

A large, stylized graphic on the right side of the page. It consists of several concentric, overlapping circular bands in various shades of blue, light blue, yellow, and red. The word "NEXPOINT" is centered within this graphic in a white, bold, sans-serif font.

**NEXPOINT**

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**NEXPOINT REAL ESTATE STRATEGIES FUND**

# NEXPOINT: AN OVERVIEW



# ABOUT NEXPOINT



NexPoint is a leading alternative investment advisor, managing a suite of products that provide access to differentiated investment opportunities. The NexPoint product suite covers a range of vehicles, including listed REITs, private placements, 1031 exchanges, closed-end funds, a business development company (BDC), and interval funds.

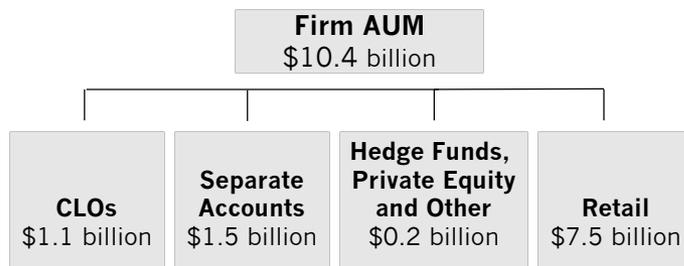
NexPoint is part of a multibillion-dollar investment platform that serves both retail and institutional investors worldwide. While NexPoint's focus areas include real estate and alternative credit strategies, its products draw on expertise and capabilities from across the platform, which spans a range of asset classes and investment strategies.

# A STRONG HISTORY IN CREDIT AND REAL ESTATE

## NEXPOINT AND AFFILIATES<sup>1</sup>

- Independent
- \$10.4 Billion in AUM
- 26 years of investing in credit and alternatives
- Core values centered on being investors first
- Stable organization and strong financial position
- Diverse client-based services from global distribution offices

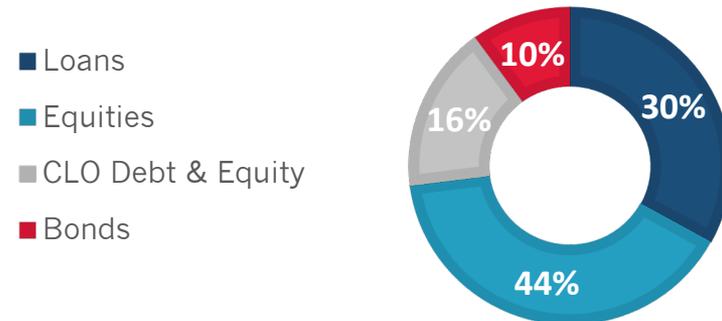
## AUM BY BUSINESS SEGMENT<sup>1</sup>



## NEXPOINT REAL ESTATE

- NexPoint and its affiliates are part of one of the largest and most experienced alternative credit and equity managers.
- NexPoint's management team has extensive real estate experience, having completed more than \$9.6 Billion of real estate acquisitions since the beginning of 2012.<sup>2</sup>
- In 2015, NexPoint Real Estate Advisors, L.P. successfully completed a public listing of NexPoint Residential Trust, Inc. ("NXRT") on the New York Stock Exchange. NXRT is an equity REIT focused on value-add, multifamily properties in the Southeast and Southwest United States.

## AUM BY ASSET CLASS<sup>1</sup>



1. As of 12/31/19, Inclusive of NexPoint. and affiliates, based on fee calculation AUM.  
2. As of 12/31/19; inclusive of affiliates. Real estate assets are since January 1, 2012.

# REAL ESTATE: AN OVERVIEW



**NEXPOINT**

# WHY REAL ESTATE?

## THE CHALLENGE

In this current environment, a traditional portfolio of stocks and bonds may not be enough with equity markets trading at all-time highs and bond markets facing uncertainty.

## THE SOLUTION

An allocation to alternative investments like real estate may help you meet today's investing challenges.

## POTENTIAL BENEFITS

Adding real estate to a portfolio can provide:

- INCOME GENERATION
- INFLATION HEDGE
- LOW CORRELATION TO OTHER ASSETS
- CAPITAL APPRECIATION
- LOWER VOLATILITY



There is no guarantee that the goals will be achieved.

# CHARACTERISTICS OF PUBLICLY-TRADED REAL ESTATE

1

Higher  
Liquidity

2

Constant Pricing  
Can Lead to  
Higher Volatility

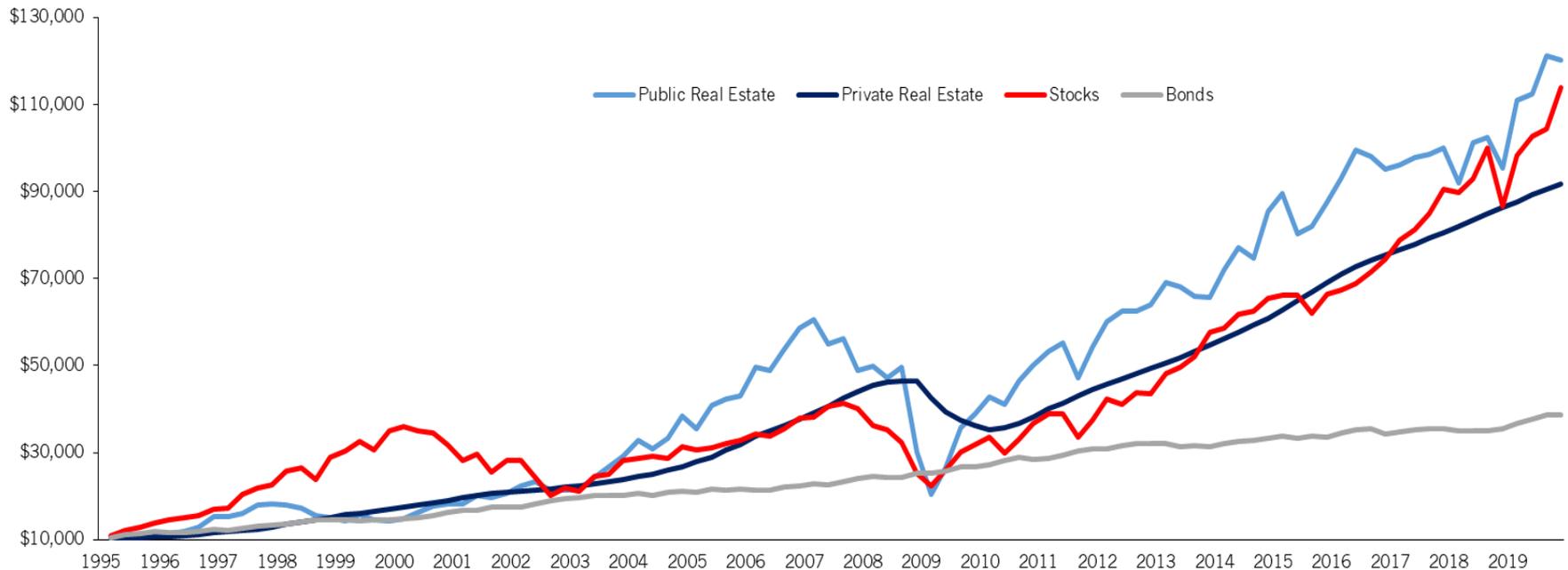
3

Attractive  
Income  
Potential

# PUBLIC REAL ESTATE HISTORICAL PERFORMANCE

Index	Annualized Return
MSCI US REIT (Public RE)	10.45%
NCREIF Property Index (Private RE)	9.34%
S&P 500 (Stocks)	10.22%
Barcalys U.S. Aggregate Bond (Bonds)	5.57%

PUBLIC REAL ESTATE HAS HISTORICALLY HAD STRONG RETURNS VS BONDS, STOCKS AND PRIVATE REAL ESTATE



Source: Morningstar 1/1/95 – 12/31/19

Public Real Estate: MSCI U.S. REIT; Private Real Estate: NCREIF Property Index; Stocks: S&P 500; Bonds: Barclays U.S. Aggregate Bond

Past performance does not guarantee future results.

# CHARACTERISTICS OF PRIVATE REAL ESTATE

1

Lower  
Liquidity

2

Appraisal  
Pricing Can  
Lead to Lower  
Volatility\*

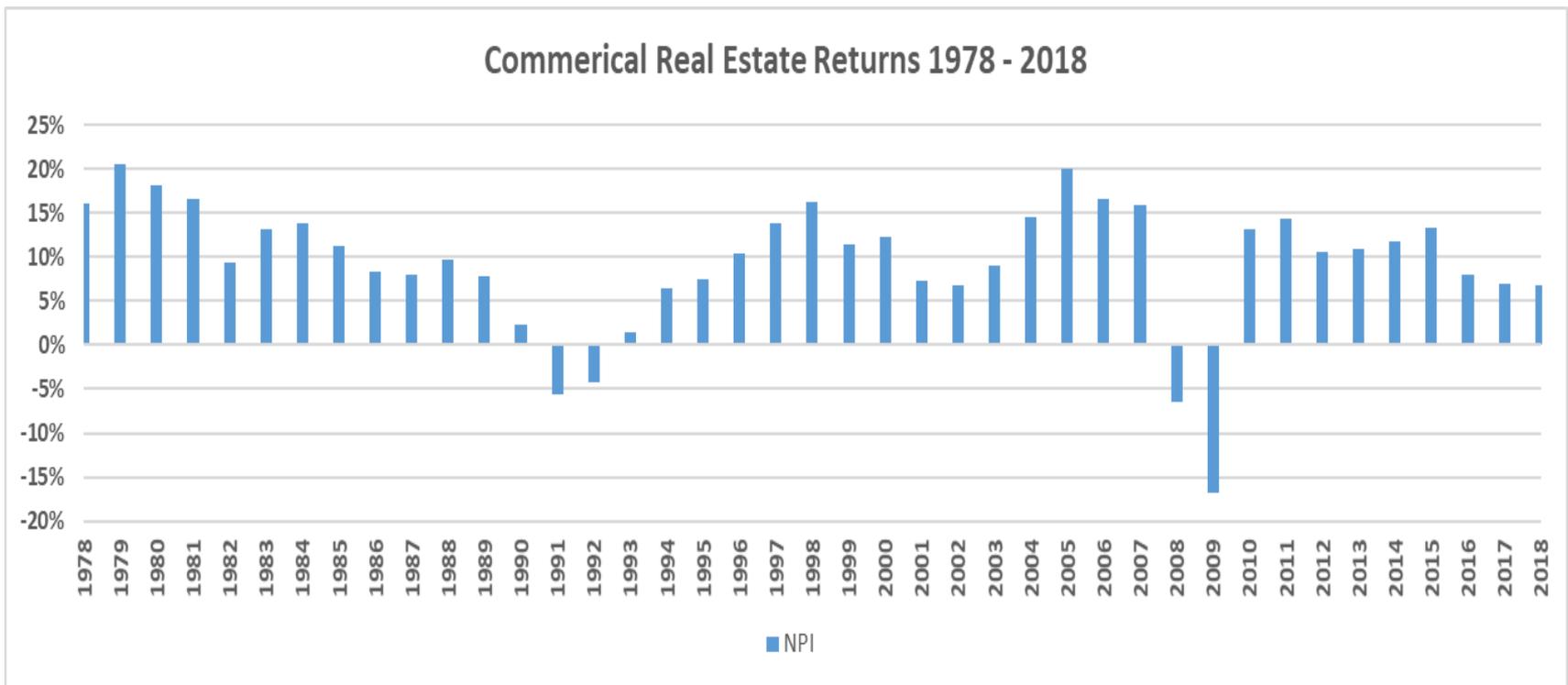
3

Access to  
Specific  
Markets and  
Property  
Types by  
Purchasing  
Individual  
Buildings

\*The value of the underlying investments will fluctuate and may be worth less than originally invested.

# PRIVATE REAL ESTATE VOLATILITY

SINCE 1978, COMMERCIAL REAL ESTATE HAS ONLY HAD FOUR DOWN YEARS



Source: Morningstar Direct. NCREIF Property Index (NPI)

# INTERVAL FUNDS



**NEXPOINT**

# WHAT IS AN INTERVAL FUND?

## TYPE OF 1940-ACT, CLOSED-END FUND

With some of the attributes of an open-end fund

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## ABILITY TO INVEST DAILY / REDEEM ON INTERVAL BASIS<sup>1</sup>

Typically quarterly, for stated portions of shares through the Fund's tender offer program

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## FUND MANAGER CAN INVEST CAPITAL IN ILLIQUID INVESTMENTS<sup>2</sup>

And assets and investment strategies with longer holding periods

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## MAY BE SUITABLE FOR LONG-TERM INVESTORS<sup>3</sup>

who don't need access to their principal for longer periods of time

1. Quarterly redemptions will be no less than 5% of the shares outstanding made available. Regardless of how the Fund performs, there is no guarantee that shareholders will be able to sell any or all of the shares they desire in a quarterly repurchase offer.
2. The Fund may invest in publicly registered non-traded real estate investment trusts, which are illiquid and are not subject to the protections of the Investment Company Act of 1940. Some or all of these funds may be managed by NexPoint Advisors, L.P., the Fund's investment adviser, or an affiliate.
3. The investment product described herein is not suitable for everyone. Please review the investment with your financial professional prior to investing.

# POTENTIAL INVESTOR BENEFITS

## **NO PERFORMANCE-BASED FEES<sup>1</sup>**

May appeal to a broad range of investors

## **“40 ACT” FUND PROVIDES TRANSPARENCY**

Does not require investor accreditation

## **DAILY PRICING THROUGH NAV**

Transparency on the net value of positions

## **HISTORICAL LOW MARKET CORRELATION**

Offers redemptions on an “interval basis” and limited liquidity not available in private investments

## **SEEKS RISK-ADJUSTED RETURNS**

## **OFFERS ABILITY TO DIVERSIFY A PORTFOLIO**

Can offer lower market correlation than stocks and bonds

## **UNIQUE ACCESS TO INSTITUTIONAL-MANAGED DEBT/EQUITY**

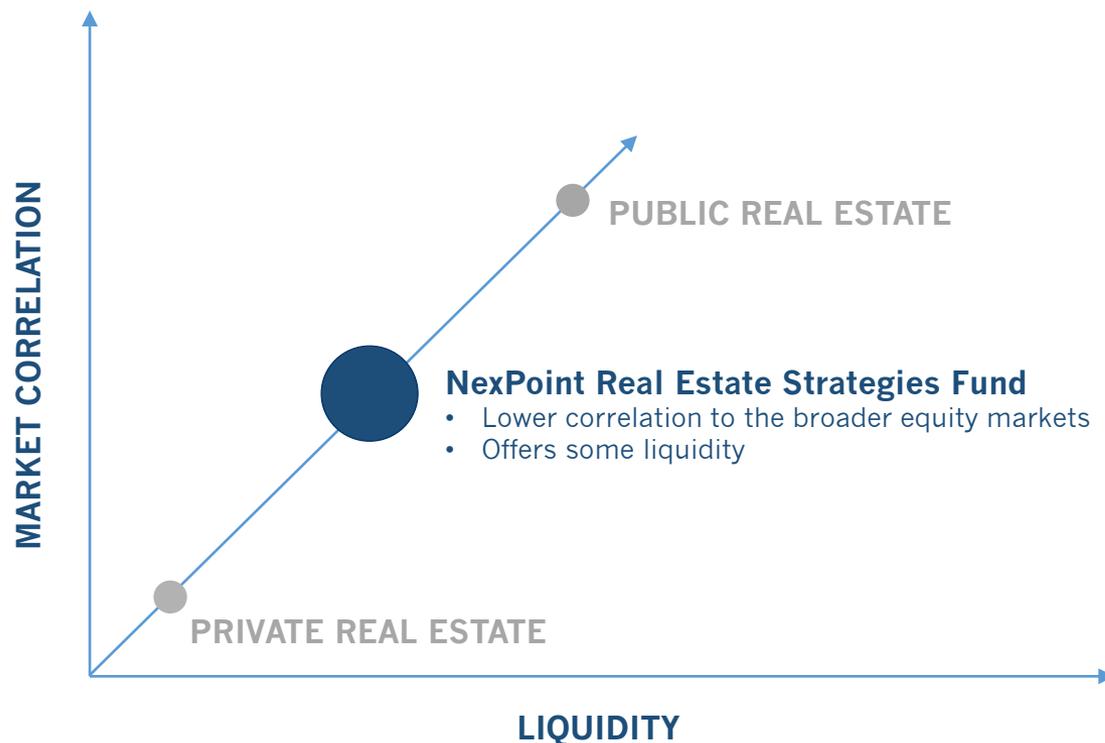
Previously only available to large institutions and high-net worth individuals

## **LOW MINIMUM INITIAL INVESTMENT<sup>2</sup>**

1. Operating Expenses: Gross: Class A: 5.71 , Class C: 6.44, Class Z: 5.45; Net: Class A: 2.66, Class C: 3.41, Class Z: 2.41. There are no performance-based fees. Please refer to the prospectus for a complete list of fees & expenses
2. Minimum initial investment: Class A and Class C: \$500, Class A and Class C (Retirement Accounts): \$50; Class Z: \$100,000 (the Fund reserves the right to waive)

# SEEKS LOWER CORRELATION WITH A LIQUIDITY FEATURE<sup>1</sup>

Looks to combine the benefits of both public and private investments, and provides quarterly liquidity of no less than 5% of the shares outstanding.<sup>2</sup>



1. Chart is for Illustrative Purposes Only
2. Quarterly redemptions will be no less than 5% of the shares outstanding made available. Regardless of how the Fund performs, there is no guarantee that shareholders will be able to sell any or all of the shares they desire in a quarterly repurchase offer.

# NEXPOINT REAL ESTATE STRATEGIES FUND



**NEXPOINT**

# OBJECTIVE & STRATEGY<sup>1</sup>

## INVESTMENT OBJECTIVE:

The Fund seeks long-term total return, with an emphasis on income, by primarily investing in a broad range of private and public real estate-related debt, equity and preferred equity investments across multiple real estate sectors.



## INVESTMENT STRATEGY:

The Fund primarily invests 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”)
4. Opportunistic and value added direct real estate strategies.

1. There can be no assurance that this strategy will achieve these objectives. Refer to the “Investment Objectives, Policies and Strategies” section in the prospectus for investment strategy descriptions.

# ARBITRAGE BETWEEN PUBLIC AND PRIVATE REAL ESTATE

## INVESTMENT PHILOSOPHY:

We seek to emphasize a portfolio construction strategy that:

- (i) Recognizes and allocates capital based upon where we believe we are in the current real estate cycle.
- (i) Attempts to minimize drawdowns during market downturns and maximize risk adjusted returns during all market cycles. 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 the capital markets, real estate markets and private market.<sup>1</sup>
- (ii) As a result, we believe we can identify and effectively benefit from the arbitrage between public and private real estate values. Not only do we believe that our style and approach provide greater control, transparency, and efficiencies, but we firmly believe it is the superior method in running an actively managed, real estate-focused interval fund.

1. The management team available to the Fund has an extensive history of underwriting, originating, purchasing, and servicing debt secured by commercial real estate and purchasing direct real estate investments. NexPoint and its affiliates are one of the most experienced global alternative credit managers. The firm invests in various credit and equity strategies, long-only funds, separate accounts, CLOs, non-traded funds, publicly traded funds, closed-end funds, mutual funds and ETFs, and manages strategies such as distressed-for-control private equity, oil and gas, direct real estate, real estate credit and originated or structured real estate credit investments. Together with its affiliates, NexPoint had \$10.4 billion in assets under management as of December 31, 2019.

# ATTRIBUTES OF NEXPOINT REAL ESTATE STRATEGIES FUND<sup>1</sup>



Current Yield/Cash Distributions<sup>2</sup>



Capital Appreciation



Lower Correlation to Equity Markets



Residential



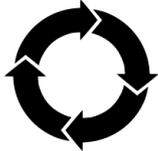
Commercial



Opportunistic

1. There can be no assurance that this strategy will achieve these objectives. Refer to the “Investment Objective, Policies and Strategies” section in the prospectus for investment strategy descriptions. Investing in our shares of common stock may be considered speculative and involves a high degree of risk, including the risk of a substantial loss of investment. Refer to the “Risk Factor” section in the prospectus for a full list of risks.
2. Distributions are not guaranteed and may be suspended, modified or terminated at the discretion of the board of directors. Distributions may be paid from offering proceeds and may include a return of principal or borrowed funds, which may lower overall returns to the investor and may not be sustainable.

# INVESTMENT THEMES<sup>1</sup>



## FLEXIBILITY

To invest in multiple instruments throughout the entire real estate cycle



## GEOGRAPHIC OPPORTUNITIES

e.g. Houston (oil), San Francisco (tech slowdown) and United Kingdom (Brexit)



## TECHNOLOGICAL DISRUPTERS

e.g. airbnb, Amazon, etc.



## FUNDAMENTALS

Historically strong fundamentals in multifamily and storage sectors



## DISCOUNTS TO NAV

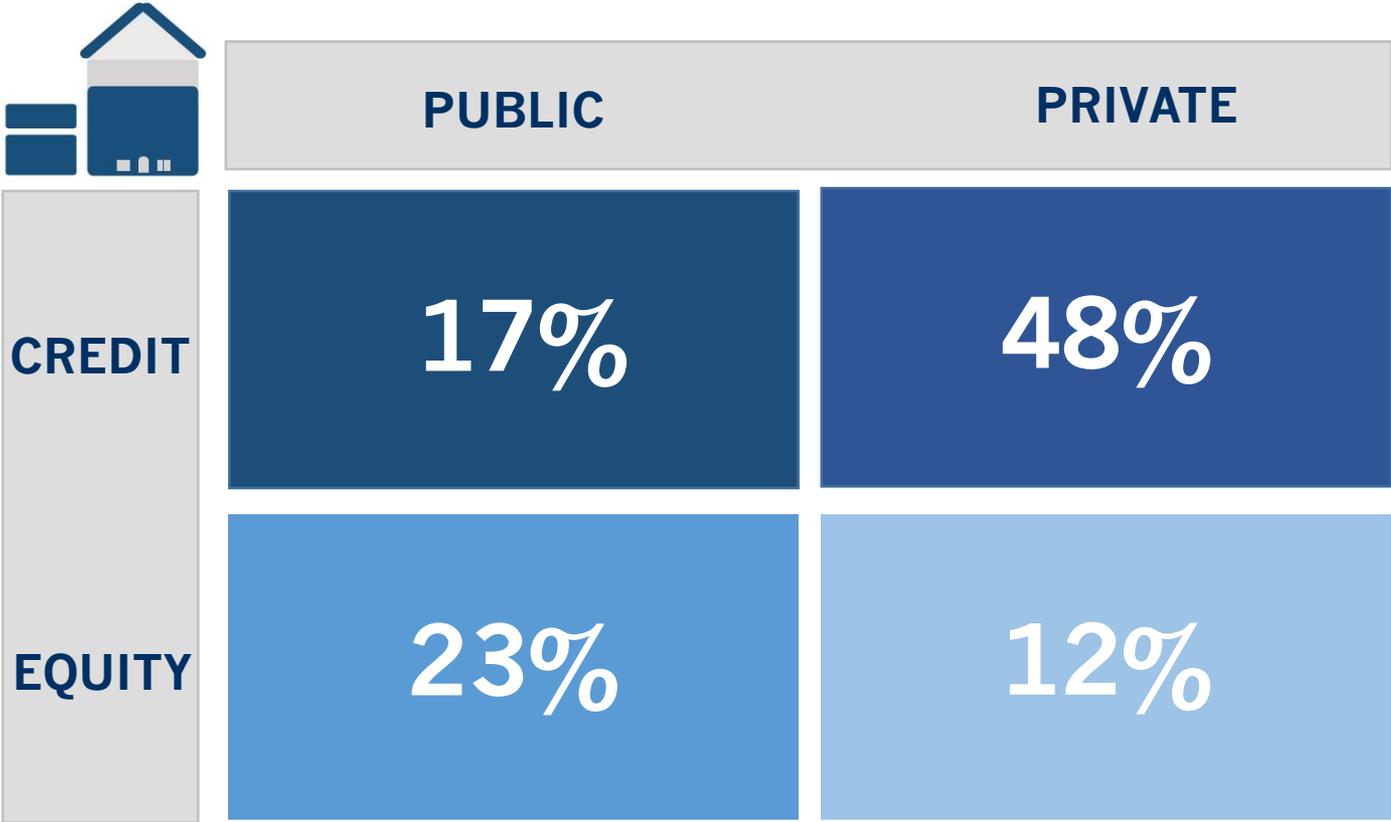
Potential opportunities to gain real estate exposure at discounts to NAV



## SEEKS CURRENT INCOME POTENTIAL

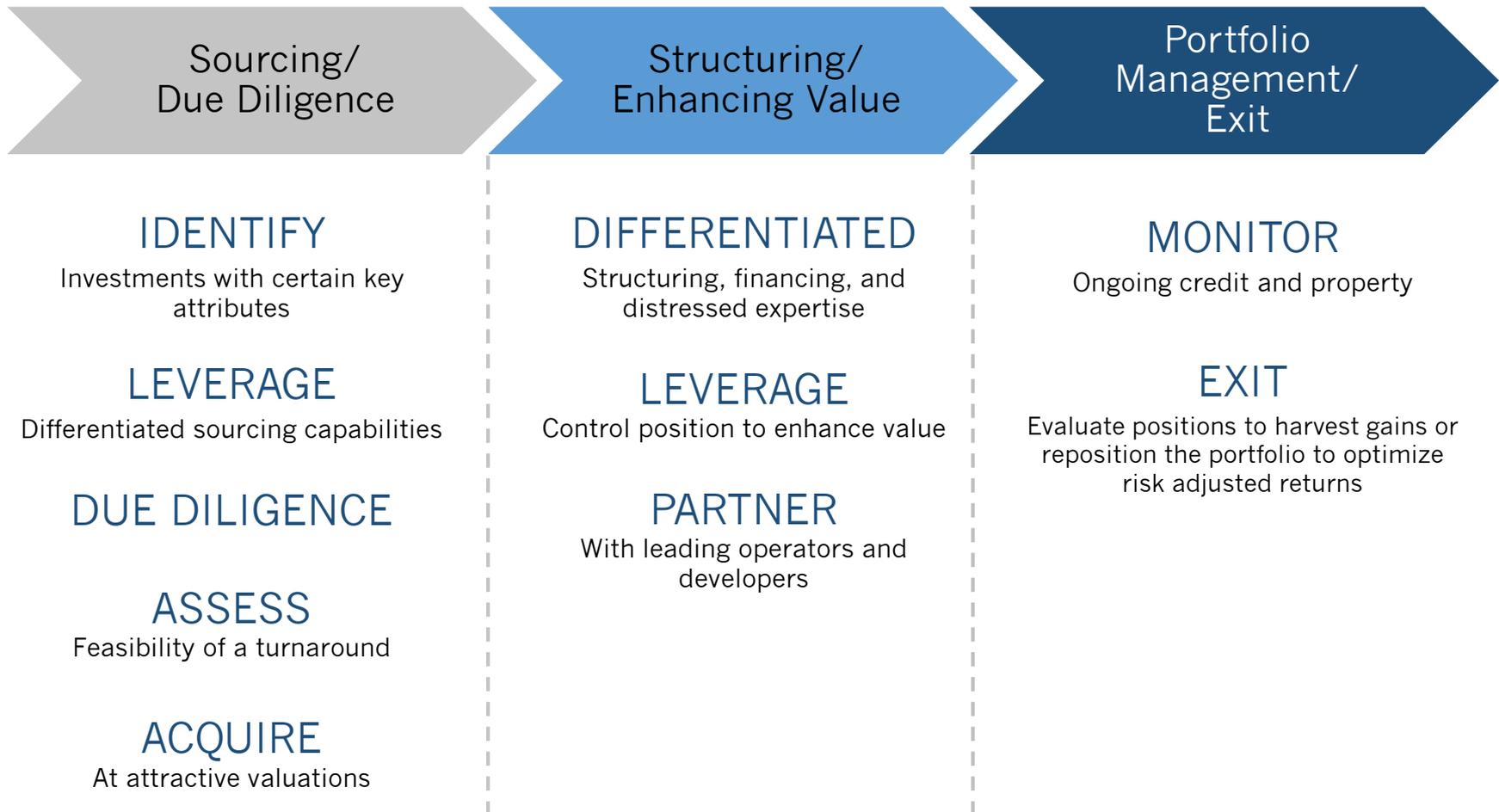
1. There can be no assurance that this strategy will achieve these objectives. Refer to the “Investment Objective, Policies and Strategies” section in the prospectus for investment strategy descriptions. Investing in our shares of common stock may be considered speculative and involves a high degree of risk, including the risk of a substantial loss of investment. Refer to the “Risk Factor” section in the prospectus for a full list of risks.

# PORTFOLIO ALLOCATION



As of 12/31/19

# INVESTMENT PROCESS



# NEXPOINT REAL ESTATE STRATEGIES GROWTH OF 10K

Largest Real Estate ETFs and Open-end Funds	Ticker	12 Month Distribution Rate	Annualized Return	Standard Deviation	NexPoint Excess Distribution Rate (bps)	NexPoint Annualized Excess Return (bps)
NexPoint Real Estate Strategies Fund	NRSZX	7.14	7.24	9.15		



Source: Morningstar Direct Data from 7/2/16 – 12/31/19  
 Past performance does not guarantee future results.  
 The performance shown is net of fees.

# % AVERAGE ANNUAL TOTAL RETURNS AS OF 12/31/19

Share Class	RETURNS			
	YTD	1-YR	3-YR	ITD
Class A	13.32	13.32	6.39	6.82
Class A (w/load)	6.81	6.81	4.31	5.00
Class C	12.73	12.73	5.97	6.35
Class Z	14.01	14.01	7.03	7.24
MARKET INDICES*				
MSCI U.S. REIT	25.84	25.84	26.18	5.51
Bloomberg Barclays Agg Bond Index	8.72	8.72	12.58	2.69

Top 5 Holdings	
NRESF REIT Sub	16.5%
Jernigan Capital	10.8%
City Office REIT	9.2%
SFR WLIF I, LLC	7.7%
Creek Pine Holdings, LLC	6.8%

## Sales Load

Max Sales Charge: Class A Shares – 5.75%; Class L Shares – 4.25%; Contingent Deferred Sales Charge: Class A & C Shares – 1.00%. Expense ratios: Class A shares – 5.61 Gross, 2.66 Net; Class C Shares: 6.44 Gross, 3.41 Net; Class L Shares: 5.95 Gross, 2.91 Net; Class Z Shares: 5.45 Gross, 2.41 Net  
No performance on Class L shares as of 12/31/19

Class A shares purchased without an initial sales charge in accounts aggregating \$500,000 or more may be subject to a 1.00% contingent deferred sales charge (“CDSC”) on shares redeemed during the first 18 months after their purchase. Class C shares are subject to a 1.00% CDSC for redemptions of shares within 18 months after their purchase.

**Before investing in the Fund, you should carefully consider the Fund’s investment objectives, risks, charges and expenses. For a copy of a prospectus or summary prospectus which contains this and other information, please visit our website at [www.nexpointfunds.com](http://www.nexpointfunds.com) or call 1-877-665-1287. Please read the fund prospectus carefully before investing.**

**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 shares, 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.nexpointfunds.com](http://www.nexpointfunds.com).**

Performance results reflect the contractual waivers and/or reimbursements of fund expenses by the Advisor. Absent this limitation, performance results would have been lower. The Advisor has contractually agreed to waive its fees and to pay or absorb the ordinary annual 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, litigation expenses and extraordinary expenses), (the “Expense Limitation”).

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. The Expense Limitation Agreement will remain in effect until at least May 1, 2020 unless and until the Board approves its modification or termination.

# LARGE NETWORK OF RELATIONSHIPS

WE SOURCE DIRECT  
PROPERTY  
ACQUISITIONS AND  
CREDIT/PREFERRED  
EQUITY ORIENTATION  
OPPORTUNITIES  
USING OUR VAST  
NETWORK OF  
CONTACTS

 Equity Residential **Brookfield** Jefferies

 Green Street Advisors Morgan Stanley



J.P.Morgan  **CBRE** HFF

FAIRFIELD  
RESIDENTIAL

BASCOM  
THE BASCOM GROUP



 Freddie Mac

 Fannie Mae

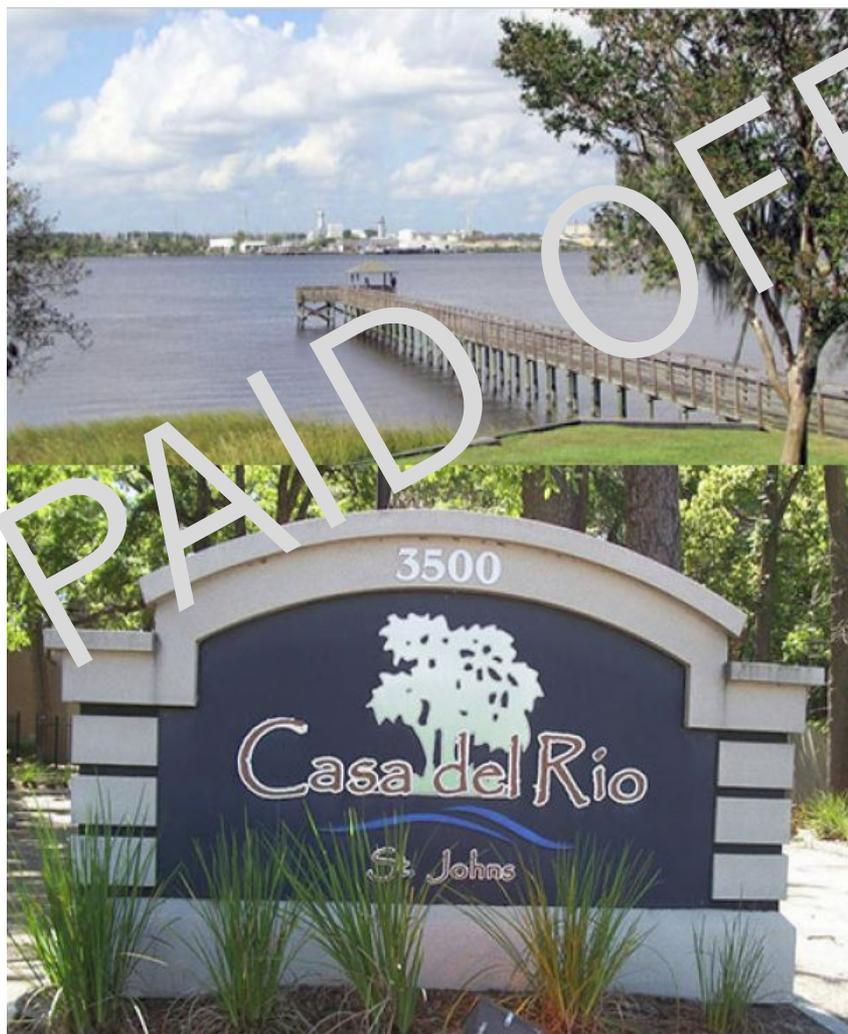
**Walker & Dunlop**

 **ARA**  
A Newmark Company

LADENBURG  
THALMANN

For illustrative purposes only. Although the Advisor may have current and/or prior working relationships with the companies shown above, the Advisor does not represent that any future outcomes should be expected as a result of these relationships.

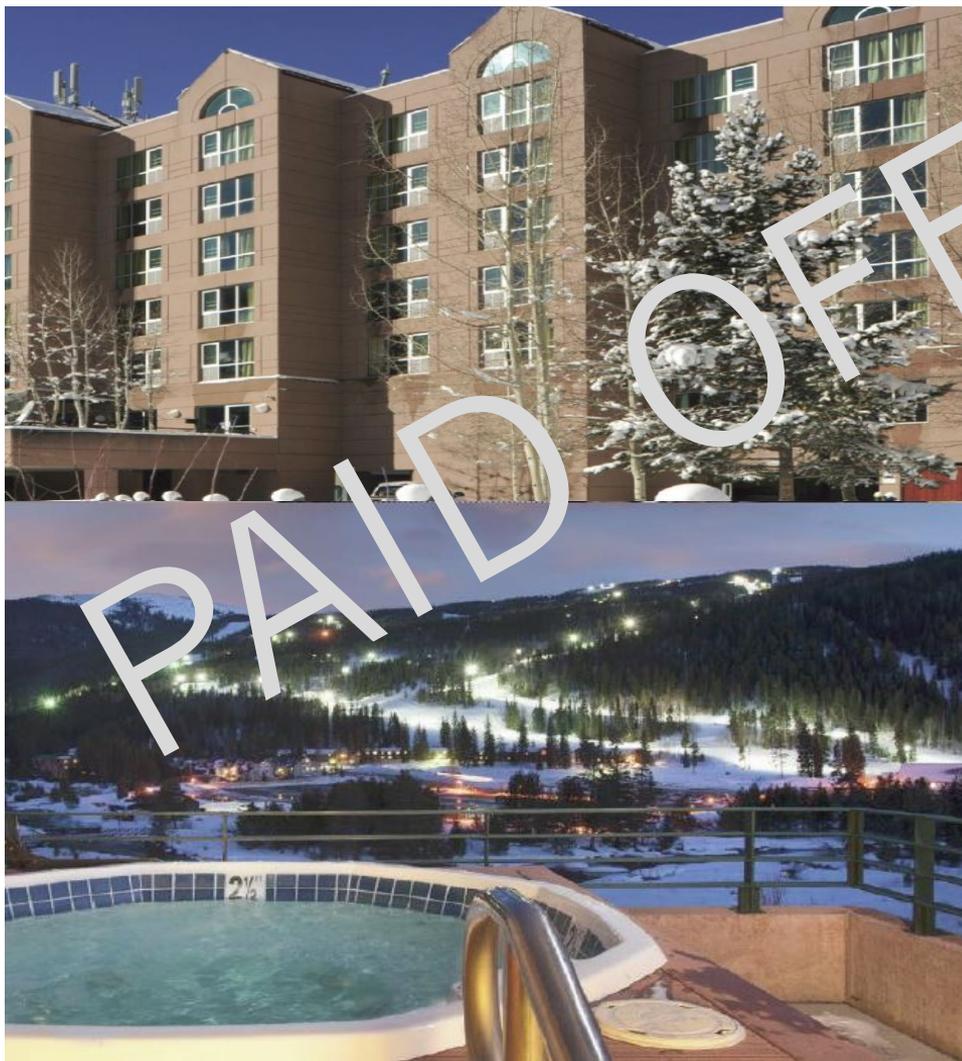
# DEAL SUMMARY – CASA DEL RIO



Location:	Jacksonville, Florida
Property Type:	Class B- Multifamily
Number of Units:	458
Year Built:	1975
Rentable Square Feet:	517,836
Occupancy (6/30/2017):	94.8%
Closing Date:	July 13, 2016
Purchase Price:	\$20,250,000
Purchase Price Per Unit:	\$44,214
Avg Price Per Unit (Comps):	\$55,776
Avg Rent Per Unit:	\$699
Avg Rent Per Unit (Comps):	\$766
<hr/>	
First Mortgage Debt:	\$15,187,000
Sponsor Equity Investment:	\$3,630,000
Total Preferred Investment: <sup>1</sup>	\$2,025,500
Leverage with Preferred:	85.0%
<hr/>	
Current Preferred Equity Coupon:	11.00%
Accrued Preferred Equity Coupon	1.00%
Total Preferred Equity Coupon:	12.00%

1. The Fund owned 50% of the preferred equity investment. On August 3, 2017, the Sponsor closed the sale of the Property and subsequently paid off the full preferred equity investment, plus the accrued interest and 1% exit fee.

# DEAL SUMMARY – THE INN AT KEYSTONE



<b>Location:</b>	Keystone, CO
<b>Property Type:</b>	Full Service Hotel
<b>Number of Rooms:</b>	103
<b>Year Built:</b>	1989
<b>Occupancy (12/31/2018):</b>	76.4%
<b>Investment Date:</b>	11/16/16
<b>Third Party Valuation (Post Repositioning):</b>	\$14,000,000
<b>Third Party Valuation Per Room:</b>	\$135,922
<b>Avg Daily Rate (3/31/18):</b>	\$204
<b>Avg Daily Rate (3/31/16):</b>	\$134
<b>Avg Daily Rate Increase:</b>	52.1%
<b>Avg Daily Rate (Comps):</b>	\$198
<b>Avg RevPAR (3/31/18):</b>	\$146
<b>Avg RevPAR (3/31/16):</b>	\$72
<b>Avg RevPAR Increase:</b>	102.0%
<b>Avg RevPAR (Comps):</b>	\$151
<b>First Mortgage Debt:</b>	\$7,548,000
<b>Sponsor Equity Investment:</b>	\$3,203,407
<b>Total Preferred Investment:</b>	\$2,200,000
<b>Leverage with Preferred:</b>	75.3%
<b>Current Preferred Equity Coupon:</b>	9.00%
<b>Accrued Preferred Equity Coupon:</b>	5.50%
<b>Total Preferred Equity Coupon:<sup>1</sup></b>	<b>14.50%</b>

1. The Total Preferred Equity Coupon includes the monthly Current Preferred Equity Coupon, plus the Accrued Preferred Equity Coupon, which accrues but is not paid until maturity and/or a capital event.

# SUMMARY OF FUND FACTS

## NEXPOINT REAL ESTATE STRATEGIES FUND<sup>1</sup>



MINIMUM INVESTMENT	\$500+ <sup>2</sup>
12-MONTH YIELD	7.14 <sup>3</sup>
LIQUIDITY	Quarterly Redemption; 5% to ≤ 25% of total outstanding shares <sup>4</sup>

1. There can be no assurance that the Fund will achieve its investment objectives.
2. Minimum investment of \$50 for retirement accounts and \$500 for Class A and C shares and \$100,000 for Class Z shares
3. As of December 31, 2019
4. The Fund is an interval fund and, as such, has adopted a fundamental policy to make quarterly repurchase offers, at NAV, of no less than 5% of the shares outstanding. There is no guarantee that shareholders will be able to sell all of the shares they desire in a quarterly repurchase offer because shareholders, in total, may wish to sell more than 5% of the Fund's shares. If the amount of repurchase requests exceeds the number of shares the Fund offers to repurchase, the Fund will repurchase shares on a pro rata basis. Limited liquidity will be provided to shareholders only through the Fund's quarterly repurchases. The Fund will maintain liquid securities or cash or, if available, will borrow in amounts sufficient to meet quarterly redemption requirements.

# FOR MORE INFORMATION

## **NEXPOINT SALES DESK**

P. 877-665-1287

E. [info@nexpointadvisors.com](mailto:info@nexpointadvisors.com)

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# DISCLOSURES

## Technical Terms:

- **12 Month Yield:** the sum of a fund's total trailing 12-month interest and dividend payments divided by the last month's ending share price (NAV) plus any capital gains distributed over the same period.
- **Total Return:** Expressed in percentage terms, Morningstar's calculation of total return is determined each month by taking the change in monthly net asset value, reinvesting all income and capital-gains distributions during that month, and dividing by the starting NAV.
- **Standard Deviation:** A statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time. When a fund has a high standard deviation, the predicted range of performance is wide, implying greater volatility.
- **Excess Return:** This is a measure of an NexPoint's return in excess of a competitor.
- **Excess Yield:** This is a measure of an NexPoint's yield in excess of a competitor.
- **MSCI US REIT Index** is a free float-adjusted market capitalization weighted index that is comprised of equity Real Estate Investment Trusts (REITs).
- **NCREIF Property Index** is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment purposes only.
- **The S&P 500** is an American stock market index based on the market capitalizations of 500 large companies having common stock listed on the NYSE or NASDAQ. The S&P 500 index components and their weightings are determined by S&P Dow Jones Indices.
- **Barclays U.S. Aggregate Bond Index** is the most commonly used benchmark for determining the relative performance of bond or fixed income portfolios.

# RISK CONSIDERATIONS

The Fund has no operating history, and its shares have no history of public trading. In addition, investors should understand that: the Fund does not currently intend to list its shares on any securities exchange; there is no secondary market for the Fund's shares, and the Fund does not expect that such a market will develop at this time; and your investment in the Fund will be illiquid.

Before investing, you should therefore consider the following factors:

- You may not have access to the money you invest for an extended period of time.
- You may not be able to sell your shares at the time of your choosing regardless of how the Fund performs.
- Because you may not be able to sell your shares at the time of your choosing, you may not be able to reduce your exposure in a market downturn.
- An investment in the Fund may not be suitable for investors who may need the money they invested in a specified timeframe.
- The amount of distributions that the Fund may pay, if any, is uncertain.

The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to the Fund's performance, such as from offering proceeds, borrowings, and amounts from the Fund's affiliates that are subject to repayment by investors. All or a portion of a distribution may consist of a return of capital. Because a return of capital may reduce a shareholder's tax basis, it will increase the amount of gain or decrease the amount of loss on a subsequent disposition of the shareholder's shares.

The Fund has implemented a share repurchase program, but it is only required to repurchase up to 5% of its outstanding shares per quarter. The Fund intends to begin repurchasing shares at the end of the second full quarter following the effectiveness of this Registration Statement. In addition, the Fund may in the future determine to list its shares on a public securities exchange, but even if an active secondary market in the Fund's shares were to develop as a result, closed-end fund shares frequently trade at a discount from their NAV. Investing in the Fund involves a considerable degree of risk.

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES DESCRIBED HEREIN. AN OFFERING IS MADE ONLY BY THE PROSPECTUS. THIS SALES AND ADVERTISING LITERATURE MUST BE READ IN CONJUNCTION WITH THE PROSPECTUS IN ORDER TO UNDERSTAND FULLY ALL OF THE IMPLICATIONS AND RISKS OF THE OFFERING OF SECURITIES TO WHICH IT RELATES. THIS MATERIAL MUST BE PRECEDED OR ACCOMPANIED BY A PROSPECTUS. AN INVESTMENT MADE IN THE NEXPOINT REAL ESTATE STRATEGIES FUND INVOLVES A HIGH DEGREE OF RISK AND THERE CAN BE NO ASSURANCE THAT THE INVESTMENT OBJECTIVES OF THIS PROGRAM WILL BE ATTAINED. THERE IS RISK, IN PART, DUE TO THE LACK OF LIQUIDITY IN OUR SHARES. THE AMOUNT OF DISTRIBUTIONS WE PAY, IF ANY, IS UNCERTAIN. WE MAY PAY DISTRIBUTIONS FROM OFFERING PROCEEDS OR FROM BORROWINGS IN ANTICIPATION OF FUTURE CASH FLOWS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION, THE ATTORNEY GENERAL OF THE STATE OF NEW YORK NOR ANY OTHER STATE SECURITIES REGULATOR HAS APPROVED OR DISAPPROVED OF THESE SECURITIES, PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

# RISK CONSIDERATIONS

An investment in our common stock involves a high degree of risk and may be considered speculative. You should carefully consider the information found in the “Risk Factors” section of our prospectus before deciding to invest in shares of our common stock. The following are some of the risks an investment in us involves:

- Our investments in prospective portfolio companies are risky, and we could lose all or part of our investment.
- We are a non-diversified investment company within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act"), and therefore we are not limited with respect to the proportion of our investment that may be invested in securities of a single issuer.
- We are a new company and have a limited operating history.
- As a company with no investments, our continuous public offering may be deemed to be a “blind pool” offering. An investor may not have the opportunity to evaluate historical data or assess investments prior to purchasing our shares.
- As required by the 1940 Act, a significant portion of our investment portfolio is recorded at fair value as determined in good faith by our board of directors and, as a result, there is uncertainty as to the value of our portfolio investments.
- Unless we experience substantial net capital appreciation and realized gains, the purchase price in our periodic repurchase offers will be at a price lower than the price paid for your shares.
- The amount of distributions that we pay is uncertain. We may pay distributions from offering proceeds, borrowings or the sale of assets to the extent our cash flow from operations, net investment income or earnings are not sufficient to fund declared distributions. We have not established any limit on the amount of funds we may use from net offering proceeds or borrowings to make distributions. Our distributions may exceed our earnings, particularly during the period before we have substantially invested the net proceeds from this offering. Therefore, portions of the distributions that we pay may represent a return of capital to you for tax purposes that will lower your tax basis in your common stock and reduce the amount of funds we have for investments in targeted assets.
- If we internalize our management functions, your interest in us could be diluted, and we could incur other significant costs associated with being self-managed.

# RISK CONSIDERATIONS

- We may be obligated to pay NexPoint incentive compensation even if we incur a net loss due to a decline in the value of our portfolio.
- There may be conflicts of interest related to obligations that NexPoint and its affiliate's senior management and investment teams have to other clients.
- Our base management and incentive fees may induce NexPoint to make speculative investments or incur leverage.
- The compensation we pay to NexPoint was determined without independent assessment on our behalf, and these terms may be less advantageous to us than if they had been the subject of arm's-length negotiations.
- This is a "best efforts" offering and, if we are unable to raise substantial funds, then we will be more limited in the number and type of investments we may make and the value of your investment in us may be reduced in the event our assets underperform.
- Because there is no public trading market for shares of our common stock and we are not obligated to effectuate a liquidity event by a certain date, it will be difficult for you to sell your shares.
- We will be exposed to risks associated with changes in interest rates. In addition, changes in interest rates may affect our cost of capital and net investment income.
- We expect to borrow money to make investments. As a result, the potential for loss on amounts invested in us will be magnified and may increase the risk of investing in us. Borrowed money may also adversely affect the return on our assets, reduce cash available for distribution to our shareholders, and result in losses.
- We will be subject to corporate-level income tax if we are unable to qualify as a RIC under Subchapter M of the Internal Revenue Code or to satisfy RIC distribution requirements.
- We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.
- The net asset value of our common stock may fluctuate significantly.
- Expenses charged by the fund are subject to expense limitation agreement and certain contributions of capital by the Advisor.

# RISK CONSIDERATIONS

**Before investing in the Fund, you should carefully consider the Fund’s investment objectives, risks, charges and expenses. For a copy of a prospectus which contains this and other information, please visit our website at [www.nexpointfunds.com](http://www.nexpointfunds.com) or call 1-877-665-1287. Please read the fund prospectus carefully before investing.**

**The performance data quoted here represents past performance and is no guarantee of future results. Investment returns and principal value will fluctuate so that an investor’s shares, 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.nexpointfunds.com](http://www.nexpointfunds.com).**

The indices have not been selected to represent an appropriate benchmark to compare an investor’s performance, but rather are disclosed to allow for comparison of the investor’s performance to that of certain well-known and widely recognized indices. Index returns assume reinvestment of dividends and other income. Indices are unmanaged and have no fees or costs. An investment cannot be made directly in an index.

The Fund is a closed-end investment company structured as an “interval fund” and designed for long-term investors. Unlike many closed-end investment companies, the Fund’s shares are not listed on any securities exchange and are not publicly traded. 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. The Fund’s investments are also subject to liquidity risk.

**NexPoint Securities, Inc. (“NexPoint”), Member FINRA/SIPC, is the dealer manager for the NexPoint Real Estate Strategies offering.**