds investing in debt securities with longer maturities.

Derivatives Risk

Derivatives Risk is a combination of several risks, including the risks that: (1) an investment in a derivative instrument may not correlate well with the performance of the securities or asset class to which the Fund seeks exposure, (2) derivative contracts, including options, may expire worthless and the use of derivatives may result in losses to the Fund, (3) a derivative instrument entailing leverage may result in a loss greater than the principal amount invested, (4) derivatives not traded on an exchange may be subject to credit risk, for example, if the counterparty does not meet its obligations (see also "Counterparty Risk"), and (5) derivatives not traded on an exchange may be subject to liquidity risk and the related risk that the instrument is difficult or impossible to value accurately. In addition, changes in laws or regulations may increase the costs of using derivatives, may limit the availability of some forms of derivatives or the Funds' ability to use derivatives, and may adversely affect the performance of some derivative instruments used by the Funds as well as the Funds' ability to pursue its investment objective through the use of such instruments.

Equity Securities Risk

The risk that stock prices will fall over short or long periods of time. In addition, common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of bankruptcy.

Exchange-Traded Funds ("ETF") Risk

The risk that the price movement of an ETF may not exactly track the underlying index and may result in a loss. In addition, shareholders bear both their proportionate share of the Fund's expenses and similar expenses of the underlying investment company when the Fund invests in shares of another investment company.

Illiquid and Restricted Securities Risk

The investments made by the Fund may be illiquid, and consequently the Fund may not be able to sell such investments at prices that reflect the Investment Adviser's assessment of their value or the amount originally paid for such investments by the Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Fund's investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

Restricted securities (i.e., securities acquired in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Fund, however, may not be able to sell these securities when the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, if in order to permit resale the securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased.

Leverage Risk
The Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund was not leveraged.

Liquidity Risk
There is currently no secondary market for the shares and the Fund expects that no secondary market will develop. Limited liquidity is provided to shareholders only through the Fund's quarterly repurchase offers for no less than 5% of the shares outstanding at NAV. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer.

Management Risk
The risk associated with the fact that the Fund relies on the Investment Adviser's ability to achieve its investment objective. The Investment Adviser may be incorrect in its assessment of the intrinsic value of the companies whose securities the Fund holds, which may result in a decline in the value of fund shares and failure to achieve its investment objective.

Mortgage-Backed Securities Risk
The risk of investing in mortgage-backed securities, and includes interest rate risk, liquidity risk and credit risk, which may be heightened in connection with investments in loans to "subprime" borrowers. Certain mortgage-backed securities are also subject to prepayment risk. Mortgage-backed securities, because they are backed by mortgage loans, are also subject to risks related to real estate, and securities backed by private-issued mortgages may experience higher rates of default on the underlying mortgages than securities backed by government-issued mortgages. The Fund could lose money if there are defaults on the mortgage loans underlying these securities.

Preferred Stock Risk
Preferred stock, which may include preferred stock in real estate transactions, represents an equity or ownership interest in an issuer that pays dividends at a specified rate and that has precedence over common stock in the payment of dividends. In the event an issuer is liquidated or declares bankruptcy, the claims of creditors and owners of bonds take precedence over the claims of those who own preferred and common stock. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stock may have mandatory sinking fund provisions, as well as provisions allowing the stock to be called or redeemed prior to its maturity, which can have a negative impact on the stock's price when interest rates decline. Unlike interest on debt securities, preferred stock dividends are payable only if declared by the issuer's board. The value of convertible preferred stock can depend heavily upon the value of the security into which such convertible preferred stock is converted, depending on whether the market price of the underlying security exceeds the conversion price.

Real Estate Industry Risk
Issuers principally engaged in real estate industry, including real estate investment trusts, may be subject to risks similar to the risks associated with the direct ownership of real estate, including: (i) changes in general economic and market conditions; (ii) changes in the value of real estate properties; (iii) risks related to local economic conditions, overbuilding and increased competition; (iv) increases in property taxes and operating expenses; (v) changes in zoning laws; (vi) casualty and condemnation losses; (vii) variations in rental income, neighborhood values

or the appeal of property to tenants; (viii) the availability of financing and (ix) changes in interest rates and leverage.

REIT Risk
Real estate investments trusts may be affected by changes in the real estate markets generally as well as changes in the values of the properties owned by the REIT or securing the mortgages owned by the REIT. REITs are dependent upon management skill and are not diversified. REITs are also subject to heavy cash flow dependency, defaults by borrowers, self-liquidation, and the possibility of failing to qualify for special tax treatment under the Code, and to maintain an exemption under the 1940 Act. Finally, certain REITs may be self-liquidating at the end of a specified term, and run the risk of liquidating at an economically inopportune time.

Reverse Repurchase Agreement Risk
The Fund may enter into reverse repurchase transactions with Mizuho Securities or other banks and securities dealers. A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of, rather than the investor in, securities or other assets and agrees to repurchase them at a date certain or on demand. Use of a reverse repurchase transaction may be preferable to a regular sale and later repurchase of securities or other assets because it avoids certain market risks and transaction costs. Reverse repurchase transactions involve the risk that the market value of securities and/or other assets purchased by the Fund with the proceeds received by the Fund in connection with such reverse repurchase transactions may decline below the market value of the securities the Fund is obligated to repurchase under such reverse repurchase transactions. They also involve the risk that the counterparty liquidates the securities delivered to it by the Fund under the reverse repurchase agreement following the occurrence of an event of default under the reverse repurchase agreement by the Fund. At the time when the Fund enters into a reverse repurchase transactions, liquid securities (cash, U.S. Government securities or other debt obligations) of the Fund having a value at least as great as the Purchase Price of the securities to be purchased will be segregated on the books of the Fund throughout the period of the obligation. The use of these investment strategies may increase net asset value fluctuation.

Securities Lending Risk
The Fund may make secured loans of its portfolio securities. Any decline in the value of a portfolio security that occurs while the security is out on loan is borne by the Fund, and will adversely affect performance. Also, there may be delays in recovery of securities loaned, losses in the investment of collateral, and loss of rights in the collateral should the borrower of the securities fail financially while holding the security.

Securities Market Risk
Securities Market Risk is the risk that the value of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably, due to factors affecting particular companies or the securities markets generally. Economic, political and financial conditions, industry or economic trends and developments or public health risks, such as epidemics or pandemics, may, from time to time, and for varying periods of time, cause volatility, illiquidity or other potentially adverse effects in the financial markets. A general downturn in the securities market may cause multiple asset classes to decline in value simultaneously. Many factors can affect this value and you may lose money by investing in the Fund.

Short Sales Risk
Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, because the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. The securities necessary to cover a short position may not be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet margin calls on its short sale delivery obligations, and might have to sell portfolio securities

to raise the capital necessary to meet its short sale delivery obligations at a time when fundamental investment considerations would not favor such sales. Short sales by the Fund that are not made "against the box" theoretically involve unlimited loss potential, since the market price of securities sold short may continuously increase. If other short positions of the same security are closed out at the same time, a "short squeeze" can occur where demand exceeds the supply for the security sold short. A short squeeze makes it more likely that the Fund will need to replace the borrowed security at an unfavorable price.

Structured Finance Securities Risk

A portion of the Fund's investments may consist of equipment trust certificates, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Such structured finance securities are generally backed by an asset or a pool of assets, which serve as collateral. Depending on the type of security, the collateral may take the form of a portfolio of mortgage loans or bonds or other assets. The Fund and other investors in structured finance securities ultimately bear the credit risk of the underlying collateral. In some instances, the structured finance securities are issued in multiple tranches, offering investors various maturity and credit risk characteristics, often categorized as senior, mezzanine and subordinated/equity according to their degree of risk. The riskiest securities are the equity tranche, which bears the bulk of defaults from the bonds or loans serving as collateral, and thus may protect the other, more senior tranches from default. If there are defaults or the relevant collateral otherwise underperforms, scheduled payments to senior tranches of such securities take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those to subordinated/equity tranches. A senior tranche typically has higher ratings and lower yields than the underlying securities, and may be rated investment grade. Despite the protection from the equity tranche, other tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to previous defaults and the disappearance of protecting tranches, market anticipation of defaults and aversion to certain structured finance securities as a class.

Note 10. Investment Transactions Purchases & Sales of Securities

The cost of purchases and the proceeds from sales of investments, other than short-term securities, for the year ended December 31, 2024, were as follows:

Other Securities	
Purchases	Sales
$4,914,026	$12,910,820

Note 11. Affiliated Issuers

Under Section 2 (a)(3) of the 1940 Act, as amended, a portfolio company is defined as "affiliated" if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund for the year ended December 31, 2024:

Issuer	Shares at December 31, 2023	Beginning Value as of December 31, 2023	Value of Transfers In	Value of Transfers Out	Purchases at Cost	Proceeds from Sales	Distribution to Return of Capital	Net Realized Gain/Loss on the Sales of Affiliated Issuers*	Change Unrealized Appreciation/ Depreciation	Ending Value as of December 31, 2024	Shares at December 31, 2024	Affiliated Income
Wholly Owned, Not Consolidated												
NRESF REIT SUB, LLC	148,159,399	$ 4,995,342	$—	$—	$43,354	$—	$ —	$ —	$169,477	$ 5,208,173	149,385,399	$ —
NRES REIT SUB II, LLC	235	2,018,005	—	—	—	—	—	—	135,016	2,153,021	235	—
Other Affiliates												
NexPoint Residential Trust, Inc. REIT (Common Stocks)	28,322	975,126	—	—	—	—	(17,236)	36,498	224,553	1,182,443	28,322	—
NexPoint Real Estate Finance (Common Stocks)	281,817	4,438,623	—	—	—	—	(52,449)	—	35,540	4,421,714	281,817	511,180
NexPoint SFR Operating Partnership, LP	100,000	97,000	—	—	—	—	—	—	150	97,150	100,000	—
NexPoint Storage Partners, Inc.	1,280	1,020,507	—	—	—	—	—	—	(90,998)	929,509	1,280	—
NRES Storage Partners Operating Co., LLC	2,000,000	1,998,308	—	—	—	—	—	—	(10,708)	1,987,600	2,000,000	180,000
NRES GERONIMO, LLC	600,000	555,624	—	—	—	—	—	—	23,158	578,782	600,000	90,587
NRES CMP Holdco	60,000	1,437,244	—	—	8,957	—	1,016	—	61,235	1,508,452	60,377	7,500
Total	151,231,053	$17,535,779	$—	$—	$52,311	$—	$(68,669)	$36,498	$547,423	$18,066,844	152,457,430	$789,267

Amounts designated as "—" are $0.

* Includes capital gain distributions of $36,498 included in realized gain (loss) on investments from affiliated issuers on the Statement of Operations, which is excluded from the change in unrealized appreciation/depreciation.

Note 12. Securities Lending

Effective January, 7, 2020, the Investment Adviser entered into a securities lending agreement with The Bank of New York Mellon ("BNY" or the "Lending Agent"). Securities lending transactions are entered into by the Fund under the Securities Lending Agreement, ("SLA") which permits the Fund, under certain circumstances such as an event of default, to offset amounts payable by the Fund to the same counterparty against amounts receivable from the counterparty to create a net payment due to or from the Fund.

At December 31, 2024, the Fund did not have any securities on loan.

The Fund could seek additional income by making secured loans of its portfolio securities through its custodian. Such loans are not greater than one-third of the value of the Fund's total assets. BNY charges a fund fees based on a percentage of the securities lending income.

The market value of the loaned securities is determined at the close of each business day of the Fund and any additional required collateral is delivered to the Fund, or excess collateral is returned by the Fund, on the next business day. The Fund receives collateral consisting of cash (U.S. and the foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, sovereign debt, convertible bonds, irrevocable bank letters of credit or such other collateral as may be agreed on by the parties to a securities lending arrangement, initially with a value of 102% or 105% of the market value of the loaned securities and thereafter maintained at a value of

100% of the market value of the loaned securities. If the collateral consists of non-cash collateral, the borrower would pay the Fund a loan premium fee. If the collateral consists of cash, BNY reinvests the cash. Although voting rights, or rights to consent, with respect to the loaned securities pass to the borrower, the Fund would recall the loaned securities upon reasonable notice in order that the securities could be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Fund also could call such loans in order to sell the securities involved.

Securities lending transactions entered into pursuant to the SLA provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaulted, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of a SLA counterparty's bankruptcy or insolvency. Under the SLA, the Fund can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate this risk, the Fund benefits from a borrower default indemnity provided by BNY. BNY's indemnity generally provides for replacement of securities lent or the approximate value thereof.

Note 13. Unconsolidated Significant Subsidiaries

In accordance with Regulation S-X Rules 3-09 and 4-08(g), the Fund evaluates its controlled subsidiaries as significant subsidiaries under the respective rules. As of December 31, 2024, NRESF REIT SUB, LLC was considered a significant subsidiary under Regulation S-X Rule 4-08(g). This subsidiary is wholly owned by the Fund. Based on the requirements under Regulation S-X Rule 4-08(g), the summarized consolidated financial information of this unconsolidated subsidiary is presented below:

	NRESF REIT Sub, LLC 12/31/2024	NRESF REIT Sub II, LLC 12/31/2024
Balance Sheet:		
Current Assets	$ 10,278	$ 227,612
Noncurrent Assets	5,407,116	971,372
Total Assets	5,417,394	1,198,984
Current Liabilities	2,777	—
NonCurrent Liabilities	—	—
Total Liabilities	2,777	—
Preferred stock ($.01 par value: 1,000 shares authorized; 125 shares issued and outstanding)	1	—
Additional paid-in capital	118,749	—
Accumulated earnings less dividends	2,849,858	429,950
Invested equity	2,446,009	1,819,033
Non-controlling interest (consolidated investments)	—	—
Total Equity	5,414,617	2,248,983

	NRESF REIT Sub, LLC For the year ended 12/31/2024	NRESF REIT Sub II, LLC For the year ended 12/31/2024
Summary of Operations:		
Net Sales	$ 176,152	$168,775
Gross Profit	$ 149,819	$135,302
Net Income	$(307,591)	$230,756
Net income attributable to non-controlling interest (in consolidated investments), preferred shares, and other comprehensive income	—	—

Note 14. Subsequent Events

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued, and has determined that there were no subsequent events to report which have not already been recorded or disclosed in these financial statements and accompanying notes.

Cohen & Co

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of
NexPoint Real Estate Strategies Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the investment portfolio, of NexPoint Real Estate Strategies Fund (the "Fund") as of December 31, 2024, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2024, the results of its operations and its cash flows for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2024, by correspondence with the custodian, transfer agents, issuers and brokers; when replies were not received from transfer agents, we performed other auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Fund's auditor since 2018.

Cohen & Company, Ltd.

COHEN & COMPANY, LTD.
Cleveland, Ohio
March 11, 2025

COHEN & COMPANY, LTD.
Registered with the Public Company Accounting Oversight Board

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Investment and Strategy Overview

The Fund's investment objective is to seek long-term total return, with an emphasis on current income

The Fund seeks to achieve its investment objective by primarily investing in a broad range of private and public real estate-related debt, equity and preferred equity investments. There can be no assurance that the Fund will achieve this objective. The Fund's investment objective is non-fundamental and may be changed by the Board without shareholder approval. Shareholders will, however, receive at least 60 days' prior notice of any change in this investment objective.

Investment Strategy.

The Fund pursues its investment objective by investing, under normal circumstances, at least 80% of its assets in "real estate and real estate-related securities" (as defined below). In particular, the Fund will pursue its investment objective by investing the Fund's assets primarily in (1) commercial mortgage-backed securities ("CMBS") and residential mortgage-backed securities ("RMBS"), (2) direct preferred equity and mezzanine investments in real properties (3) equity securities of public (both traded and non-traded) and private debt and equity real estate investment trusts ("REITs") and/or real estate operating companies ("REOCs") and (4) opportunistic and value added direct real estate strategies. The Fund will affect its direct real estate strategy through investments in one or more REIT subsidiaries, including through the REIT Subsidiary, which was formed on July 8, 2016. The REIT Subsidiary entered into a separate investment advisory agreement with the Investment Adviser concurrent with its formation.

Preferred equity and mezzanine investments in real estate transactions come in various forms which may or may not be documented in the borrower's organizational documents. Generally, real estate preferred equity and/or mezzanine investments are typically junior to first mortgage financing but senior to the borrower's or sponsor's equity contribution. The investments are typically structured as an investment by a third-party investor in the real estate owner or various affiliates in the chain of ownership in exchange for a direct or indirect ownership interest in the real estate owner entitling it to a preferred/ priority return on its investment. Sometimes, the investment is structured much like a loan where (i) "interest" on the investment is required to be paid monthly by the "borrower" regardless of available property cash flow; (ii) the entire investment is required to be paid by a certain maturity date; (iii) default rate "interest" and penalties are assessed against the "borrower" in the event payments are not made timely; and (iv) a default in the repayment of investment potentially results in the loss of management.

In addition, subject to the 15% Limitation, (as defined below) the Fund may invest up to 20% of its total assets in equity or debt securities other than real estate and real estate-related securities. The Investment Adviser will evaluate each opportunity within the context of where the Investment Adviser believes the various real estate subsectors are within the broader real estate cycle and tactically allocate among these opportunities. The Investment Adviser has broad discretion to allocate the Fund's assets among these investment categories and to change allocations as conditions warrant. Also, the Investment Adviser will select investments it believes offer the best potential outcomes and relative risk to assemble the most appropriate portfolio to meet the risk-adjusted return goals of the Fund.

This portfolio construction strategy seeks to (i) recognize and allocate capital based upon where the Investment Adviser believes we are in the current real estate cycle, and as a result (ii) minimize drawdowns during market downturns and maximize risk adjusted returns during all market cycles, though there can be no assurance that this strategy will achieve this objective. The Fund will rely on the expertise of the Investment Adviser and its affiliates to determine the appropriate structure for structured credit investments, which may include bridge loans, common and preferred equity or other debt-like positions, as well as the acquisition of such instruments from banks, servicers or other third parties.

The Fund defines "real estate and real estate-related securities" to consist of common stock, convertible or non-convertible preferred stock, warrants, convertible or non-convertible secured or unsecured debt, and partnership or membership interests issued by:

- CMBS, RMBS and other real estate credit investments, which include existing first and

  second mortgages on real estate, either originated or acquired in the secondary market, and secured, unsecured and/or convertible notes offered by REOCs and REITs;
    - Public REITs;
    - REOCs;
    - Private Real Estate Investment Funds;
    - Public Investment Funds;
    - Real estate exchange-traded funds ("ETFs"); and
- Non-Traded REITs and private REITs, generally wholly-owned by the Fund or wholly-owned or managed by an affiliate.

REITs are pooled investment vehicles that invest primarily in income-producing real estate or real estate-related loans or interests, and REOCs are companies that invest in real estate and whose shares trade on public exchanges. Foreign REIT equivalents are entities located in jurisdictions that have adopted legislation substantially similar to the REIT tax provisions in that they provide for favorable tax treatment for the foreign REIT equivalent and require distributions of income to shareholders.

The Fund has not imposed limitations on the portion of its assets that may be invested in any of the categories outlined above other than Private Real Estate Investment Funds. The Fund, however, will limit its investments in Private Real Estate Investment Funds and any other investments that are excluded from the definition of "investment company" under the 1940 Act by Section 3(c)(1) or Section 3(c)(7) of the 1940 Act to no more than 15% of its net assets (the "15% Limitation"). Such entities are typically private equity funds and hedge funds. This limitation does not apply to any collateralized loan obligations ("CLOs"), certain of which may rely on Section 3(c)(1) or 3(c)(7) of the 1940 Act. For purposes of compliance with the 15% Limitation, the Fund will not count its direct investments in wholly-owned subsidiaries but will look through such subsidiaries and count their underlying holdings.

Leverage

The Fund incurs leverage as part of its investment strategy. The Fund will target overall leverage at 25% of the Fund's total assets immediately after giving effect to such leverage, but may incur leverage up to 33.33% of the Fund's total assets as permitted by the 1940 Act. There can be no assurance that any leveraging strategy the Fund employs will be successful during any period in which it is employed. The Fund may also invest in Private Real Estate Investment Funds, Public REITs, REOCs and Non-Traded REITs, which may incur higher levels of leverage. Accordingly, the Fund through these investments may be exposed to higher levels of leverage than the Fund is permitted to incur itself, including a greater risk of loss with respect to such investments as a result of higher leverage employed by such entities. The Fund intends to leverage its portfolio through a master repurchase agreement entered into with Mizuho Securities that allows the Fund to enter into reverse repurchase transactions from time to time pursuant to the terms of the master repurchase agreement.

In addition to any indebtedness incurred by the Fund, any subsidiaries of the Fund, including NRESF REIT SUB, LLC and NRESF REIT SUB II, LLC ("REIT Subsidiaries"), may also utilize leverage, including by mortgaging properties held by special purpose vehicles, or by acquiring property with existing debt. Any such borrowings will generally be the sole obligation of each respective special purpose vehicle, without any recourse to any other special purpose vehicle, the REIT Subsidiaries, the Fund or its assets, and the Fund will not treat such non-recourse borrowings as senior securities (as defined in the 1940 Act) for purposes of complying with the 1940 Act's limitations on leverage unless the financial statements of the special purpose vehicle, or the subsidiaries of the Fund that own such special purpose vehicle, will be consolidated in accordance with Regulation S-X and other accounting rules. If cash flow is insufficient to pay principal and interest on a special purpose vehicle's borrowings, a default could occur, ultimately resulting in foreclosure of any security instrument securing the debt and a complete loss of the investment, which could result in losses to the REIT Subsidiaries and, therefore, to the Fund. To the extent that any subsidiaries of the Fund, including the REIT Subsidiaries, directly incur leverage in the form of debt (as opposed to non-recourse borrowings made through special purpose vehicles), the amount of such recourse leverage used by the Fund and such subsidiaries, including the REIT Subsidiaries, will be consolidated and treated as senior securities for purposes of complying with the 1940 Act's limitations on leverage by the Fund.

Tax Information

For shareholders that do not have a December 31, 2024 tax year end, this notice is for informational purposes only. For shareholders with a December 31, 2024 tax year end, please consult your tax adviser as to the pertinence of this notice. For the fiscal year ended December 31, 2024, the following Fund is designating the following items with regard to earnings for the year.

Return of Capital	Ordinary Income Distribution	Total Distribution
60.63%	39.37%	100.00%

Dividend Received Deduction(1)	Qualified Dividend Income(2)	U.S. Government Interest(3)	Interest Related Dividends(4)
0.31%	0.31%	—%	58.48%

Short-Term Capital Gain Dividends(5)	Qualifying Business Income(6)
—%	24.30%

(1) Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions).

(2) The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions). It is the intention of the aforementioned Fund to designate the maximum amount permitted by law.

(3) "U.S. Government Interest" represents the amount of interest that was derived from direct U.S. Government obligations and distributed during the fiscal year. This amount is reflected as a percentage of ordinary income. Generally, interest from direct U.S. Government obligations is exempt from state income tax. Shareholder who are residents of California, Connecticut and New York, these funds have not met the statutory requirements to permit exemption of these amounts from state income tax.

(4) The percentage in this column represents the amount of "Interest Related Dividends" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of net investment distributions that is exempt from U.S. withholding tax when paid to foreign investors.

(5) The percentage in this column represents the amount of "Short-Term Capital Gain Dividend" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of short-term capital gain distributions that is exempt from U.S. withholding tax when paid to foreign investors.

(6) The percentage in this column represents the amount of ordinary dividend income that qualified for 20% Business Income Deduction.

The information herein may differ from the information and distributions taxable to the shareholder from the calendar year ended December 31, 2024. Complete information will be computed and reported with your 2024 Form 1099-DIV.

Additional Portfolio Information

The Investment Adviser and its affiliates manage other accounts, including registered and private funds and individual accounts. Although investment decisions for the Fund are made independently from those of such other accounts, the Investment Adviser may, consistent with applicable law, make investment recommendations to other clients or accounts that may be the same or different from those made to the Fund, including investments in different levels of the capital structure of a company, such as equity versus senior loans, or that involve taking contradictory positions in multiple levels of the capital structure. The Investment Adviser has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, this may create situations where a client could be disadvantaged because of the investment activities conducted by the Investment Adviser for other client accounts. When the Fund and one or more of such other accounts is prepared to invest in, or desires to dispose of, the same security, available investments or opportunities for each will be allocated in a manner believed by the Investment Adviser to be equitable to the Fund and such other accounts. The Investment Adviser also may aggregate orders to purchase and sell securities for the Fund and such other accounts. Although the Investment Adviser believes that, over time, the potential benefits of participating in volume transactions and negotiating lower transaction costs should benefit all accounts including the Fund, in some cases these activities may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund. Where trades are aggregated, the investments or proceeds, as well as the expenses incurred, will be allocated by the Investment Adviser in a manner designed to be equitable and consistent with the Investment Adviser's fiduciary duty to the Fund and its other clients (including its duty to seek to obtain best execution of client trades).

Approval of Investment Advisory Agreement

The Fund has retained NexPoint Advisors, L.P. (the "Investment Adviser") to manage the assets of the

Fund pursuant to an investment advisory agreement between the Investment Adviser and the Fund (the "Agreement"). The Agreement has been approved by the Fund's Board of Trustees, including a majority of the Independent Trustees. The Agreement continues in effect from year-to-year, provided that such continuance is specifically approved at least annually by the vote of holders of at least a majority of the outstanding shares of the Fund or by the Board of Trustees and, in either event, by a majority of the Independent Trustees of the Fund casting votes at a meeting called for such purpose.

During a meeting with the Investment Adviser held on August 8, 2024, and separately with independent trustee counsel on August 23, 2024, the Board of Trustees considered information bearing on the continuation of the Agreement for an additional one-year period. The Board of Trustees further discussed and considered information with respect to the continuation of the Agreement at Board meetings held on September 12-13, 2024 and September 23, 2024.

Following review and discussion of the Agreement and information provided by the Investment Adviser discussed below, at the meeting held on September 23, 2024, the Board of Trustees, including the Independent Trustees, approved the continuance of the Agreement for a one-year period commencing on November 1, 2024. As part of its review process, the Board of Trustees requested, through its independent legal counsel, and received from the Investment Adviser, various information and written materials, including: (1) information regarding the financial soundness of the Investment Adviser and the profitability of the Agreement to the Investment Adviser; (2) information on the advisory, legal and compliance personnel of the Investment Adviser, including ongoing updates regarding the Highland Capital Management L.P. ("HCMLP") bankruptcy; (3) information regarding the role of Skyview Group ("Skyview") as a service provider to the Investment Adviser pursuant to the services agreement between Skyview and the Investment Adviser (the "Skyview Services Agreement") to assist the Investment Adviser in providing certain services to the Fund pursuant to the Agreement, as well as information regarding the Investment Adviser's oversight role over Skyview; (4) information on the internal compliance procedures of the Investment Adviser, including policies and procedures for personal securities transactions, conflicts of interest and with respect to cybersecurity, business continuity and disaster recovery; (5) comparative information showing how the Fund's fees and operating expenses compare to those of other accounts of the Investment Adviser, if any, with investment strategies similar to those of the Fund; (6) information on the investment performance of the Fund, including comparisons of the Fund's performance against that of other registered investment companies and comparable funds managed by the Investment Adviser that follow investment strategies similar to those of the Fund; (7) information regarding brokerage and portfolio transactions; and (8) information on any legal proceedings or regulatory audits or investigations affecting the Investment Adviser, including potential claims in the HCMLP bankruptcy. Throughout the annual contract renewal process, the Board of Trustees requested that the Investment Adviser provide additional information and responses regarding various matters in connection with the Board of Trustee's review and consideration of the Agreement. It was further noted that throughout the process, the Board of Trustees, including separately the Independent Trustees, had also met in executive sessions to further discuss the materials and information provided.

In addition, the Board of Trustees received an independent report from FUSE Research Network ("FUSE"), an independent third-party provider of investment company data, relating to the Fund's performance and expenses compared to the performance and expenses of a group of funds deemed by FUSE to be comparable to the Fund (the "peer group"), and to a larger group of comparable funds (the "peer universe"). The Board of Trustees also received data relating to the Fund's leverage, discounts and distribution rates as compared to its peer group.

The Board of Trustees discussed the materials and information provided by the Investment Adviser in detail over the course of multiple meetings, including the Investment Adviser's responses to the Board of Trustees' specific written questions, comparative fee and performance information and information concerning the Investment Adviser's business and financial condition.

The factors considered and the determinations made by the Board of Trustees in connection with the approval of the renewal of the Agreement with the Investment Adviser are set forth below but are not exhaustive of all matters that were discussed by the Board of Trustees.

The Board of Trustees noted that their evaluation process with respect to the Investment Adviser is an ongoing one. In this regard, the Board of Trustees also took into account discussions with management and information provided to the Board of Trustees at meetings of the Board of Trustees over the course of the year and in past years with respect to the services provided by the Investment Adviser to the Fund, including quarterly performance reports prepared by management containing reviews of investment results and prior presentations from the Investment Adviser with respect to the Fund. The information received and considered by the Board of Trustees in connection with the Board's determination to approve the continuance of the Agreement was both written and oral.

The Board of Trustees reviewed various factors that were discussed in a legal memorandum provided by independent counsel regarding trustee responsibilities in considering the Agreement, the detailed information provided by the Investment Adviser and other relevant information. The Board of Trustees also considered other factors (including conditions and trends prevailing generally in the economy, the securities markets, and the fund industry). The Board of Trustees' conclusions as to the approval of the Agreement were based on a comprehensive consideration of all information provided to the Trustees without any single factor being dispositive in and of itself. Some of the factors that figured particularly in the Board of Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. In addition, the Board of Trustees' conclusions may be based in part on its consideration of the advisory arrangements in prior years and on the Board of Trustees' ongoing regular review of fund performance and operations throughout the year.

Throughout the process, the Board of Trustees had the opportunity to ask questions of and request additional information from the Investment Adviser. The Board of Trustees was assisted by legal counsel for the Fund and the Independent Trustees were also separately assisted by independent legal counsel throughout the process. The Board of Trustees also met separately without representatives of the Investment Adviser present. The Independent Trustees also were advised by and met in executive sessions with their independent legal counsel at which no representatives of management were present to discuss the proposed continuation of the Agreement.

The nature, extent, and quality of the services to be provided by the Investment Adviser.
The Board of Trustees considered the Investment Adviser's services as investment manager to the Fund. The Board of Trustees considered the portfolio management services to be provided by the Investment Adviser under the Agreement and the activities related to portfolio management, including use of technology, research capabilities and investment management staff. The Board of Trustees also considered the relevant experience and qualifications of the personnel providing advisory services, including the background and experience of the members of the Fund's portfolio management team. The Board of Trustees reviewed the management structure, assets under management and investment philosophies and processes of the Investment Adviser, including with respect to liquidity management, as well as information regarding the Investment Adviser's compliance policies, procedures and personnel, including compensation arrangements, and with respect to valuation, cybersecurity, business continuity and disaster recovery. The Board of Trustees also considered the Investment Adviser's risk management and monitoring processes. The Board of Trustees took into account the terms of the Agreement and considered that, the Investment Adviser, subject to the direction of the Board of Trustees, is responsible for providing advice and guidance with respect to the Fund and for managing the investment of the assets of the Fund. The Board of Trustees also took into account that the scope of services provided to the Fund and the undertakings required of the Investment Adviser in connection with those services, including with respect to its own and the Fund's compliance programs, had expanded over time as a

result of regulatory, market and other developments. The Board of Trustees also considered any operational, staffing and organizational changes with respect to the Investment Adviser over the prior year, and the fact that there were no material operational or compliance issues with respect to the Fund or decrease in the level and quality of services provided to the Fund as a result. The Board of Trustees also considered the Investment Adviser's legal and regulatory history. The Board of Trustees also considered the Investment Adviser's current litigation matters related to the HCMLP bankruptcy and took into account the Investment Adviser's representation that such matters have not impacted the quality and level of services the Investment Adviser provides to the Fund under the Agreement.

The Investment Adviser's services in coordinating and overseeing the activities of the Fund's other service providers, as well of the services provided by Skyview to the Investment Adviser under the Skyview Services Agreement, were also considered. The Board of Trustees also evaluated the expertise and performance of the personnel of the Investment Adviser who performed services for the Fund throughout the year. They also considered the quality of the Investment Adviser's compliance oversight program with respect to the Fund's service providers. The Board of Trustees also considered both the investment advisory services and the nature, quality and extent of any administrative and other non-advisory services, including shareholder servicing and distribution support services, that are provided to the Fund and its shareholders by the Investment Adviser and its affiliates, as well as considered the services provided by Skyview to the Investment Adviser under the Skyview Services Agreement. The Board of Trustees noted that the level and quality of services to the Fund by the Investment Adviser and its affiliates had not been materially impacted by the HCMLP bankruptcy and took into account the Investment Adviser's representations that the level and quality of the services provided by the Investment Adviser and their affiliates, as well as of those services provided by Skyview to the Investment Adviser under the Skyview Services Agreement, would continue to be provided to the Fund at the same or higher level and quality.

The Board of Trustees also considered the significant risks assumed by the Investment Adviser in connection with the services provided to the Fund, including entrepreneurial risk and ongoing risks including investment, operational, enterprise, litigation, regulatory and compliance risks with respect to the Fund. The Board of Trustees also noted various cost savings initiatives that had been implemented by the Investment Adviser with respect to the Fund and the other funds in the Nexpoint Fund Complex over the years. The Board of Trustees considered the Investment Adviser's financial condition and financial wherewithal.

The Board of Trustees also noted that on a regular basis it receives and reviews information from the Fund's Chief Compliance Officer (CCO) regarding the Fund's compliance policies and procedures established pursuant to Rule 38a-1 under the 1940 Act. The Board of Trustees also took into account the Investment Adviser's risk assessment processes.

In considering the nature, extent, and quality of the services provided by the Investment Adviser, the Board of Trustees also took into account its knowledge of the Investment Adviser's management and the quality of the performance of its duties, through discussions and reports and interactions during the preceding year and in past years.

The Board of Trustees concluded that the Investment Adviser had the quality and depth of personnel and investment methods essential to performing its duties under the Agreement, and that the nature and the quality of such advisory services supported the approval of the Agreement.

The Investment Adviser's historical performance. In considering the Fund's performance, the Board of Trustees noted that it reviews at its regularly scheduled meetings information about the Fund's performance results. The Board of Trustees considered the performance of the Fund as described in the quarterly and other reports provided by management over the course of the year. The Board of Trustees noted that the Investment Adviser reviewed with the Board of Trustees on at least a quarterly basis detailed information about the Fund's performance results, portfolio composition and investment strategies. The Board of Trustees reviewed the historical performance of the Fund over various time periods and reflected on previous discussions regarding matters bearing on the Investment Adviser's performance at its meetings throughout the year. The Board of Trustees discussed the historical performance of the Fund and considered the relative performance of the Fund and its portfolio management team as compared to that of the Fund's peer group as selected by FUSE, as well as comparable indices.

The Board of Trustees also reviewed and considered the FUSE report, which provided a statistical analysis comparing the Fund's investment performance, expenses and fees to those of comparable funds for various periods ended June 30, 2024 and management's discussion of the same, including the effect of current market conditions on the Fund's more-recent performance. The Board of Trustees also noted that it had received a review of the data contained in the FUSE report from representatives of FUSE. The Board of Trustees noted that while it found the data provided by FUSE, the independent third-party data provider, generally useful, it recognized its limitations, including in particular that the data may vary depending on the end date selected and the results of the performance comparisons may vary depending on the selection of the peer group. The Board of Trustees also took into account management's discussion of the category in which the Fund was placed for comparative purposes, including any differences between the Fund's investment strategy and the strategy of the funds in the Fund's respective category, as well as compared to the peer group selected by FUSE. The Board of Trustees also took into account its discussions with management over the course of the year regarding factors that contributed to the performance of the Fund, including presentations with the Fund's portfolio managers.

Among other data relating specifically to the Fund's performance, the Board of Trustees took note of the peer group selected by FUSE, which consisted of real estate interval funds with similar pricing characteristics. The Board of Trustees further considered that the Fund outperformed its benchmark, the MSCI US REIT Index, for the three- and five-year periods ended June 30, 2024, and underperformed its benchmark for the one-year period ended June 30, 2024. The Board of Trustees then considered that the Fund had outperformed its peer group median for the one-, three- and five-year periods ended June 30, 2024. The Board of Trustees also took into account management's discussion of the Fund's performance, including a discussion of certain of the Fund's holdings.

The Board of Trustees concluded that the Fund's overall performance or other relevant factors supported the continuation of the Agreement with respect to the Fund for an additional one-year period.

The costs of the services to be provided by the Investment Adviser and the profits to be realized by the Investment Adviser and its affiliates from the relationship with the Fund.

The Board of Trustees also gave consideration to the fees payable under the Agreement, the expenses the Investment Adviser incurs in providing advisory services and the profitability to the Investment Adviser from managing the Fund, including: (1) information regarding the financial condition of the Investment Adviser and regarding profitability from the relationship with the Fund; (2) information regarding the total fees and payments received by the Investment Adviser for its services and, with respect to the Investment Adviser, whether such fees are appropriate given economies of scale and other considerations; (3) comparative information showing (a) the fees payable under the Agreement versus the investment advisory fees of certain registered investment companies and comparable funds that follow investment strategies similar to those of the Fund and (b) the expense ratios of the Fund versus the expense ratios of certain registered investment companies and comparable funds that follow investment strategies similar to those of the Fund; and (4) information regarding the total fees and payments received and the related amounts waived and/or reimbursed by the Investment Adviser and whether such fees are appropriate.

The Board of Trustees noted that the Fund's total net expenses were in line with its peer group median and that the Fund's advisory fees were in line with its peer group median. The Board of Trustees noted the Fund's size. The Board of Trustees further took into account management's discussion of the Fund's expenses.

The Board of Trustees considered the so-called "fallout benefits" to the Investment Adviser with respect to the Fund, such as the reputational value of serving as Investment Adviser to the Fund, potential fees paid to the Investment Adviser's affiliates by the Fund or portfolio companies for services provided, the benefits of scale from investment by the Fund in affiliated funds, and the benefits of research made available to the Investment Adviser by reason of brokerage commissions (if any) generated by the Fund's securities transactions, and with respect to the Fund's investments in one or more other funds in the NexPoint Fund Complex, the fees paid to the adviser of the underlying fund and its affiliates, if any, with respect to such investments. The Board of Trustees concluded that the benefits received by the Investment Adviser and its affiliates were reasonable in the context of the relationship between the Investment Adviser and the Fund.

The Board of Trustees examined the profitability of the Investment Adviser. The Board of Trustees also took into consideration the amounts waived and/or reimbursed by the Investment Adviser. After such review, the Board of Trustees determined that the profitability to the Investment Adviser and its affiliates from their relationship with the Fund, if any, was not excessive.

The extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of shareholders.

The Board of Trustees also considered the effect of the Fund's growth in assets under management on its fees. The Board of Trustees noted that while the Fund does not currently contain breakpoints in its advisory fee schedule, the Fund does benefit from a waiver of a portion of its advisory fees, which the Investment Adviser believes can be more effective than breakpoints at controlling overall costs borne by shareholders and the Board of Trustees took into account management's discussion of the same. The Board of Trustees also took into account the Investment Adviser's discussion of the fee structure and the Investment Adviser's continued investment in its business to enhance its capabilities and services to the benefit of the Fund and other funds in the retail complex. The Board of Trustees also noted the FUSE report, which compared fees among peers, and included the Fund's contractual fee schedule at different asset levels. The Board of Trustees also noted the current size of the Fund. The Board of Trustees also generally noted that, if the Fund's assets increase over time, the Fund may realize other economies of scale if assets increase proportionally more than certain other fixed expenses.

The Board noted, however, that although closed-end funds may make additional share offerings from time to time, closed-end funds have a more limited ability to increase their assets because the growth of their assets will occur primarily from the appreciation of their investment portfolios. The Board of Trustees concluded that the fee structure is reasonable, and with respect to the Investment Adviser, should result in a sharing of economies of scale in view of the information provided. The Board of Trustees determined to continue to review the ways and extent to which economies of scale might be shared between the Investment Adviser, on the one hand, and shareholders of the Fund, on the other, as the assets in the Fund grow.

Conclusion.

Following a further discussion of the factors above, it was noted that in considering the approval of the Agreement, no single factor was determinative to the decision of the Board of Trustees. Rather, after weighing all factors and considerations, including those discussed above, the Board of Trustees, including separately, the Independent Trustees, unanimously agreed that the Agreement, including the advisory fee to be paid to the Investment Adviser, is fair and reasonable to the Fund in light of the services that the Investment Adviser provides, the expenses that it incurs and the reasonably foreseeable asset levels of the Fund.

Trustees and Officers

The Board is responsible for the overall management of the Fund, including supervision of the duties performed by the Investment Adviser. The names and birth dates of the Trustees and officers of the Fund, the year each was first elected or appointed to office, their principal business occupations during the last five years, the number of funds overseen by each Trustee and other directorships they hold are shown below. The business address for each Trustee and officer of the Fund is c/o NexPoint Asset Management, L.P., 300 Crescent Court, Suite 700, Dallas, TX 75201.

The "Fund Complex," as referred to herein consists of: each series of NexPoint Funds I ("NFI"), each series of NexPoint Funds II ("NFII"), Highland Global Allocation Fund ("GAF"), Highland Opportunities and Income Fund (formerly Highland Income Fund) ("HFRO"), NexPoint Real Estate Strategies Fund ("NRESF"), and NexPoint Capital, Inc. (the "BDC"), a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act.

INDEPENDENT TRUSTEES						
Name and Date of Birth	Position(s) with the Trust	Term of Office[1] and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Fund Complex Overseen by the Trustee	Other Directorships/Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
Dr. Bob Froehlich (4/28/1953)	Trustee	Indefinite Term; Trustee since March 2016.	Retired.	7	Director of KC Concessions, Inc. (since January 2013); Director of American Sports Enterprise, Inc. (since January 2013); Chairman and owner, Kane County Cougars Baseball Club (since January 2013); Director of The Midwest League of Professional Baseball Clubs, Inc. (from January 2013 to December 2021); Director of Kane County Cougars Foundation, Inc. (since January 2013); Director of Galen Robotics, Inc. (since August 2016); Chairman and Director of FC Global Realty, Inc. (from May 2017 to June 2018); Chairman; Director of First Capital Investment Corp. (from March 2017 to March 2018); Director and Special Advisor to Vault Data, LLC (since February 2018); and Director of American Association of Professional Baseball, Inc. (since February 2021); Director of National Amateur Fall Baseball Federation (since December 2023) and Executive Director of Kane County Cougars Baseball Foundation Inc. since July 2023 (remaining as Director).	Significant experience in the financial industry; significant managerial and executive experience; significant experience on other boards of directors, including as a member of several audit committees.

Trustees and Officers

INDEPENDENT TRUSTEES						
Name and Date of Birth	Position(s) with the Trust	Term of Office[1] and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Fund Complex Overseen by the Trustee	Other Directorships/Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
Ethan Powell (6/20/1975)	Trustee; Chairman of the Board	Indefinite Term; Trustee since March 2016; Chairman of the Board since March 2016.	Principal and CIO of Brookmont Capital Management, LLC since May 2020; CEO, Chairman and Founder of Impact Shares LLC since December 2015; Trustee/Director of the Fund Complex from June 2012 until July 2013 and since December 2013; and Director of Kelly Strategic Management since August 2021.	7	Trustee of Impact Shares Funds I Trust	Significant experience in the financial industry; significant executive experience including past service as an officer of funds in the Fund Complex; significant administrative and managerial experience.
Bryan A. Ward (2/4/1955)	Trustee	Indefinite Term; Trustee since March 2016.	President – Private Banking, Lakeside Bank (since September 2023); Business Development Banker, CrossFirst Bank since January 2023 (President-Dallas from October 2020 until January 2023 and Senior Advisor from April 2019 until October 2022); and Private Investor, BW Consulting, LLC since 2014; and Anderson Consulting/ Accenture (from 1991 to 2013).	7	None.	Significant experience in the financial industry; significant executive experience including past service as an officer of funds in the Fund Complex; significant administrative and managerial experience.

Trustees and Officers

INDEPENDENT TRUSTEES						
Name and Date of Birth	Position(s) with the Trust	Term of Office[1] and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Fund Complex Overseen by the Trustee	Other Directorships/Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
Dorri McWhorter (6/30/1973)	Trustee	Infinite Term; Trustee since May 2022.	President & CEO, YMCA of Metropolitan Chicago (2021-2025); Chief Executive Officer, YWCA Metropolitan Chicago (2013-2021).	7	Board Director of William Blair Funds (since 2019); Board Director of Skyway Concession Company, LLC (since 2018); Board Director of Illinois CPA Society (2017-2022); Board Director of Lifeway Foods, Inc. (since 2020); Board Director of Green Thumb Industries, Inc. (since 2022); Member of Financial Accounting Standards Advisory Council (since 2021); Board Director of LanzaTech Global, Inc. (since 2023).	Significant managerial and executive experience, including experience as president and chief executive officer; in financial accounting; significant experience on other boards of directors, including for other registered investment companies.
INTERESTED TRUSTEE						
John Honis[2] (6/16/1958)	Trustee	Indefinite Term; Trustee since March 2016.	President of Rand Advisors, LLC (August 2013 - August 2022); Manager of Turtle Bay Resort, LLC (August 2011-December 2018); and President of Valience Group, LLC since July 2021.	7	None.	Significant experience in the financial industry; significant managerial and executive experience, including experience as president, chief executive officer or chief restructuring officer of five telecommunication firms; experience on other boards of directors.

1 On an annual basis, as a matter of Board policy, the Governance and Compliance Committee reviews each Trustee's performance and determines whether to extend each such Trustee's service for another year. The Board adopted a retirement policy wherein the Governance and Compliance Committee shall not recommend the continued service as a Trustee of a Board member who is older than 80 years of age at the time the Governance and Compliance Committee reports its findings to the Board.

2 In light of certain relationships between Mr. Honis and historically affiliated entities of the Investment Adviser, including Highland Capital Management, L.P. ("HCMLP"), arising out of HCMLP's pending Chapter 11 proceedings, Mr. Honis is treated as an Interested Trustee of the Trust effective January 28, 2020.

Trustees and Officers

OFFICERS		
Name and Date of Birth	**Position(s) held with the Trust and Length of Time Served, Term of Office**	**Principal Occupation(s) During Past Five Years**
James Dondero (6/29/1962)	President and Principal Executive Officer since March 2016; Indefinite Term.	Founder of NexPoint; Co-founder of Highland Capital Management, L.P. ("HCMLP") and NexPoint Asset Management, L.P. ("NAM"); Chairman of the Board of NexPoint Residential Trust, Inc. since 2015; NexPoint Hospitality Trust, NexPoint Real Estate Finance, Inc., Texmark Timber Treasury, L.P., Metro-Goldwyn-Mayer and SeaOne Holdings, LLC; Portfolio Manager of GAF, HFRO, NexPoint Even Driven Fund and NexPoint Merger Arbitrage Fund (each a series of HFI); NexPoint Climate Tech Fund (series of NFII); the BDC; and NRESF.
Dustin Norris (1/6/1984)	Executive Vice President since April 2019; Indefinite Term.	Head of Distribution and Chief Product Strategist at NexPoint since March 2019; President of NexPoint Securities, Inc. since April 2018; Head of Distribution at NAM from November 2017 until March 2019; Chief Product Strategist at NAM from September 2015 to March 2019; Director of Product Strategy at NAM from May 2014 to September 2015; Officer of the Fund Complex since November 2012.
Frank Waterhouse (4/14/1971)	Treasurer since March 2016; Principal Financial and Accounting Officer since April 2021; Indefinite Term.	Chief Financial Officer of Skyview Group since February 2021; Chief Financial Officer and Partner of HCMLP from December 2011 and March 2015, respectively, to February 2021; Treasurer of the Fund Complex since May 2015.
Will Mabry (7/2/1986)	Assistant Treasurer since April 2021; Indefinite Term.	Director, Fund Analysis of Skyview Group since February 2021. Prior to his current role at Skyview Group, Mr. Mabry served as Senior Manager – Fund Analysis, Manager – Fund Analysis, and Senior Fund Analyst for HCMLP.
Stephanie Vitiello (6/21/1983)	Secretary since April 2021; Chief Compliance Officer and Anti-Money Laundering Officer since November 2021; Indefinite Term.	Chief Compliance Officer and Counsel of Skyview Group since February 2021. Prior to her current role at Skyview Group, Inc., Ms. Vitiello served as Managing Director – Distressed, Assistant General Counsel, Associate General Counsel and In-House Counsel for HCMLP.
Lauren Fetty (4/15/1992)	Assistant Secretary since June 2024; Indefinite Term	Assistant Secretary since February 2024 and Corporate Counsel of Skyview Group since July 2022. Prior to her current role at Skyview Group, Ms. Fetty served as an attorney for Stanton LLP/.

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Fund Counsel
K&L Gates LLP
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This report has been prepared for shareholders of NexPoint Real Estate Strategies Fund (the “Fund”). As of January 1, 2021, paper copies of the Fund’s shareholder reports will no longer be sent by mail. Instead, the reports will be made available on https://www.nexpointassetmgmt.com/resources/#forms , and you will be notified and provided with a link each time a report is posted to the website. You may request to receive paper reports from the Fund or from your financial intermediary free of charge at any time. For additional information regarding how to access the Fund’s shareholder reports, or to request paper copies by mail, please call shareholder services at 1-844-485-9167.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to its portfolio securities, and the Fund’s proxy voting records for the most recent 12-month period ended June 30, are available (i) without charge, upon request, by calling 1-844-485-9167 and (ii) on the SEC’s website at http://www.sec.gov.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT within sixty days after the end of the period. The Fund’s Forms N- PORT are available on the SEC’s website at http://www.sec.gov and also may be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on the Public Reference Room may be obtained by calling 1-800-SEC-0330. Shareholders may also obtain the Form N- PORT by visiting the Fund’s website at www.nexpointassetmgmt.com.

As required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund’s principal executive officer and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-PORT relating to, among other things, the Fund’s disclosure controls and procedures and internal controls over financial reporting, as applicable.

The Statement of Additional Information includes additional information about the Fund’s Trustees and is available upon request without charge by calling 1-844-485-9167.

NexPoint Real Estate Strategies Fund
c/o SS&C Technologies Inc.
P.O. Box 219630
Kansas City, MO 64121-9630

NexPoint Real Estate Strategies Fund

Annual Report, December 31, 2024

NEXPOINT

www.nexpointassetmgmt.com

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