

Regular mail:
 Highland Funds
 PO Box 219424
 Kansas City, MO 64121-9424
 Telephone: 877-665-1287

Overnight mail:
 Highland Funds
 430 W 7th Street, Suite 219424
 Kansas City, MO 64105-1407

Retail Account Application

Important Information about procedures for opening a new account: To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. For certain entities, such as trusts, estates, corporations, partnerships, or other organizations, identifying documentation is also required. Your account may be restricted and/or closed if we cannot verify your information. We will not be responsible for any losses or damages resulting from any failure to provide this information, or from any restriction placed upon, or closing of, your account.

1. Type of Account

- Individual (complete A)
 Check here to add a Transfer on Death (TOD) designation to the account
- Joint Tenants (complete A and B)
 Check here to add a Transfer on Death (TOD) designation to the account
- Uniform Gift/Transfer to Minor (complete C)
- Trust (complete D and F)
- Corporation or Other Entity (complete E and F)

A. Individual Account/Joint Account Primary Owner

First Name*	Middle Initial	Last Name*	Citizen of: <input type="checkbox"/> U.S. <input type="checkbox"/> Other (specify):		
Social Security/Tax ID No.*	Birthdate* (mm/dd/yyyy)				
Street Address* (PO Box not permitted, except APO or FPO)		City*	State*	Zip Code*	

*Required Information

B. Joint Account Secondary Owner Joint Tenants will have rights of survivorship unless otherwise specified.

First Name*	Middle Initial	Last Name*	Citizen of: <input type="checkbox"/> U.S. <input type="checkbox"/> Other (specify):		
Social Security/Tax ID No.*	Birthdate* (mm/dd/yyyy)				
Street Address* (PO Box not permitted, except APO or FPO)		City*	State*	Zip Code*	

*Required Information

C. Uniform Gift/Transfer to Minor Account

Custodian (only one permitted):

First Name*	Middle Initial	Last Name*	Citizen of: <input type="checkbox"/> U.S. <input type="checkbox"/> Other (specify):		
Social Security/Tax ID No.*	Birthdate* (mm/dd/yyyy)				
Street Address* (PO Box not permitted, except APO or FPO)		City*	State*	Zip Code*	

As Custodian, under the (state) Uniform Gifts/Transfers to Minors Act, for:

Minor (only one permitted):

First Name*	Middle Initial	Last Name*	Citizen of: <input type="checkbox"/> U.S. <input type="checkbox"/> Other (specify):		
Social Security/Tax ID No.*	Birthdate* (mm/dd/yyyy)				
Street Address* (PO Box not permitted, except APO or FPO)		City*	State*	Zip Code*	

*Required Information

D. Trust Account Please provide a copy of the first page and signature page of the trust agreement, along with the page(s) that name the trustees.

Name of Trust*

Street Address* (PO Box not permitted, except APO or FPO) | City* | State* | Zip Code*

Trust Tax ID No.* | Date of Trust (mm/dd/yyyy)

*Required Information

E. Corporation/Other Entity Account Please indicate your corporatetax status: C Corporation S Corporation Partnership
 State or Government Agency Other _____
Type of Business or Entity

Please provide certified copy of organizational documents such as Corporate Resolution or Partnership Agreement.

Name of Corporation or Other Entity* | Tax ID No.*

Street Address* (PO Box not permitted, except APO or FPO) | City* | State* | Zip Code*

*Required Information

For Non-U.S. Entities: Is your company any of the following: A bank organized and located outside the United States; a foreign office, agent or branch of a U.S. covered financial institution*; money transmitter; currency dealer or exchanger; or a company that if located in the U.S. would be required to register as a mutual fund, securities broker-dealer or a futures commission merchant?

Yes No If yes, please provide business classification: _____

*A "U.S. covered financial institution" is generally any of the following: A bank; a credit union; a savings association; a corporation acting under section 25A of the Federal Reserve Act; a trust bank or company; a securities broker-dealer; a futures commission merchant; an introducing broker; or a mutual fund.

F. Trustees/Authorized Persons Required for Trust, Corporation/Other Entity accounts; please provide the following information for each individual authorized to trade on the account.

1.	_____	_____	_____	_____
First Name*	Middle Initial	Last Name*	Title (i.e. president, treasurer, trustee)	
2.	_____	_____	_____	_____
First Name*	Middle Initial	Last Name*	Title (i.e. president, treasurer, trustee)	

*Required Information

Check here if extra pages are attached for additional Authorized Persons.

2. Account Address of Record/Contact Information

Mailing Address (if different from the primary owner's street address) | City | State | Zip Code

() | _____
Contact Telephone Number | Email Address

Consent for E-Delivery
If you elect E-Delivery, you will receive a notification to the email address provided above informing you when a document is available for viewing at www.highlandfunds.com.

You may view, change or revoke your E-Delivery preferences and the email address we have on file for you at any time by logging into our online account access system at www.highlandfunds.com. Confidential account information will not be sent to you or requested from you via email.

Document Types for E-Delivery:

Prospectus and Shareholder Reports Quarterly Statements

3. CERTIFICATION REGARDING BENEFICIAL OWNERS OF LEGAL ENTITY CUSTOMERS

I. GENERAL INSTRUCTIONS

What is this form?

To help the government fight financial crime, Federal regulation requires certain financial institutions to obtain, verify, and record information about the beneficial owners of legal entity customers. Legal entities can be abused to disguise involvement in terrorist financing, money laundering, tax evasion, corruption, fraud, and other financial crimes. Requiring the disclosure of key individuals who own or control a legal entity (i.e., the beneficial owners) helps law enforcement investigate and prosecute these crimes.

Who has to complete this form?

This form must be completed by the person opening a new account on behalf of a legal entity with any of the following U.S. financial institutions: (i) a bank or credit union; (ii) a broker or dealer in securities; (iii) a mutual fund; (iv) a futures commission merchant; or (v) an introducing broker in commodities.

For the purposes of this form, a **legal entity** includes a corporation, limited liability company, or other entity that is created by a filing of a public document with a Secretary of State or similar office, a general partnership, and any similar business entity formed in the United States or a foreign country. **Legal entity** does not include sole proprietorships, unincorporated associations, or natural persons opening accounts on their own behalf.

What information do I have to provide?

This form requires you to provide the name, address, date of birth and Social Security number (or passport number or other similar information, in the case of foreign persons) for the following individuals (i.e., the **beneficial owners**):

(i) Each individual, if any, who owns, directly or indirectly, 25 percent or more of the equity interests of the legal entity customer (e.g., each natural person that owns 25 percent or more of the shares of a corporation); **and**

(ii) An individual with significant responsibility for managing the legal entity customer (e.g., a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).

The number of individuals that satisfy this definition of "beneficial owner" may vary. Under section (i), depending on the factual circumstances, up to four individuals (but as few as zero) may need to be identified. Regardless of the number of individuals identified under section (i), you must provide the identifying information of one individual under section (ii). It is possible that in some circumstances the same individual might be identified under both sections (e.g., the President of Acme, Inc. who also holds a 30% equity interest). Thus, a completed form will contain the identifying information of at least one individual (under section (ii)), and up to five individuals (i.e., one individual under section (ii) and four 25 percent equity holders under section (i)).

The financial institution may also ask to see a copy of a driver's license or other identifying document for each beneficial owner listed on this form.

II. CERTIFICATION OF BENEFICIAL OWNER(S)

Persons opening an account on behalf of a legal entity must provide the following information:

a. Name and Title of Natural Person Opening Account:

b. Name and Address of Legal Entity for Which the Account is Being Opened:

c. The following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above:

Name	Date of Birth	Address (Residential or Business Street Number)	<i>For US. Persons:</i> Social Security Address)	<i>For Foreign Persons:</i> Passport Number and Country of Issuance, or other similar Identification number

(If no individual meets this definition, please write "Not Applicable.")

d. The following information for one individual with significant responsibility for managing the legal entity listed above, such as:

- An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or
- Any other individual who regularly performs similar functions.
(If appropriate, an individual listed under section (c) above may also be listed in this section (d)).

Name/Title	Date of Birth	Address (Residential Or Business Street Address)	<i>For US. Persons:</i> Social Security Number	<i>For Foreign Persons:</i> Passport Number and Country of Issuance, and other similar Identification number

**I, _____
(name of natural person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct.**

Signature: _____ Date: _____

¹ In lieu of a passport number, foreign persons may also provide an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

Legal Entity Identifier _____ (Optional)

4. Broker-Dealer Information (if applicable)

By designating a broker/dealer or financial adviser, I/we hereby authorize the Fund and its transfer agent to accept instructions from, and transmit information to, such designee concerning my/our account(s).

Broker/Dealer Name		Dealer Number	Branch Number
Street Address	City	State	Zip Code
Registered Representative's Name		Rep. Number	

5. Your Initial Investment

I have enclosed a check made payable to Highland Funds in the amount of \$ _____ (do not send cash)

Please purchase shares in the following Funds:

	Select Share Class				Dividends		Capital Gains	
	Class A	Class C	Class Y/Z		Cash*	Reinvest	Cash*	Reinvest
Event Driven Fund	<input type="checkbox"/> 4746	<input type="checkbox"/> 4747	<input type="checkbox"/> 4748	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Small Cap Equity Fund	<input type="checkbox"/> 4771	<input type="checkbox"/> 4773	<input type="checkbox"/> 4775	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Merger Arbitrage Fund	<input type="checkbox"/> 4950	<input type="checkbox"/> 4951	<input type="checkbox"/> 4952	\$: _____ or _____ %	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Check here, and complete Section 6B, to have your cash dividends and/or capital gains electronically transmitted to your bank account.

6. Cost Basis Method

Your cost basis election will be used to calculate the gain or loss on sales of mutual funds shares, for eligible accounts, acquired after January 1, 2012. Your election will apply to all funds you are opening. To choose a different method for each fund, please attach a letter of instruction signed by all account owners.

If you do not elect a cost basis method the Fund Default of **Average Cost** will apply.

- Average Cost (default method) First In, First Out (FIFO) Last In, First Out (LIFO)
- Highest Cost, First Out (HIFO) Lowest Cost, First Out (LOFO)
- Specific Lot Identification (SLID)

Secondary Accounting Method Selection (Average Cost is NOT a valid method) _____
Write selection here

7. Account Options

a. Telephone/Online Exchange, Purchase and Redemption

Your account will automatically be coded with Telephone/Online Purchase, Telephone/Online Exchange and Telephone/Online Redemption Privileges, unless you check a box below to decline these privileges. If you do not provide banking information in Section B, Telephone/Online Redemptions will be mailed via check to your address of record.

Decline Telephone/Online Purchase Decline Telephone/Online Exchange Decline Telephone/Online Redemption

Please review the rules set forth in the prospectus regarding Telephone and Online transactions. Neither Highland Funds nor its transfer agent will be liable for any loss, liability, cost or expense for acting upon requests reasonably believed to be genuine. We reserve the right to modify, limit the use of, or terminate these privileges at any time.

b. Bank Account Information

- Use the bank information from my investment check.
- Use the bank information provided below.

Bank Name	Name(s) on Bank Account
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Bank Routing/ABA Number	Bank Account Number	This is a: <input type="checkbox"/> Checking <input type="checkbox"/> Savings Account
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(Note: one common name must appear on both your Highland Funds account registration and the bank account registration. If there is no common ownership, the guaranteed signature of at least one of the bank account owners is required in section 8)

You are hereby authorized to pay and charge to my account debits drawn on my account by and payable to the order of Highland Funds. This authority is to remain in effect until revoked by me in writing and, until you receive such notice, I agree you shall be fully protected in honoring any such check. I further agree that if any such check is dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever. This option, if exercised, shall become part of the account application and the terms, representations and conditions thereof.

c. Net Asset Value (NAV)

- I am eligible to purchase shares at NAV as outlined in the prospectus.

d. Rights of Accumulation (ROA)/ Letter of Intent(LOI)

- Please link my account to the following accounts for ROA. I certify that all accounts are eligible to be linked for ROA purposes as outlined in the prospectus and Statement of Additional Information.

Account or Tax Identification Number to be linked	Account or Tax Identification Number to be linked	Account or Tax Identification Number to be linked
Account or Tax Identification Number to be linked	Account or Tax Identification Number to be linked	Account or Tax Identification Number to be linked
Account or Tax Identification Number to be linked	Account or Tax Identification Number to be linked	Account or Tax Identification Number to be linked

- To qualify for a reduced sales charge, I agree to the Letter of Intent, including the escrow agreement, as described in the prospectus and Statement of Additional Information. Although I am not obligated, it is my intention to invest within a 13-month period in shares of one or more of the Highland funds in an aggregate amount (among the qualifying accounts listed above) at least equal to \$ _____

e. **Automatic Investment Plan** (Section B is required for this option) – Allows you to invest automatically each month or quarter by electronically debiting your checking or savings account. Funds are transferred via the Automated Clearing House (ACH) system, and the plan takes approximately 3 days to become effective.

- Please invest \$ _____ based on the Investment Allocation choices made in Section 4 (minimum \$25 per fund).
- Please establish my automatic investment plan as allocated below (minimum \$25 per fund):

Fund _____ \$ _____
 Fund _____ \$ _____
 Fund _____ \$ _____
 Fund _____ \$ _____

Frequency (if left blank, the plan will be established for all months):

All Months or Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

I would like my AIP to occur on the following date(s): _____
 If you do not select a date, the 20th of the month will be selected as the investment date

G. Systematic Exchange Plan – Allows you to exchange from one fund to another automatically each month or quarter.

- Please establish my systematic exchange plan as allocated below (minimum \$25 per fund):

From: Fund _____ **To:** Fund _____ \$ _____
From: Fund _____ **To:** Fund _____ \$ _____
From: Fund _____ **To:** Fund _____ \$ _____
From: Fund _____ **To:** Fund _____ \$ _____

Frequency (if left blank, the plan will be established for all months):

All Months or Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

I would like my systematic exchange to occur on the following date(s): _____
 If you do not select a date, the 20th of the month will be selected as the exchange date

H. Systematic Withdrawal Plan (SWP) – allows you to withdraw automatically a fixed amount from your Highland Funds account. Proceeds can be transferred electronically into your checking or savings account by also completing Section B, or you may have a check mailed. Funds are transferred via the Automated Clearing House (ACH) system, if selected and bank information is provided in Section C. The plan takes approximately 3 days to become effective.

- Please withdraw \$ _____ based on the Investment Allocation choices made in Section 4 (minimum \$25 per fund).
- Please establish my systematic withdrawal plan as allocated below (minimum \$25 per fund):

From: Fund _____ \$ _____
From: Fund _____ \$ _____
From: Fund _____ \$ _____
From: Fund _____ \$ _____

Frequency (if left blank, the plan will be established for all months):

- All Months or Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

I would like my SWP to occur on the following date(s): _____, _____, _____,

If you do not select a date, the 20th of the month will be selected as the withdrawal date

Delivery Method/Destination:

- Please have a check mailed to my address of record.
- Please deposit the proceeds electronically into my bank account listed in Section B.
- Please have a check mailed as specified below (signature guarantee required in Section 8):

Payee Name

Address

|

City

|

State

|

Zip Code

I hereby authorize the Fund and its transfer agent to honor instructions processed under the above-selected account options to purchase/ exchange/redeem shares when directed and as specified, by transmitting the proceeds, as applicable, to me at my address of record or by debiting/crediting my preauthorized bank account. I hereby ratify any such instructions and agree to indemnify the Fund and its transfer agent from any loss, liability, cost, damage and expense for acting upon such instructions. I understand that if I submit a change of address certain privileges will be suspended for a period of 30 days, and that all checks will be issued in the name(s) of all registered owner(s).

8. Transfer on Death Agreement and Beneficiary Designation (Individual and Joint

accounts only) Primary Beneficiary Designation:

Please check here if you are attaching any page(s) with additional beneficiaries. Please sign the attached page

Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)

Secondary Beneficiary Designation:

Please check here if you are attaching any page(s) with additional beneficiaries. Please sign the attached page

Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)
Beneficiary Name	Birthdate (mm/dd/yyyy)	Social Security/Tax ID No.	Relationship	Allocation (%)

In the event of my death, the balance in the account shall be paid to the Primary Beneficiaries who survive me in equal proportions (or in the specified proportions, if indicated). If any primary beneficiary predeceases me, his or her share is to be divided among the primary beneficiaries who survive me in the relative proportions assigned to each such surviving primary beneficiary. If none of the Primary Beneficiaries survive me, the balance in the account shall be paid to the Contingent Beneficiaries who survive me in equal proportions (or in the specified proportions, if indicated). If there is no designated beneficiary living at the time any such payment becomes due, payment shall be made to my estate, unless otherwise required under the law of my state of residence.

Consent of the Depositor's Spouse may be required in a community property or marital property state to effectively designate a beneficiary other than, or in addition to, the Depositor's Spouse. Disclaimer for Community and Marital Property States: The Depositor's Spouse may have a property interest in the account and the right to dispose of the interest by will. Therefore, Highland Funds and the Custodian specifically disclaim any warranty as to the effectiveness of the Depositor's beneficiary designation or as to the ownership of the account after the death of the Depositor's Spouse. For additional information, please consult your legal advisor.

I consent to the Beneficiary Designation.

_____ Signature	_____ Date	_____ Name of Spouse (please print)
_____ Witness	_____ Date	

9. Trusted Contact Person Information (optional)

By choosing to provide information about a trusted contact person, you authorize us to contact the trusted contact person listed below and disclose information about your account to that person in the following circumstances: to address possible financial exploitation, to confirm the specifics of your current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney, or as otherwise permitted by FINRA Rule 2165 (Financial Exploitation of Specified Adults).

Mr. Mrs. Ms. Dr. **Suffix** Sr. Jr.

First Name		Middle Name	Last Name
Address			Apt/Suite No.
City	State	ZIP Code	Country
Work Phone	Home Phone	Mobile Phone	Email Address

Relationship to Primary Applicant/Co-Applicant:

10. Your Signature

All registered account owners or legal representatives must sign this section before the Fund can open your account. The undersigned warrant(s) that the undersigned has (have) full authority and is (are) of legal age to purchase shares of the Fund and has (have) received and read a current prospectus of the Fund and agree(s) to its terms. The Fund and its transfer agent shall not be liable for acting upon instructions or inquiries believed to be genuine.

Taxpayer Identification Number Certification

As required by Federal law, I/we certify under penalties of perjury that:

- 1. The Social Security Number or Taxpayer Identification Number listed above is correct, and
- 2. I/we HAVE NOT been notified by the IRS that I/we am/are subject to backup withholding, and (Check this box if you ARE subject to backup withholding)
- 3. I/we am/are a U.S. person (including a U.S. resident alien). (If you are a foreign person, you must provide the Fund with a completed Form W-8BEN).

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Signature	Date

Signature	Date

Highland Capital Management Fund Advisors, L.P.
Rules Governing Transfer On Death (TOD) Account Registration

1. Who may designate a TOD registration. A TOD registration may be designated by (i) a sole account owner or (ii) by two or more joint owners only if the joint owners hold the account as joint tenants with rights of survivorship (and not tenants in common). A custodian for a Uniform Transfers to Minors Act (UTMA) or Uniform Gifts to Minors Act (UGMA) account may not designate a TOD on the registration.

2. Account owner. The term “account owner,” as used herein, refers to either the sole owner of the account or all joint owners of the account in the case of multiple owners. Actions to be taken by the “account owner” must be taken by all joint owners in the case of multiple owners. Beneficiaries are not “account owners” and have no rights in the account until the death of the last surviving account owner.

3. Designation of primary and contingent beneficiaries. An account owner may designate primary and contingent beneficiaries of the TOD account.

An account owner may designate one, or more than one, beneficiary of the TOD account. Boston Financial requires a Social Security Number for each designated beneficiary in order to ensure that the account is transferred to the appropriate person or persons upon the death of the last surviving account owner.

An account owner may designate primary and contingent beneficiaries of the TOD account.

- Primary beneficiaries are the first in line to receive the account upon the death of the last surviving account owner if, and only if they survive all the owners.
- Contingent beneficiaries receive the account upon the death of the account owner(s) if, and only if, there are no surviving primary beneficiaries.

An account owner is not required to designate any contingent beneficiaries in a TOD registration. See also Section 5 below for more information on rights of beneficiaries under your designation.

4. Minors as beneficiaries. Minors may be beneficiaries of a TOD account only if a custodian, trustee, or parent or guardian is set forth for the minor. The responsible adult named must be someone other than the designating account owner.

Name of responsible party: _____

Capacity: _____

By not providing a custodian, trustee, or guardian, the account owner is representing that all of the named beneficiaries have reached the age of majority and therefore are not minors.

5. Rights of designated beneficiaries.

a. Default arrangement is pro rata. When an account owner instructs Boston Financial to register an account in TOD form and names multiple beneficiaries, Boston Financial will treat the multiple beneficiaries as owning equal percentages as the default arrangement.

b. Optional percentage designations. If an account owner wishes that the shares of his/her account be distributed unequally among beneficiaries, the account owner must clearly state in writing a percentage for each beneficiary. The total of all percentages must equal 100%. If the percentages do not equal 100%, or if the instructions are unclear, Boston Financial will request further instructions from the account owner, and, if necessary, will use the pro rata default stated above in Section 5(a) unless valid instructions are received.

c. Optional designations under Lineal Descendants Per Stirpes (LDPS). If an account owner wishes to have the share of the account intended for a beneficiary to pass to the children of the designated beneficiary in the event a designated beneficiary dies before distribution from the account, the account owner must specifically instruct the Agent to register the account as Lineal Descendants Per Stirpes or “LDPS.” If the abbreviation “LDPS” does not appear on the TOD designation, the share intended for any designated beneficiary will not pass to that deceased beneficiary's children or descendants.

d. Choice of LDPS designations applies to all beneficiaries on an account. If a TOD account with multiple beneficiaries is registered LDPS, the LDPS registration will apply to all beneficiaries designated, both primary and contingent. However, the shareowner also may specifically designate a distinction between the treatment of primary beneficiaries as a class and contingent beneficiaries as a separate class. E.g., all primary beneficiaries may be designated as pro rata and all contingent beneficiaries designated as LDPS, or vice versa. It is not possible, however, to mix the two types of designations within either class of beneficiaries.

e. If a beneficiary dies and no LDPS designation is made. In the case of multiple beneficiaries, if one of the beneficiaries does not survive the account owner and no LDPS designation is made, the deceased beneficiary's share of the account will be divided among the remaining beneficiaries upon the death of the last surviving account owner.

f. If all beneficiaries die before the last surviving account owner and no LDPS designation is made. If no beneficiary survives the last surviving account owner and no "LDPS" designation has been made, the account will be treated as part of the estate of the account owner.

6. Revocations or changes. TOD registrations may not be made irrevocable. The account owner may revoke or change a beneficiary designation. Change or revocation requires:

(a). A letter of instruction clearly indicating your wishes and providing required information for any newly designated beneficiaries.

(b). In addition, for issued shares/certificates: presentation to Boston Financial of the security in proper form for transfer.

7. Controlling terms. The TOD beneficiary designation completed by the account owner expressly provides that Boston Financial shall honor the account owner's instructions. As a result, the following terms will apply:

- An account owner may change the TOD beneficiary or revoke the TOD registration at any time during his life by a written instruction to Boston Financial.
- The beneficiary or status of the account may also be changed by a court order directed to Boston Financial or the Fund.
- The beneficiary or status of the account will not be automatically be changed by events subsequent to the establishment of the account as a TOD (e.g. divorce).
- The beneficiary or status of the account will not be automatically be changed by third party requests based on state statutes.

Dividends, interest, capital gains, and other distributions after the account owner's death:

1) Accruals (undistributed earnings) of the account which occur after the death of the last surviving account owner (or last surviving joint owner) stay with the account and pass to the beneficiary or beneficiaries.

2) Where the account has been coded for cash distributions, and such distributions have actually been paid out prior to notice to Boston Financial of the death of the last surviving account owner, such distributions are deemed to be the property of the estate of the original account owner and do not pass with the account to the designated beneficiaries.

8. Redemption or Transfer by a TOD beneficiary or beneficiaries. A single beneficiary on a TOD registration must provide all of the following to redeem or transfer shares from a TOD account following the death of the last surviving account owner: (i) a letter of instruction signed by the beneficiary, Medallion Guaranteed, stating the name of the deceased account owner and the date of the owner's death; (ii) a completed new account application or change of registration form; (iii) a Form W-9 or any successor form to Form W-9; and (iv) an inheritance tax waiver if required by the deceased owner's state of residence. Foreign persons must also complete Form W-8BEN or any successor form to W-8BEN. In the case of multiple beneficiaries, in addition to the requirements above, the beneficiary must also provide an affidavit under penalty of perjury. Additional redemption or transfer requirements may be imposed.

NexPoint Securities, Inc.
Form CRS Customer Relationship Summary
June 30, 2020

Introduction:

NexPoint Securities, Inc. (“NexPoint” “us” or “we”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

What Investment Services and Advice Can You Provide Me?

We are a FINRA registered securities broker-dealer based in Dallas, Texas licensed to sell securities in 53 states and U.S. territories. We have been a licensed securities broker-dealer with the SEC and with FINRA since 2013.

We are limited to offering investments in funds that invest in real estate, capital markets and credit (the “Funds”). Almost all of the Funds we offer are offered by our affiliates, Highland Capital Management Fund Advisors, L.P., NexPoint Advisors, L.P. and its affiliates although we may also offer Funds sponsored by unaffiliated entities. We are sell side only and do not resell securities for customers in secondary sales.

While the Funds may be in your best interest for some portion of your investment portfolio, you should not allocate all of your investment funds to any such Fund. Moreover, while we will ask about your income, other assets and investments as part of our compliance obligations, we are not preparing a financial plan for you. Our role is limited solely to Funds that we offer. Our management team chooses the Funds that we offer and/or for which we serve as Dealer Manager. As Dealer Manager, we do not make recommendations to retail investor. We wholesale Funds to other FINRA registered broker-dealers and SEC registered investment advisors who may recommend our Funds to their customers. Some Funds allow friends and family. In those cases, the friend or family are exercising independent judgement and not relying on us evaluating the investment. The friend or family must meet the accredited investor status.

We will not exercise investment authority over your investment funds. You will have the sole discretion as to whether to invest in the Funds. We will not provide general investment monitoring oversight for investments other than the Funds. We do not have account minimums. Each specific Fund may include a minimum investment amount specific to that offering.

Conversation Starter. Ask your financial professional:

- *Given my financial situation, should I choose a brokerage service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

What fees will I pay?

We will receive a commission on your investment in the Funds. You may pay additional fees to invest in a Fund. The description of the compensation for each offering will be included in the offering documents for such offering. For additional information, please see the “Plan of Distribution” section of the prospectus.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starter. As your financial professional: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me.

What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have? *When we provide you with a recommendation, we have to act in your*

best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the recommendations we provide to you. Here are some examples to help you understand what this means.

We may have significant conflicts of interest in recommending products to you because we sell Funds by a limited number of sponsors and issuers, including an affiliated sponsor. This means:

- While the Funds that we offer consider numerous investments, we have not considered investments offered by all sponsors or funds.
- The Fund sets the terms of the offering and may not have the assistance of or input from third party experts.
- Our employees may indirectly receive revenue from investors in the Funds through the payment of commissions and non-transaction based compensation, whether these employees sell the Funds or not.
- The Funds' sponsor and its affiliates have the right and expect to continue to organize and manage Funds in the future similar to the Fund offered to you. To the extent a sponsor and its affiliates invest in the Fund offered to you, other Funds, or other business entities sponsored by sponsor, conflicts of interest will arise.

Independent Representation in Indemnification Proceeding. Counsel represents us and may also represent the Funds. However, in the event of an indemnification proceeding or lawsuit between us and a subscriber, we, may cause the Fund to retain separate and independent counsel to represent the Fund in such proceeding.

Conflicts with Other Programs. We and the Funds realize that their conduct and the conduct of their affiliates could give rise to a conflict of interest between us and the Funds. In resolving any such conflicts, each party will be treated equitably with such other parties on a basis consistent with the funds available to the Funds and the time limitations on the investment of funds. However, no provision has been made for an independent review of conflicts of interest.

Conflicts from how we make money. We derive a substantial portion of our revenue from commissions received only after we sell a security. This transaction-based compensation could create a conflict of interest with acting in your best interest. Further, we may make money by providing services such as investment banking services to the Funds. The provision of these other services could create a conflict of interest with acting in your best interest.

Conversation Starter. As your financial professional how might their conflicts of interest affect me and how will you address them?

For additional information, please see the prospectus.

How do your financial professionals make money?

Our brokers are paid a commission in an amount ranging from 0% to 7.00% of the investment amount actually paid by the customer. In addition, our brokers, sales manager, and other employees may also be paid a salary and receive other non-transaction-based compensation.

Do your financial professionals have legal or disciplinary history?

We have legal and/or disciplinary events. You can visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research our firm and financial professionals. For additional information about our brokers and services, visit <https://brokercheck.finra.org/>, or you may call us at (972) 628-4100 where you can request additional information.

Additional information

For additional information about our services, visit our website at <http://www.nexpointgroup.com/>. If you would like additional, up-to-date information or a copy of this disclosure, please call (972) 628-4100.

Conversation starter. Ask your financial professional: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me.