

Q4 2024

NEXPOINT

INVESTOR PRESENTATION

**Highland
Opportunities and
Income Fund**

Q4

March 2025

HFRO Snapshot

Highland Opportunities and Income Fund (HFRO) is a closed-end, non-diversified management investment company focused on delivering attractive returns through capital appreciation and interest income.

INVESTMENT OBJECTIVE

- To produce capital appreciation and current income by opportunistically allocating its assets across a wide range of strategies, including opportunistic real estate, liquid credit, structured credit, and special situations

INVESTMENT STRATEGY

- Identify market inefficiencies and trading opportunities by capitalizing on the investment skillset and deep knowledge of equity and credit markets, structured products, and real estate across NexPoint’s investment platform
- Invest primarily in alternative investments, including private credit and private equity instruments, and opportunistic public instruments
- Investments instruments include: (a) liquid credit (including broadly syndicated loans); (b) direct lending (including first lien loans, second lien loans, and mezzanine debt); (c) opportunistic credit; (d) structured credit (including CLOs and CMBS); and (e) real assets (including real estate)
- May also invest in special situations, including stressed and non-control distressed credit and opportunities arising from market dislocation

Overview

Ticker	HFRO
CUSIP	43010E404
Managed Assets	\$928M
Net Assets	\$783M

Portfolio Characteristics

Number of Holdings	77
Monthly Distribution/Share	\$0.039
Distribution Rate (NAV)	3.6%
Regulatory Leverage	\$145M
Leverage %*	15.6%

*Perpetual preferred

HFRO Investment Merits



Attractive real estate portfolio comprised of debt and equity positions with capital appreciation opportunity

Focus on Lifesciences real estate developments, Single Family Rentals, and Self-Storage Properties



Core real estate holdings poised to unlock value as interest rates decline in the coming quarters

Lower interest rates increase the likelihood that real estate assets can be monetized



Permanent capital and a solid balance sheet with no leverage or off-balance sheet financings to force untimely asset sales

Diversified balance sheet structured to withstand volatility with no financings, substantial liquidity, and no capital markets mark-to-market provisions



Leverage investment experience and resources from across NexPoint's real estate and corporate debt and equity platform

Experienced leadership team that brings a distinctive perspective and ability to identify opportunities and create shareholder value across multiple asset classes



Compelling valuations in our own capital structure, effectively buying into a performing loan and equity portfolio at a significant discount

The Board has authorized up to \$100 million stock buyback plan, which will allow investors to capitalize on the attractive valuation

Closing NAV Discount: Tender Offer

The Fund recently completed an Exchange Offer, part of an ongoing, targeted strategy from the Adviser and Board to address the discount to NAV. It expanded current initiatives while providing an additional solution aimed at narrowing the discount and delivering other benefits to shareholders. Its successful, oversubscribed completion shows shareholders welcomed this latest initiative and effort to enhance long-term shareholder value.

OVERVIEW:

Tender and exchange offer that allowed shareholders to exchange Common Shares for newly issued 5.375% Series B Preferred Shares

- November 25, 2024 – Announced offering
- February 3, 2025 – Commenced offering
- March 5, 2025 – Announced completion and oversubscription

With the oversubscription the Fund prorated the exchange of Common Shares from all tendering shareholders at a rate of 46.14%

BENEFITS TO SHAREHOLDERS:

- Provided an opportunity for shareholders to tender their Common Shares at a premium to the current market price.
- Provided potential to narrow the discount to NAV, as it was meant to increase NAV per Share of the Fund for Shares that remain outstanding after the completion of the Tender Offer.
- Series B Preferred shareholders will receive a fixed dividend, cumulative from the original issue date at the annual rate of 5.375% of the \$25.00 / Share liquidation preference. Dividends will be payable quarterly of each year, beginning with the first payment on March 31, 2025.

Tender Offer Terms

Common Shares Exchanged	10,000,000
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Aggregate Liquidation Preference	\$100M
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Coupon of Series B Preferred Shares	5.375%
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Liquidation Preference of Series B Preferred Shares	\$25.00/Share
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Completion Date	March 5, 2025
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Series B Preferred Shares Trading Date	March 13, 2025
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Closing NAV Discount: Other Initiatives

Exchange Offer expanded ongoing initiatives to reduce discount

The Exchange Offer was part of the ongoing, targeted strategy from the Adviser and Board to address the share price's discount to NAV and attempt to enhance long-term shareholder value.

Other initiatives under this strategy include:

- share repurchase program;
- commitment to enhanced transparency through quarterly calls and shareholder materials with in-depth information on the Fund, portfolio, top holdings, and other communications;
- formation of a dedicated Board committee to continuously assess efforts to reduce the discount; and
- adjustments to payment to the Board compensation to provide further alignment with HFRO shareholders.

Board Engagement

OVERVIEW:

- Discount to NAV has continuously been key focus of Board
- Board engagement with Adviser is ongoing to review existing initiatives and evaluate additional opportunities to reduce the discount

HIGHLIGHTS/RECENT ACTIONS:

- Established a dedicated Board committee with frequent engagement to further focus on initiatives and opportunities to reduce the discount
- Trustees elected to adjust payment of compensation to reflect conviction in the NAV and Boards ongoing commitment to reduce discount
- At the Board's direction, the Fund is using a portion of the Board's compensation to purchase HFRO shares for the Directors in the market to align further the Board members with investors.

Investment Performance

OVERVIEW:

- Maximizing Fund performance by executing on HFRO value proposition to deliver capital appreciation and current income

Closing NAV Discount: Other Initiatives (cont'd)

Share Repurchases

OVERVIEW:

- Repurchase shares subject to volume limitations and other Rule 10b-18 restrictions
- Ongoing analysis of best capital allocation including potential for share repurchases alongside investment monetization

HIGHLIGHTS/RECENT ACTIONS:

- In 2024, purchased **3,128,807 shares** totaling **\$20 million**
- Fund was restricted from share repurchases during the fourth quarter due to the tender and exchange offer
- Continued reporting of buyback activity on Fund website (with information on restrictions affecting repurchases)

Transparency & Communication

OVERVIEW:

- Improve investors' understanding of Fund and investments
- Increase transparency and clarify investment objectives and strategies so investors are aligned
- Increase communications frequency and channels to improve awareness of existing resources and materials

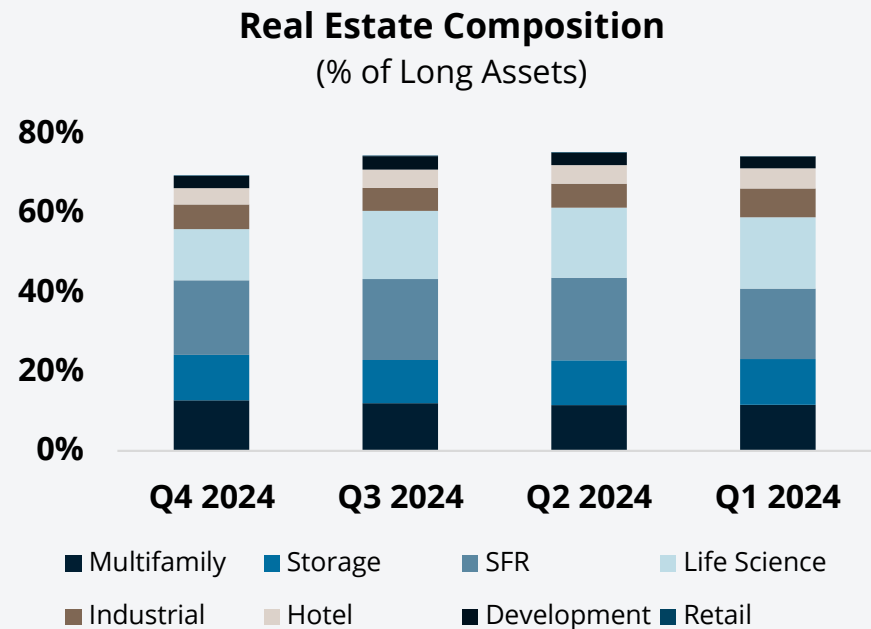
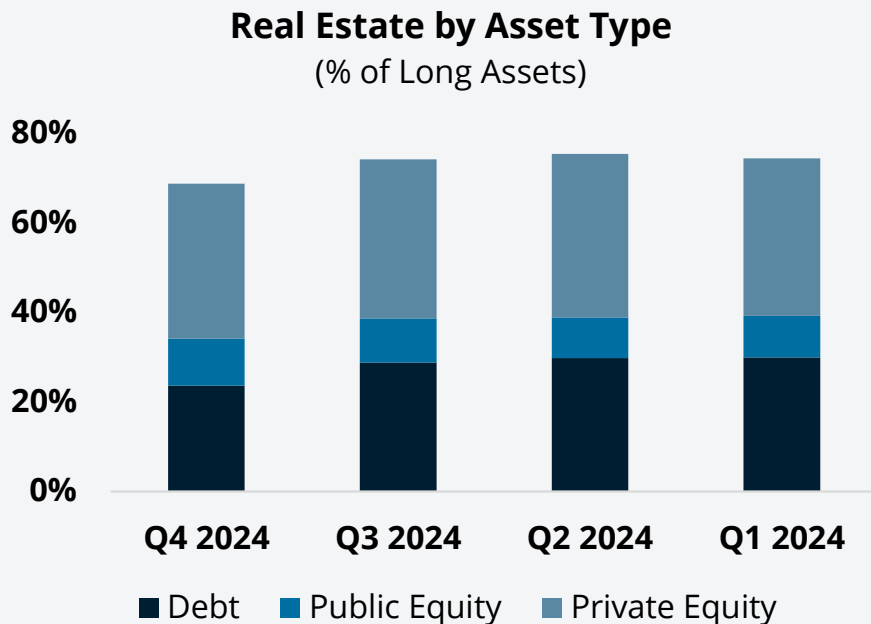
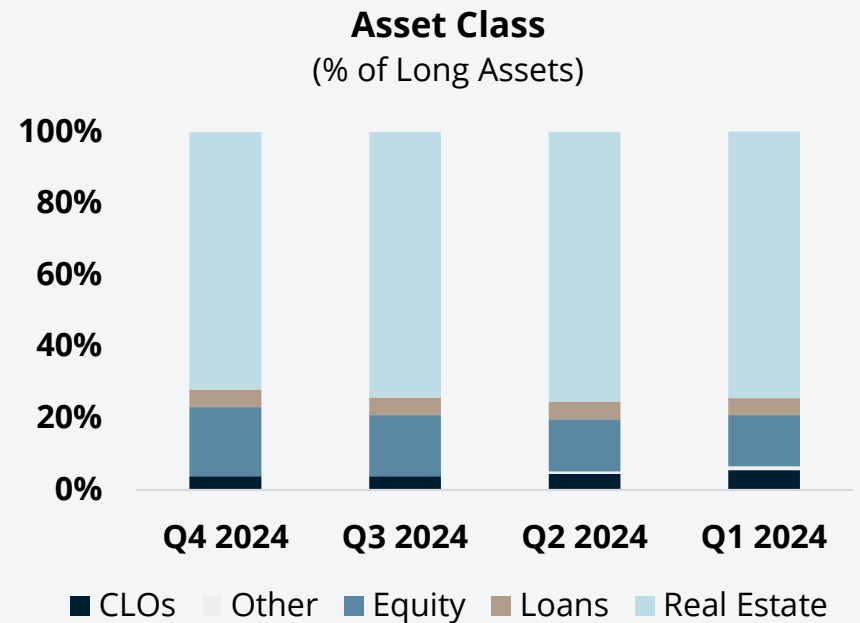
HIGHLIGHTS/RECENT ACTIONS:

- Solicited investor feedback on initiatives to reduce discount
- Worked with Bloomberg Terminal Fund analysis teams to adjust data feeds to better capture underlying holdings
- Regular reporting of repurchase activity through Fund Updates on website
- Announce quarterly calls via press release to maximize awareness and continuously refine calls based on feedback

HIGHLAND OPPORTUNITIES AND INCOME FUND

Portfolio Composition

- As of December 31, 2024, the Fund's assets totaled \$928 million.
- The Fund's long assets were approximately 68.8% commercial real estate (debt & equity) and 31.2% non-real estate related assets invested across debt securities, public and private equity, and structured products.
- The real estate assets by type were approximately 34.6% private equity, 23.7% debt, and 10.5% public equity securities, as a percentage of the Fund's long assets.



Three Core Themes in Current Portfolio

Thesis One:

Opportunity in **RESIDENTIAL RENTAL MARKET** (Single Family Rentals (SFR) and multifamily) in face of housing affordability challenges and migration out of large coastal metros

- **Investments:** NexPoint Homes – ResMark Ventures
- **Opportunity:** Several investments that are stabilizing as well as some under development, which have meaningful upside opportunity through NOI growth of stabilizing properties and capital appreciation of development assets

Thesis Two:

LIFE SCIENCES AND MEDICAL is a rapid growth sector with select supply / demand imbalances and meaningful opportunities for informed investors

- **Investments:** EDS Legacy Partners – IQHQ – CCS Medical – Sapience Therapeutics
- **Opportunity:** Invested in various aspects of the thesis, through a redevelopment project in a supply-constrained market, other real estate development in established life science markets led by an experienced management team, and direct to the chronic care market

Thesis Three:

Leverage **NEXPOINT EXPERTISE** including uncovering **VALUE-ADD REAL ESTATE** and other **ALTERNATIVE INVESTMENTS** which provides attractive total return opportunities

- **Investments:** NexPoint Storage Partners – NexPoint Real Estate Finance – NexPoint Hospitality Trust – MidWave Wireless
- **Opportunity:** Ability to uncover unique and compelling opportunities, including value-add real estate or sectors that can be institutionalized, and make significant investments in projects where NexPoint's experience for bold and creative solutions can be applied to unlock value

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HIGHLAND OPPORTUNITIES AND INCOME FUND

Top 10 Holdings Snapshot

Top 10 Holdings (as of 12/31)

INVESTMENT	% PORTFOLIO	THESIS	KEY HIGHLIGHTS
<p>NexPoint Homes Trust</p> <p>THESIS: RESIDENTIAL RENTAL MARKET</p>	12.6%	Core SFR portfolio with potential upside from NOI growth and home price appreciation, meeting the demand for affordable housing. Expect stable NOI growth, targeting 4-5% dividend yield.	Executing on opportunity to optimize portfolio, including upgrading property manager, and accretively disposing of lower performing homes to continue paying down debt.
<p>NexPoint Storage Partners</p> <p>THESIS: NEXPOINT EXPERIENCE</p>	11.1%	Development portfolio that is stabilizing and positioned to benefit from high occupancy and rate increases.	Continuing to maximize NOI growth while positioning portfolio for a potential exit over time.
<p>EDS Legacy Partners</p> <p>THESIS: LIFE SCIENCE AND MEDICAL</p>	9.5%	Repositioned prior equity position in an office holding amid office market weakness. Current structure provides a debt instrument with a path to liquidity through borrower's redevelopment into a life sciences and medical complex subject to prospective tenant interest and other developments .	HFRO holds a promissory note in the project with repayment potential as the borrower reaches key milestones. Economic Development Agreement with the City of Plano secured in Q3 2024 to support development and attract anchor tenants.
<p>NexPoint Real Estate Finance</p> <p>THESIS: NEXPOINT EXPERIENCE</p>	8.9%	A stabilized investment in a publicly traded company with an attractive dividend yield led by a highly experienced management team.	Lends to or invests in properties that are stabilized or require limited deferred funding to support leasing or ramp-up of operations, where capital expenditures are for value-add improvements. YTD in 2025, the stock has delivered a total return of ~4% and offers an attractive dividend yield of ~12%.
<p>ResMark Venture</p> <p>THESIS: RESIDENTIAL RENTAL MARKET</p>	7.5%	Investment in a joint venture with a developer who has deep experience in the industry and a demonstrated ability to capture high yields.	Developing five separate build-to-rent residential developments in California and Texas, with expected deliveries from 2025-2027. Developments are progressing in line with anticipated budgets and delivery dates.

Top 10 Holdings (as of 12/31) (cont'd)

INVESTMENT	% PORTFOLIO	THESIS	KEY HIGHLIGHTS
<p>CCS Medical</p> <p>THESIS: LIFE SCIENCE AND MEDICAL</p>	6.4%	Positioned to capture value from strategy of integrating chronic care management and the rapidly growing CGM market.	Focused on the progress of the 2024 growth initiatives, which include several accretive pharmacy and analytics growth projects.
<p>Sapience Therapeutics</p> <p>THESIS: LIFE SCIENCE AND MEDICAL</p>	4.1%	Private company using proprietary technology to create novel treatments for untreatable cancers and positioned to disrupt the market.	Raised more than \$100 million in outside capital while specializing in developing peptide-based therapeutics to treat cancers.
<p>NexPoint Hospitality Trust</p> <p>THESIS: NEXPOINT EXPERIENCE</p>	3.7%	Public company investment with benefit of convertible debt structure and potential upside through post-Covid hospitality stabilization and active asset recycling.	Announced it is being acquired by NexPoint Diversified Real Estate Trust, which will provide NHT with additional scale efficiency and liquidity as it continues to execute its strategy.
<p>IQHQ</p> <p>THESIS: LIFE SCIENCE AND MEDICAL</p>	3.4%	Capture demand dynamics for high-quality life science facilities in markets with top research hubs in investment with potential for high-teens IRRs.	After period of sector weakness, positioned to benefit from recent industry tailwinds, such funding, onshoring activity, and increased M&A. Leasing activity and capital raise provides momentum into 2025.
<p>MidWave Wireless</p> <p>THESIS: NEXPOINT EXPERIENCE</p>	2.6%	Significant opportunity to monetize a mid-band Spectrum with the potential for a wide variety of use cases.	Owns 100% of the 1.4 GHz Band, which is comprised of 64 licenses covering the entire U.S., and having recently satisfied all outstanding FCC requirements, it is now open to service a range of private LTE and NR use cases.

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HIGHLAND OPPORTUNITIES AND INCOME FUND

Top Holdings

TOP HOLDINGS DETAIL

NexPoint Homes Trust

A private REIT focused on acquiring, building, and operating single-family rental homes mostly in the Sunbelt states

INVESTMENT RATIONALE & OBJECTIVE

- Fills a significant growing need for expanded access to affordable single-family rental (SFR) properties due to the lack of housing supply and the growing affordability gap between renting and owning
- Focuses on acquiring newer construction homes and partnering with local builders to create “build-for-rent” communities in secondary and tertiary markets near major employment centers
- **Objective: SFR investment that delivers dividend yield with additional potential upside from NOI growth and home price appreciation**

KEY HIGHLIGHTS (as of 12.31.24)

- Realized improvements in collaboration and financial reporting after upgrading property managers to Mynd/Roofstock in Q3
- Made progress on de-levering the portfolio by paying down approximately \$15M in debt, advancing closer to targeted goal of \$50-60M in debt reduction as outlined during the previous quarter
- Fully paid off KeyBank facility, and currently using proceeds to pay down convertible notes
- Q4 markdown of ~18% from 9/30 valuation due to increase in homes held for sale and some friction costs; however, remain confident in long-term value

UPDATE & NEXT MILESTONE

- Expect stable NOI growth with highly occupied portfolio, targeting 4-5% dividend yield
- Continue to de-lever portfolio by selling off/exiting underperforming assets or MSAs and using proceeds primarily to pay down debt



Initial Investment	2022
% of HFRO	12.6%
Investment	\$115.0M
Investment Type	Debt, Private Equity
Industry	Real Estate – Single-Family Rental

TOP HOLDINGS DETAIL

NexPoint Storage Partners

Invests in newly built, multi-story, climate-controlled, Class-A self-storage facilities—all managed by Extra Space Storage (NYSE: EXR)—in dense and growing markets in the U.S.

INVESTMENT RATIONALE & OBJECTIVE

- A best-in-class storage portfolio that is benefiting from storage tailwinds in key locations across the United States, with a focus in the Sunbelt states
- All assets are operated by Extra Space Storage, which serves as a strong, experienced operating partner
- **Objective: self-storage development portfolio that is stabilizing and positioned to benefit from high occupancy**

KEY HIGHLIGHTS (as of 12.31.24)

- ~15% markdown from 9/30 valuation implied result of public peer set trading
- Despite markdown and public peer set stock performance, underlying portfolio continues to benefit from secular storage tailwinds and realized annualized NOI growth of 6.3% in the fourth quarter

UPDATE & NEXT MILESTONE

- Focusing on operations and maximizing NOI growth continues to be the key priority, while positioning portfolio for a potential exit over time



Initial Investment	2018
% of HFRO	11.1%
Investment	\$104.6M
Investment Type	Private Equity
Industry	Real Estate – Self-Storage

TOP HOLDINGS DETAIL

EDS Legacy Partners

Is the former Electronic Data Systems (EDS) campus located at 5400 Legacy Drive in Plano, Texas, which is situated on 91 acres and includes ~1.6 million square feet of space, being redeveloped into a life sciences and medical complex

INVESTMENT RATIONALE & OBJECTIVE

- Asset was purchased in 2018 with original plans to attract large corporate office tenants; however, pivoted plans following Covid-pandemic dislocation in the office sector in order to realize embedded value in this real estate
- After extensive analysis, determined the highest and best use to be a life sciences and medical center
- Based on capital investment and borrowing needs for redevelopment, which would exceed fund regulatory borrowing restrictions, HFRO sold its equity position in December 2023 to facilitate realizing the value of a 10% premium to its appraised value, and currently holds a promissory note
- ***Objective: realize value in original investment through borrower's redevelopment, capturing liquidity as the borrower reaches key milestones***

KEY HIGHLIGHTS (as of 12.31.24)

- ~23% markdown from 9/30 valuation; prospect activity continues to remain high for the new construction
- Economic development agreement finalized with City of Plano in Q3 2024 supports the project through tax increment financing (TIF)

UPDATE & NEXT MILESTONE

- Updates tie to prospective tenant interest and other developments



Initial Investment	2018
% of HFRO	9.5%
Investment	\$107.8M
Investment Type	Debt
Industry	Real Estate – Life Sciences

TOP HOLDINGS DETAIL

NexPoint Real Estate Finance

An externally managed commercial mortgage REIT listed on NYSE with a focus on investments in multifamily, single-family rental, self-storage, life science, hospitality, office, and marina sectors

INVESTMENT RATIONALE & OBJECTIVE

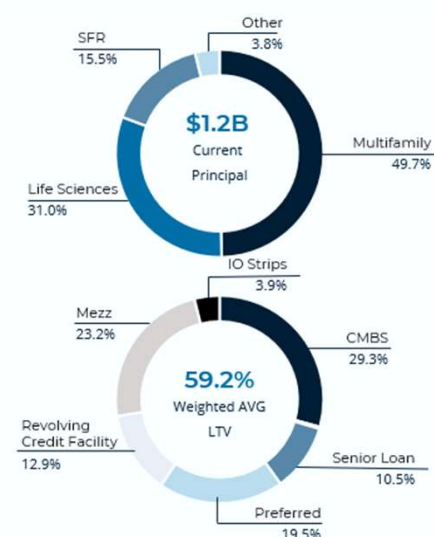
- Investment in common stock (NYSE: NREF) of mortgage REIT focused on real estate sectors where its senior management team has operating experience
- Longer term duration lending provides earnings visibility, with equity cushion providing some investment protection
- **Objective: stabilized investment in a publicly traded company with a highly experienced management team**

KEY HIGHLIGHTS (as of 12.31.24)

- Net income of \$8.4M, or \$0.43 per diluted share for 3 mo. ended 12/31/24
- Cash available for distribution of \$10.9M, or \$0.47 per diluted share, for 3 mo. ended 12/31/24
- Outstanding total portfolio of \$1.2B, composed of 83 investments
- Weighted-average loan to value ("LTV") and debt service coverage ratio ("DSCR") are 59.2% and 1.32x, respectively

UPDATE & NEXT MILESTONE

- During the fourth quarter, NREF redeemed a mortgage-backed security with an outstanding principal balance of \$9.5M and funded \$16.7M on a loan that pays a monthly coupon of SOFR + 900 bps
- Company continues to perform well, hit guidance targets, and raise accretive capital



Initial Investment	2020
% of HFRO	8.9%
Investment	\$74.4M
Investment Type	Common Stock
Industry	Real Estate – Finance

TOP HOLDINGS DETAIL

ResMark Venture

A JV with a multibillion-dollar international pension fund managed by an affiliate of The Resmark Companies invested in mostly residential development projects focused on single-family build-to-rent investments in suburban markets

INVESTMENT RATIONALE & OBJECTIVE

- A developer with 30+ years of experience and focused on new single-family build-to-rent investments in suburban markets that exhibit strong employment and population growth, high barriers to homeownership, limited new supply, and proximity to desirable local amenities
- Merchant builder that targets mid-teens IRRs
- **Objective: invested in a joint venture with a developer who has deep experience in the industry and disciplined investment process that has demonstrated ability to capture high yields**

KEY HIGHLIGHTS (as of 12.31.24)

- Continuing to develop five separate build-to-rent residential developments in California and Texas, with expected deliveries from 2025 through 2027
- Focused on investments that will drive high yields (>20% IRRs)
- As of 12/31/24, the Venture has deployed \$142.6M of the \$173.47M equity commitment across the portfolios

UPDATE & NEXT MILESTONE

- The investments are in various stages of development
- Still on track to be delivered on time, despite minor material delays, which are now onsite and avoiding any tariff impacts



Initial Investment	2023
% of HFRO	7.5%
Investment	\$53.9M
Investment Type	Private Equity
Industry	Real Estate – Single-Family Rental

TOP HOLDINGS DETAIL

CCS Medical

A leading national distributor of home medical equipment and supplies for patients with chronic conditions, with a focus on diabetes management

INVESTMENT RATIONALE & OBJECTIVE

- CCS is at the forefront of the rapidly growing distribution market for continuous glucose monitoring (CGM) diabetes supplies and expects to continue capturing growth stemming from the secular trend of healthcare moving online and to the home
- Offers fully integrated experience for chronic care management, differentiated from typical fragmented care for patients with such conditions
- **Objective: maximizing value by integrating chronic care management with the rapidly growing CGM market**

KEY HIGHLIGHTS (as of 12.31.24)

- CCS continues to experience revenue and adjusted EBITDA growth and realized year-over-year sales growth of 15% for Q4 2024, with the highly profitable CGM division experiencing 12% year-on-year growth
- Focus on the analytics platform, which has seen increased development in the past 48 months and has significant runway for opportunity
- The company's net leverage continues to sit at a comparatively low 1.43 times EBITDA, which is well within debt covenants

UPDATE & NEXT MILESTONE

- Management continues to focus on the progress of other its growth initiatives, which include several accretive pharmacy and analytics platform projects



Initial Investment	2010
% of HFRO	6.4%
Investment	\$50.5M
Investment Type	Debt, Private
Industry	Healthcare

TOP HOLDINGS DETAIL

Sapience Therapeutics

A privately held, clinical-stage biotechnology company focused on discovering and developing peptide therapeutics to address oncogenic and immune dysregulation that drive cancer

INVESTMENT RATIONALE & OBJECTIVE

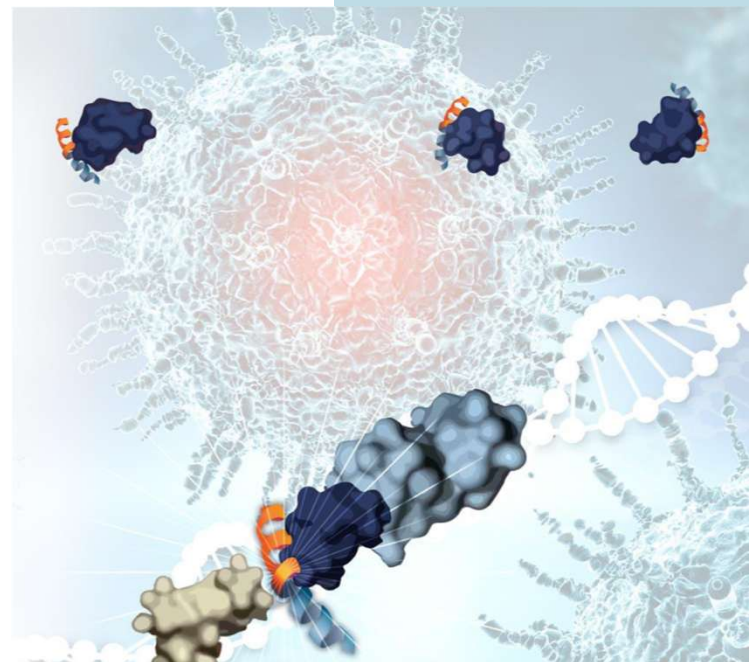
- With two platforms that are purpose-built to maximize the translational potential of drug candidates, creating a pipeline of therapeutic candidates called SPEARs™ (Stabilized Peptides Engineered Against Regulation) that disrupt intracellular protein-protein interactions, enabling targeting of transcription factors traditionally been considered undruggable.
- 8 additional SPEARs™ programs in various stages of discovery.
- **Objective: private company using proprietary technology to create novel treatments for untreatable cancers and positioned to disrupt the market.**

KEY HIGHLIGHTS (as of 12.31.24)

- Clinical-stage SPEARs™, ST316 and Lucicebtide, are advancing through Phase 2 clinical trials: ST316 is currently enrolling a Phase 2 dose expansion study; Lucicebtide has completed the main portion of a Phase 2 dose expansion study and has completed enrollment in two additional sub-studies
- In 2024, initiated work on their new class of molecule, SPARCs™ (Stabilized Peptides Against Receptors on Cancer), which can direct cargo to cell surface targets, enabling delivery of payloads to cancer cells

UPDATE & NEXT MILESTONE

- Has raised more than \$100 million in outside capital, attracting top investors including Bristol-Myers Squibb, Eshelman Ventures, and Kingdon Capital
- Anticipates initial readouts from ST316 Phase 2 study by mid-2025



Initial Investment

2021

% of HFRO

4.1%

Investment

\$32.1M

Investment Type

Convertible Debt, Preferred Equity

Industry

Biotech

TOP HOLDINGS DETAIL

NexPoint Hospitality Trust

A publicly traded REIT listed on the TSX Venture Exchange (NHT.U) focused on acquiring, owning, and operating well-located hospitality properties in the U.S. that offer a high current yield

INVESTMENT RATIONALE & OBJECTIVE

- HFRO owns convertible debt of NHT, providing reliable earnings
- NHT invests in properties that offer a high current yield and in many cases are underperforming assets with the potential to increase in value through investments in capital improvements, brand repositioning, revenue enhancements, or operational improvements.
- **Objective: public company investment with benefit of convertible debt structure and potential upside through post-Covid hospitality stabilization and active asset recycling**

KEY HIGHLIGHTS (as of 12.31.24)

- Owns leading branded properties including Marriott, Hilton, and Hyatt, located across the U.S., with five properties as of 12/31/24
- On November 25, 2024, NHT announced it would be acquired by NexPoint Diversified Real Estate Trust (NYSE: NXDT)
- ~3% markdown from 9/30 valuation

UPDATE & NEXT MILESTONE

- In February 2025, NHT announced it had received board and shareholder approval of its acquisition by NXDT for \$0.36 per unit; the acquisition is expected to create additional scale efficiency and liquidity for NHT
- The convertible debt in HFRO will remain with the surviving entity post-merger



Initial Investment	2020
% of HFRO	3.7%
Investment	\$38.9M
Investment Type	Convertible Debt
Industry	Real Estate – Hotels

TOP HOLDINGS DETAIL

IQHQ

A private real estate investment trust (REIT) that acquires, develops, redevelops, and manages life-sciences real estate across several core-markets

INVESTMENT RATIONALE & OBJECTIVE

- Pursues large format, iconic development and selective re-development opportunities within live-work-play clusters in the top life science markets, including Boston, San Francisco, and San Diego
- IQHQ is led by top life science developers; investors include leading funds
- **Objective: capitalize on demand for premier life science real estate in these markets to capture high-teens IRRs**

KEY HIGHLIGHTS (as of 12.31.24)

- Position was further marked down by ~17% in fourth quarter; however, life science industry saw recovery in 2024 following post-2021 funding contraction, creating favorable conditions for IQHQ as increased VC capital, M&A activity, and onshoring initiatives drive renewed demand for specialized real estate
- Announced the completion of \$900 million of capital raise in 2024, led by existing institutional investors, with final closing in December 2024

UPDATE & NEXT MILESTONE

- Intend to use funds from capital raise to continue executing on key projects and to continue building on strategy
- In Q1 announced early lease renewal and long-term extension with Generate:Biomedicines at Innovation Park in Andover, Massachusetts and secured a 225,000-square-foot lease with CZI at Elco Yards district in Redwood City, bringing the project to over 30% pre-leased
- Phased delivery of Elco Yards buildings beginning mid-2025, with CZI occupancy expected in 2027



Initial Investment	2020
% of HFRO	3.4%
Investment	\$53.1M
Investment Type	Common Stock
Industry	Real Estate – Life Science

TOP HOLDINGS DETAIL

MidWave Wireless, Inc.

MidWave Wireless, Inc., formerly TerreStar Corporation, is one of the largest independent wireless spectrum license holders in the U.S.

INVESTMENT RATIONALE & OBJECTIVE

- MidWave's mid-band spectrum investments cover every major domestic market, representing more than 3.3 billion MHz-POPs of aggregate Radio Frequency (RF) resource.
- Owns 100% of 1.4 GHz Band, comprised of 64 licenses covering entire U.S.
- Owns ~30% of the critical 1.7GHz Band within the AWS-3 spectrum block
- **Objective: long-term investment alongside other sophisticated, disciplined players in the industry with a significant opportunity to monetize a mid-band Spectrum with potential for a variety of use cases**

KEY HIGHLIGHTS (as of 12.31.24)

- Significant increase of ~ 38% in the mark due to a market transaction between two unaffiliated firms that traded MidWave common stock at a price significantly higher than the previous third party-derived mark
- 1.4 GHz Band, MidWave's largest asset; at 2.64 Billion MHz-POPs, this is the largest wide-area resource not controlled by a wireless carrier
- MidWave's 1.7 asset is comprised of 18 licenses that cover 19% of the nation with a heavy presence in the Midwest spanning from Minnesota to Ohio, as well as Hawaii, Puerto Rico and the U.S. Virgin Islands
- Mobile carriers such as Dish, Verizon and AT&T are spending billions of dollars on similar spectrum assets as they build out their 5G networks

UPDATE & NEXT MILESTONE

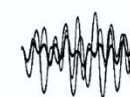
- MidWave continues to explore strategic options including a sale of some or all of its assets



1.4 GHz
Nationwide Coverage
100% of US Population



Medical
Protected Spectrum
E-WMTS Patient Monitoring



3.3B MHz-POPs
Spectrum Portfolio
1.4 GHz and 1.7 GHz



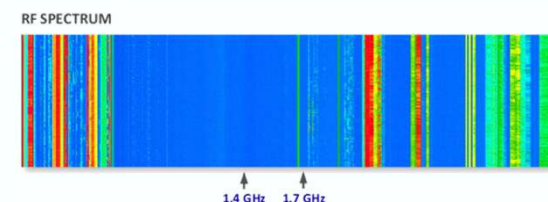
1.7 GHz
11 Key Metro Markets
19% of US Population



Private LTE+NR
Wide Area Networks
Industrial and Enterprise



Ecosystem
5G Band n70
Paired and SUL Capable



Initial Investment 2015

% of HFRO 2.6%

Investment \$23.1

Investment Type Equity
Loan

Industry Telecom

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HIGHLAND OPPORTUNITIES AND INCOME FUND

Appendix

APPENDIX

Selected Financial Highlights

Quarter Ended December 31, 2024

Balance Sheet Highlights	4Q2024	3Q2024	2Q2024	1Q 2024	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022
Investment Portfolio at Fair Value	\$897	\$963	\$965	\$988	\$1,008	\$1,046	\$1,035	\$1,070	\$1,067
Total Debt Outstanding	\$140	\$140	\$140	\$140	\$160	\$159	\$159	\$159	\$162
Total Net Assets	\$783	\$846	\$844	\$867	\$870	\$925	\$928	\$936	\$946
Debt-to-Equity Ratio	0.18x	0.17x	0.17x	0.16x	0.18x	0.17x	0.17x	0.17x	0.17x
Net Debt-to-Equity	0.16x	0.15x	0.12x	0.10x	0.18x	0.17x	0.16x	0.16x	0.14x
Income Statement Highlights									
Total Investment Income	\$10.4	\$14.9	\$10.9	\$11.1	\$12.1	\$9.0	\$10.0	\$24.7	\$10.3
Net Investment Income	\$7.3	\$11.9	\$8.1	\$7.7	\$9.1	\$5.4	\$6.6	\$21.3	\$6.9
Net Realized Gains/(Losses)	\$0.2	(\$0.2)	(\$50.2)	\$24.0	(\$2.0)	(\$2.0)	(\$5.2)	\$2.5	(\$7.8)
Net Unrealized Appreciation/(Depreciation)	(\$60.6)	\$4.4	\$21.2	(\$3.4)	(\$44.4)	\$10.4	\$8.1	(\$16.6)	\$28.9
Total Increase/(Decrease) in Net Assets Resulting from Operations	(\$55.0)	\$14.2	(\$22.8)	\$26.4	(\$38.8)	\$11.9	\$7.6	\$5.2	\$26.0
Per-Share Data									
Net Asset Value Per Share	\$12.00	\$12.96	\$12.77	\$12.91	\$12.74	\$13.56	\$13.61	\$13.74	\$13.89
Net Investment Income per Share (Basic and Diluted)	\$0.11	\$0.18	\$0.12	\$0.11	\$0.13	\$0.08	\$0.10	\$0.31	\$0.10
Total Increase in Net Assets Resulting from Operations per Share	(\$0.84)	\$0.22	(\$0.21)	\$0.24	(\$0.59)	\$0.18	\$0.10	\$0.08	\$0.38
Distributions per Share	\$0.12	\$0.12	\$0.12	\$0.12	\$0.23	\$0.23	\$0.23	\$0.23	\$0.23

NexPoint's Leading Alternative Investment Platform

Firm Overview

AUM	\$16.9 billion ¹
Focus	Alternative investments
Employees	106 total employees; 27 investment professionals ²
Offices	Headquartered in Dallas Texas, with employees across the US



FIXED INCOME ALTERNATIVES

Floating Rate
Preferred Equity
High Yield



DIVERSIFIED ALTERNATIVES

Private Equity
Equity
Alternatives



PUBLIC REAL ESTATE

Multifamily
Single Family
Rental
Hospitality



PRIVATE REAL ESTATE

Single Family Rental
Self-Storage
Office
Life Science



DELAWARE STATUTORY TRUSTS

Commercial
Real Estate

1. As of 12/31/2024, inclusive of NexPoint and affiliates, based on fee calculation AUM. 2. As of 12/31/24 based on Headcount Report.

Fund Management



Jim Dondero, CFA

Co-Founder & President

- Has over 30 years of experience investing across the alternative landscape. Founded NexPoint in 2012 to bring alternative strategies to retail channels.
- Established a number of integrated businesses to manage investments in credit, real estate, and private equity.
- Holds a number of board positions at companies within financial services, healthcare, and real estate, among other industries.



Scott Johnson

Portfolio Manager

- Portfolio Manager with over 25 years of investment management experience with extensive experience including private equity, mergers and acquisitions and long/short hedge funds.
- Prior to NexPoint, has been the portfolio manager at funds focused on making opportunistic investments in public and private debt and equity securities, as well as working at a private equity firm focused on control-oriented buyout investments and as an Analyst in mergers & acquisitions.

Disclosures

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 call 877-665-1287.

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 nexpointassetgmt.com or call 1-877-665-1287. Please read the fund prospectus carefully before investing.

The Advisor to the Fund is NexPoint Asset Management, L.P. ("Advisor").

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 presentation 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, which may increase an investor's risk of loss. Net Asset Value (NAV) is total assets fewer total liabilities, which includes preferred shares, divided by the number of common shares outstanding. At the time of sale, your shares may have a market price that is above or below NAV and may be worth more or less than your original investment. For additional information, please contact your investment adviser or visit our website www.nexpointassetgmt.com.

Distributions: 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. The Fund had a return of capital of 11.0% in 2024 and expects similar results for 2025.

RISK CONSIDERATIONS

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. Currency Risk. The risk that the values of foreign investments may be affected by changes in the currency rates or exchange control regulations. Debt Securities Risk. The Fund's ability to invest in high-yield debt securities generally subjects the Fund to greater risk than securities with higher ratings. Loans may not be considered 'securities' for purposes of the anti-fraud provisions under the federal securities laws and, as a result, as a purchaser of these instruments, a Fund may not be entitled to the anti-fraud protections of the federal securities laws. Derivatives Risk. Derivatives, such as futures and options, are subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. Derivatives also expose the Fund to the credit risk of the derivative counterparty. Derivative contracts may expire worthless, and the use of derivatives may result in losses to the Fund. Liquidity Risk. The risk that, due to low trading volume, lack of a market maker, large position size, or legal restrictions (including daily price fluctuation limits or "circuit breakers"), the Fund may not be able to sell particular securities or unwinding derivative positions at desirable prices. Because loan transactions often take longer to settle than transactions in other securities, the Fund may not receive the proceeds from the sale of a loan for a significant period of time. No assurance can be given that the Fund will have sufficient liquidity in the event of abnormally large redemptions. Non-Diversification Risk. As a non-diversified fund, the Fund may invest a larger portion of its assets in the securities of one or a few issuers than a diversified fund. Non-Payment Risk. Senior Loans, like other corporate debt obligations, are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the Fund, a reduction in the value of the Senior Loan experiencing non-payment and a potential decrease in the NAV of the Fund. Senior Loans Risk. The risks associated with senior loans are similar to the risks of below investment grade securities in that they are considered speculative. In addition, as with any debt instrument, senior loans are also generally subject to the risk of price declines and to increases in prevailing interest rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may also increase the risk and rate of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long term interest rates can vary dramatically from short term interest rates. Therefore, senior loans may not mitigate price declines in a rising long-term interest rate environment. Short Sales Risk. The risk of short sales theoretically involves unlimited loss potential since the market price of securities sold short may continuously increase.

NEXPOINT

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