

NEXPOINT STRATEGIC OPPORTUNITIES FUND

Investment Objective

NexPoint Strategic Opportunities Fund (formerly NexPoint Credit Strategies Fund) is a closed-end fund managed by NexPoint Advisors, L.P. The Fund's investment objectives are to provide both current income and capital appreciation. The Fund is invested primarily in below investment grade debt and equity securities and has the ability to hedge. The Manager attempts to deliver consistent returns in excess of the Dow Jones Credit Suisse Hedge Fund and the HFRX Global Hedge Fund indices in a transparent, registered fund format consistent with monthly distributions.

NexPoint Advisors is based in Dallas, Texas and is a registered investment adviser.

Portfolio Manager

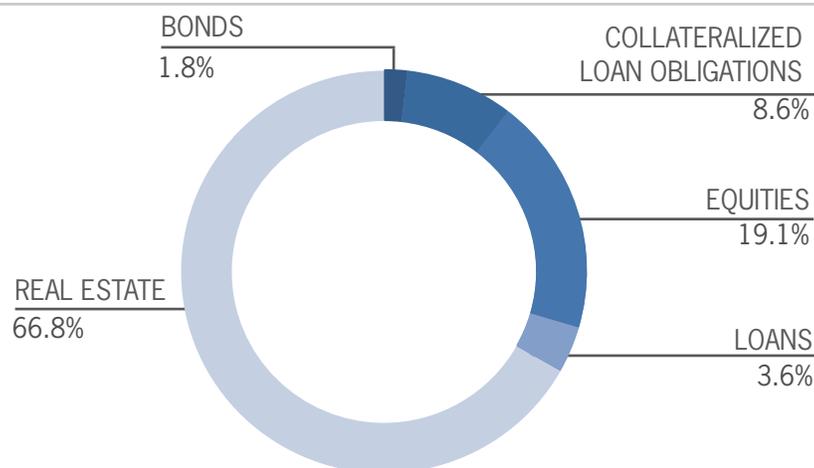
James Dondero | NexPoint Founder

James Dondero is the founder of NexPoint, an alternative investment group comprised of a set of investment advisers and sponsors, a broker-dealer, and a suite of related investment vehicles. In addition to overseeing the group's business and investment activities, Mr. Dondero is the portfolio manager of NexPoint's closed-end fund, the NexPoint Strategic Opportunities Fund (NYSE:NHF). He is also an officer and director at NexPoint's publicly traded REITs.

Mr. Dondero holds a number of board position at companies within financial services, healthcare, and real estate, among other industries. He is chairman of Cornerstone Healthcare Group Holding, Inc. and NexBank Capital, Inc., a director at Jernigan Capital, Inc. (NYSE:JCAP), MGM Holdings, Inc., NexBank SSB, and Texmark Timber Treasury, L.P., and a manager of SeaOne Holdings, LLC.

Mr. Dondero graduated from the University of Virginia's McIntire School of Commerce with dual majors in accounting and finance. He has received certification as a Certified Public Accountant (CPA) and a Certified Managerial Accountant (CMA), and has earned the right to use the Chartered Financial Analyst (CFA) designation.

Portfolio Allocation *



*Calculated as a percentage of investments. Not including cash.

Fund Highlights

Fund Information

NYSE Symbol:	NHF
CUSIP:	65340G205
Inception Date:	June 29, 2006
Fund Year-End Date:	December 31
Total Managed Assets (M):	\$953.5
Total Net Assets (M):	\$800.5

Common Stock

Shares Outstanding (Common):	45,060,964
Market Price:	10.52
Net Asset Value (NAV):	17.55
Premium/(Discount) to NAV:	-40.06%
Average Daily Volume (3 mo):	249,051

Portfolio Characteristics

Number of Holdings:	122
Monthly Distribution Rate Per Share:	\$0.10
Distribution Rate (Price) ¹ :	11.4%
Distribution Rate (NAV) ¹ :	6.8%
Regulatory Leverage (M):	153.0
Leverage Percentage:	16.0%
Portfolio Turnover ² :	63.0

Top 10 Holdings³ :

NexPoint Real Estate Opportunities ⁴	25.0%
NexPoint Real Estate Finance ⁵	12.2%
Jernigan Capital	8.2%
FREMF 2018-KC02	5.1%
Terrestar Corp - Common Stock	4.8%
FREMF 2018-K80	4.7%
Specialty Financial Products	4.2%
NexPoint Hospitality Trust	3.1%
IQHQ	2.8%
Metro Goldwyn Mayer, Inc.	2.7%

¹ Does not include non-income sources such as loan proceeds or borrowings.

² As reported in the Fund's Annual Report dated December 31, 2019

³ Top holdings include long positions only.

⁴ NexPoint Real Estate Opportunities is a wholly owned REIT by NHF that is primarily comprised of City Place Office Tower, SafStor, Marriot Uptown, and a single family rental operator. Please reference the investment commentary for additional information.

⁵ On February 11, 2020, as part of the formation transaction for NexPoint Real Estate Finance (NYSE: NREF), certain assets held in NHF, valued at \$140 million, were contributed in exchange for operating partnership units of NREF valued at approximately \$140 million at time of IPO. The NREF Op Units are convertible one-to-one for NREF Common shares and therefore are priced daily in NHF using the NREF common share price.

Annualized Returns (%) as of 06/30/2020

	YTD	1-Year	3 Year	5 Year	10 Year
NHF Market Price	-13.70	-12.62	-0.48	-0.72	9.15
NHF NAV	-36.56	-36.43	-10.70	-6.82	5.27
MARKET INDICES ¹					
DJCS Hedge Fund Index ¹	-3.34	-0.72	2.13	1.55	3.83
HFRX Global Hedge Fund Index ¹	-1.09	3.06	1.18	0.71	1.12

EXPENSE RATIOS ²	
Management Fee	1.00%
Interest Expense	0.53%
Total Expense Ratio	3.10%
Expense Ratio Excluding Interest	2.57%

¹ Index Definitions: The Dow Jones Credit Suisse Hedge Fund Index is an asset-weighted index that includes funds with assets of \$50m or more. Indices are unmanaged, have no fees or costs, and are not available for investment. The HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Unlike the Fund, the index is not an investment, does not incur fees or expenses, and is not professionally managed. It is not possible to invest directly in the index.

² Expense ratios based on managed net assets as reported in the Fund's Annual Report dated December 31, 2019.

The information herein has been prepared by the Investment Adviser, is based upon unaudited information, and has not been independently audited or verified. This summary is for informational purposes only and is subject to change.

This Fact Sheet contains information about prior investments made by the Adviser of the Fund. This information was prepared by the Adviser based on its experience in the industry and on assumptions of fact and opinion as to future events which the Adviser believed to be reasonable when made. There can be no assurance that the Adviser and/or the Fund will be as successful as these earlier investments. Prior investment returns are not indicative of future results. It should not be assumed that investment recommendations made in the future will be profitable or will equal the performance of the securities included herein.

Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange and frequently trade at prices lower than their net asset value. Net Asset Value (NAV) is total assets less total liabilities, which includes preferred shares, divided by the number of common shares outstanding. When net asset value (NAV) is lower than market price, dividends are assumed to be reinvested at the greater of NAV or 95% of the market price. When NAV is higher, dividends are assumed to be reinvested at market price. For additional information, please contact your investment adviser or visit our website, www.nexpointadvisors.com.

If a Fund estimates that it has distributed more than its income and net realized capital gains in the current fiscal year; a portion of its distribution may be a return of capital. A return of capital may occur, for example, when some or all of a shareholder's investment is paid back to the shareholder. A return of capital distribution does not necessarily reflect a Fund's investment performance and should not be confused with "yield" or "income". When distributions exceed total return performance, the difference will reduce the Fund's net asset value per share. Although the character of income will not be determined until the end of the Fund's fiscal year, please refer to the section on the website for Section 19a notices that provide estimated amounts and sources of the fund's distributions, which should not be relied upon for tax reporting purposes. A Form 1099-DIV for the calendar year will be sent to shareholders to illustrate how the Fund's distributions should be reported for federal income tax purposes.

Source: SEI

Not FDIC Insured. May Lose Value. No Bank Guarantee.

RISKS AND DISCLOSURES

The information herein has been prepared by the Investment Adviser, is based upon unaudited information, and has not been independently audited or verified. This summary is for informational purposes only and is subject to change.

Portfolio and industry composition may change with market conditions. The Fund's portfolio holdings are subject to change without notice. The mention of specific securities is not a recommendation or solicitation for any person to buy, sell or hold any particular security.

Shares of closed-end funds frequently trade at a discount to their net asset value. Because of this possibility and the recognition that any such discount may not be in the interest of shareholders, the Board might consider from time to time engaging in open-market repurchases tender offers for shares or other programs intended to reduce the discount.

Interest Rate Risk. The risk that debt securities, and the Trust's net assets, may decline in value because of changes in interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline.

Credit Risk. The risk that the Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty of a derivatives contract or repurchase agreement, is unable or unwilling (or is perceived to be unable or unwilling) to make a timely payment of principal and/or interest, or to otherwise honor its obligations.

Leverage Risk. Leverage may increase the risk of loss, cause fluctuations in the market value of the Fund's portfolio to have disproportionately large effects or cause the NAV of the Fund generally to decline faster than it would otherwise.

Illiquidity Risk. The investments made by the Trust may be very illiquid, and consequently, the Trust may not be able to sell such investments at prices that reflect the Investment Adviser's assessment of their fair value or the amount paid for such investments by the Trust.

Past performance is no guarantee of future results. The rate of return will vary and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. current performance may be lower or higher than the performance data quoted. Returns are historical and include change in share price and reinvestment of all distributions. Total investment return does not reflect broker sales charges or commissions. All performance information is for common shares of the Trust. See the prospectus and financial statements for more information before investing.

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.nexpointadvisors.com or call 1-866-351-4440. Please read the fund prospectus carefully before investing.