

NEXPOINT DIVERSIFIED REAL ESTATE TRUST

REAL ESTATE HOLDINGS OVERVIEW



NEXPOINT
DIVERSIFIED REAL ESTATE

Disclosures

Before investing in the Company, you should carefully consider the Company’s investment objectives, risks, charges and expenses. For a copy of the Company’s most recent shareholder reports which contains this and other information, please visit our website at www.nexpoint.com or call 1-866-351-4440. Please read the Company’s shareholder reports and other filings with the SEC carefully before investing.

The photos in this brochure are of properties held within the portfolio.

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.

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 Company’s most recent shareholder reports and financial statements for more information before investing.

This Presentation Document contains forward-looking statements. These statements reflect the current views of management with respect to future events and financial performance. Forward-looking statements can be identified by words such as “anticipate”, “expect”, “could”, “may”, “potential”, “will”, “ability”, “targets”, “believe”, “likely”, “assumes”, “ensuring”, “available”, “optionality”, “viability”, “maintain”, “consistent”, “pace”, “should”, “emerging”, “driving”, “looking to,” and similar statements of a future or forward-looking nature. Forward-looking statements address matters that involve risks and uncertainties. Past performance does not guarantee future results. Performance during time periods shown is limited and may not reflect the performance in difference economic and market cycles. There can be no assurance that similar performance will be experienced.

Portfolio and industry composition may change with market conditions. The Company’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.

No assurance can be given that the Company will achieve its investment objectives.

Closed-End Fund Risk. The Company is a closed-end investment company designed primarily for long-term investors and not as a trading vehicle. No assurance can be given that a shareholder will be able to sell his or her shares on the NYSE when he or she chooses to do so, and no assurance can be given as to the price at which any such sale may be effected. **Credit Risk.** Investments rated below investment grade are commonly referred to as high-yield, high risk or “junk debt.” They are regarded as predominantly speculative with respect to the issuing company’s continuing ability to meet principal and/or interest payments. Non-payment of scheduled interest and/or principal would result in a reduction of income to the Company, a reduction in the value of the asset experiencing non-payment and a potential decrease in NAV of the Company. **Deregistration Risk.** While the Company has applied to the SEC for an order deregistering it as a closed-end investment company, the granting of that order is in the discretion of the SEC and could take four months to a year to obtain. Any determination by the SEC not to grant the Company’s deregistration application would materially change the Company’s plans for its business and investments. **Interest Rate Risk.** Interest rate risk is the risk that debt securities, and the Company’s net assets, may decline in value because of changes in interest rates. Generally, fixed rate debt securities will decrease in value when interest rates rise and increase in value when interest rates decline. **Leverage Risk.** The Company uses leverage through borrowings from a credit facility through the issuance of preferred shares. The use of leverage magnifies both the favorable and unfavorable effects of price movements in the investments made by the Company. Insofar as the Company employs leverage in its investment operations, the Company will be subject to substantial risks of loss. **Industry Concentration Risk.** The Company must invest at least 25% of the value of its total assets at the time of purchase in securities of issuers conducting their principal business activities in the real estate industry. The Company may be subject to greater market fluctuations than a fund that does not concentrate its investments in a particular industry. Financial, economic, business, and other developments affecting issuers in the real estate industry will have a greater effect on the Company, and if securities of the real estate industry fall out of favor, the Company could underperform, or its NAV may be more volatile than, funds that have greater industry diversification. **Real Estate Risk.** Real estate investments are subject to various risk factors. Generally, real estate investments could be adversely affected by a recession or general economic downturn where the properties are located. The full extent of the impact and effects of the recent outbreak of COVID-19 on the future financial performance of the Company, and specifically, on its investments and tenants to properties held by its REIT subsidiaries, are uncertain at this time. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. **Illiquidity of Investments Risk.** The investments made by the Company may be illiquid, and consequently the Company may not be able to sell such investments at prices that reflect the Investment Adviser’s assessment of their value or the amount originally paid for such investments by the Company.

TABLE OF CONTENTS

SUMMARY OF RISK FACTORS	2
PORTFOLIO OVERVIEW	5
SINGLE FAMILY RENTAL	6
STORAGE	9
OFFICE	12
LIFE SCIENCE	14
TIMBER	16
HOSPITALITY	18
MULTIFAMILY	21

EXPERTS IN REAL ESTATE
NexPoint Real Estate Advisors
Management Team



BRIAN MITTS
Chief Financial Officer

Mr. Mitts serves in numerous roles across the NexPoint platform (NexPoint Real Estate Advisors, L.P. or “NREA”), including: Chief Financial Officer, EVP-Finance and Treasurer of NexPoint Residential Trust, Inc. (NYSE:NXRT); Chief Financial Officer, Executive Vice President- Finance, Secretary and Treasurer of NexPoint Real Estate Finance, Inc. (NYSE:NREF); and Chief Financial Officer and Corporate Secretary of NexPoint Hospitality Trust (TSX.V-NHT.U). Mr. Mitts has served as a member of the board of directors for NXRT and NREF. Mr. Mitts is also a member of the investment committee of NREA, the external advisor of NXRT, NREF and NHT. Mr. Mitts co-founded NREA, as well as NXRT and other real estate businesses. Currently, Mr. Mitts leads NexPoint’s financial reporting

and accounting teams and is integral in financing and capital allocation decisions. Prior to co-founding NREA and NXRT, Mr. Mitts was Chief Operations Officer of Highland Funds Asset Management, L.P., the external advisor of open-end and closed-end funds where he managed the operations of these funds and helped develop new products. Mr. Mitts was also a co-founder of NexPoint Advisors, L.P., the parent of NREA. He has worked for NREA or one of its affiliates since 2007.



MATT MCGRANER
Chief Investment Officer

Mr. McGraner serves in numerous roles across the NexPoint platform (NexPoint Real Estate Advisors, L.P. or “NREA”), including: Executive VP and Chief Investment Officer of NexPoint Residential Trust, Inc. (NYSE:NXRT); Executive VP and Chief Investment Officer of NexPoint Real Estate Finance, Inc. (NYSE:NREF); and Chief Investment Officer of NexPoint Hospitality Trust (TSX-V: NHT.U). From September 2014 to March 2015, Mr. McGraner served as NXRT’s Secretary. Mr. McGraner has also served as a Managing Director at NexPoint or its affiliates since May 2013. With over ten years of real estate, private equity and legal experience, his primary responsibilities are to lead the operations of the real estate platform, as well as source and execute investments, manage

risk and develop potential business opportunities, including fundraising, private investments and joint ventures. Mr. McGraner is also a licensed attorney and was formerly an associate at Jones Day from 2011 to 2013, with a practice primarily focused on private equity, real estate and mergers and acquisitions. Since joining the firm in 2013, Mr. McGraner has led the acquisition and financing of approximately \$16 billion of real estate investments.

PORTFOLIO OVERVIEW

As of March 31, 2022

Effective November 8, 2021 the Company changed its name and ticker to “NexPoint Diversified Real Estate Trust”, and “NXDT”.

The name change is part of the Company’s ongoing conversion from a registered investment company to a diversified real estate investment trust (“REIT”).

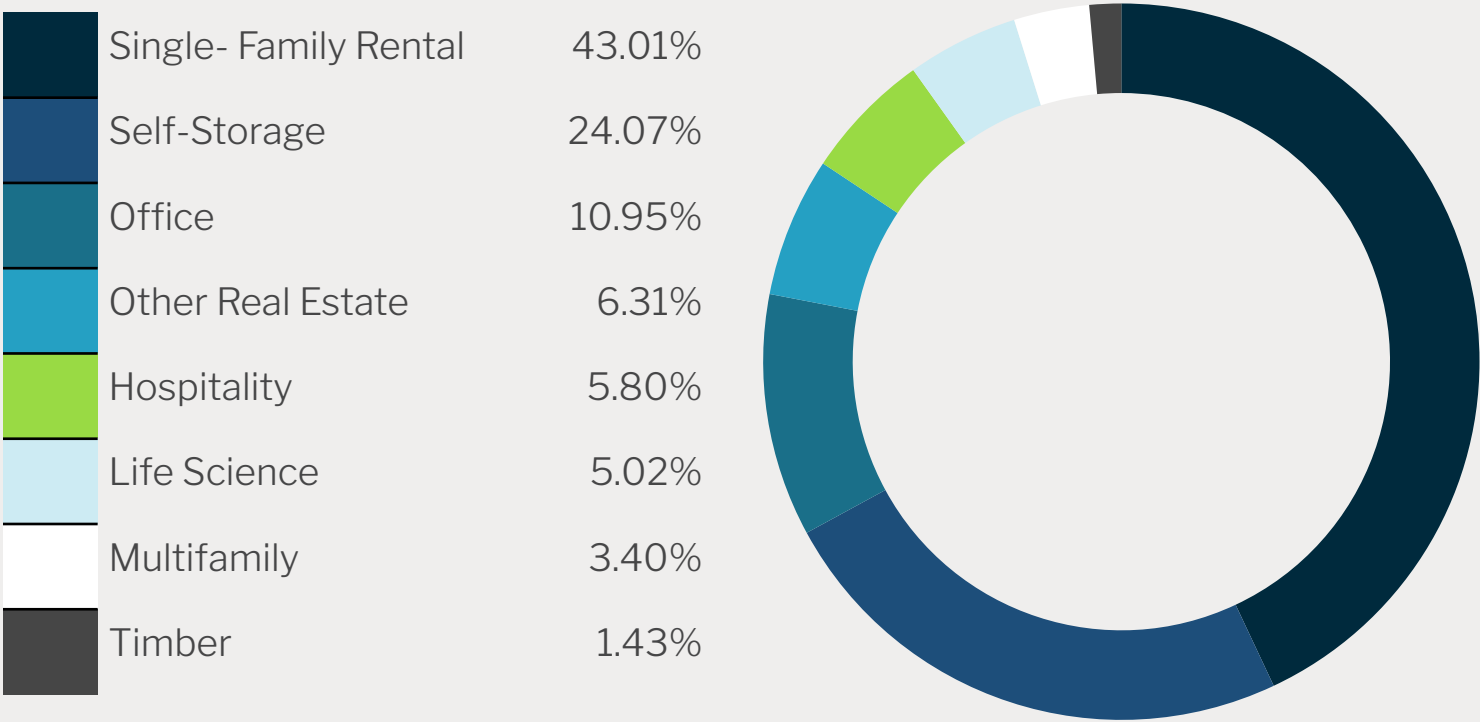
On August 28, 2020, shareholders approved the conversion proposal and amended the Company’s fundamental investment policies and restrictions to permit the Company to pursue its new business. The Company is realigning its portfolio so that it is no longer an “investment company” under the Investment Company Act of 1940 (the “1940 Act”). On March 31, 2021, the Company filed an application (the “Deregistration Application”) with the Securities and Exchange Commission (the “SEC”) for an order under the 1940 Act declaring that the Company is no longer an investment company (the “Deregistration Order”). On September 13, 2021; November 5, 2021; December 2, 2021; and May 19, 2022, the Company filed amendments to the Deregistration Application, which provides additional information regarding the realignment of the Company’s portfolio. The Company will continue to be structured as a registered closed-end investment company until it receives the Deregistration Order; however, the Company has repositioned its portfolio sufficient to achieve REIT tax status and is operating during its 2021 taxable year so that it may qualify for taxation as a REIT.

Following review of the amended application, the SEC may grant the Deregistration Order, which would represent the final step in NXDT’s business plan to convert to a diversified REIT.

As of March 31, 2022, we continue to engage in dialogue with the SEC and continue to believe they will approve the Deregistration Order.

\$944.5 NET ASSET
VALUE

ASSET CLASS¹

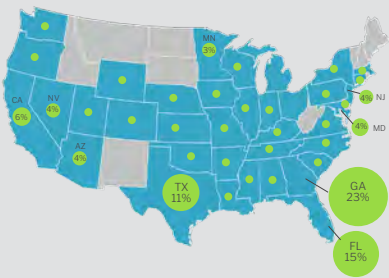


¹ As a percentage of Real Estate Holdings



INVESTMENT HIGHLIGHTS

NexPoint Real Estate Finance is a publicly traded mortgage REIT listed on the New York Stock Exchange under the symbol “NREF”. The company primarily concentrates on investments in real estate sectors where its senior management team has operating expertise, including multifamily, single-family rental (“SFR”), self-storage, and life sciences, predominantly in the top 50 metropolitan statistical areas (“MSA”). The company focuses on lending or investing in properties that are stabilized or have a “light-transitional” business plan.



● LESS THAN 2.0% OF TOTAL

MARKET HIGHLIGHTS

- SFR**
- Although this is a relatively new asset class that was institutionalized in the wake of the global financial crisis, we believe SFR can exhibit resiliency
 - Current portfolio of loans is capitalized by a secured credit facility with Freddie Mac, is matched in both duration and structure of the underlying loans, has 6.9 years of average weighted term to maturity and a 250 bps interest rate spread²
 - Subject to Freddie Mac forbearance program to help mitigate cash flow interruptions to the bondholders
- MULTIFAMILY**
- Historically low losses for Freddie Mac debt issuances secured by multifamily assets, including periods of market stress
 - Aggregate losses in Freddie Mac’s origination history have averaged 5 bps per year dating back to 1994³
 - Since 2009 and through February 2022, there have been \$40.6 million in losses on \$485 Billion of combined issuance⁴
 - As of December 27, 2021, \$2.1 Billion of outstanding unpaid principal balance (UPB), representing 0.6% of total securitized UPB, have entered into forbearance⁵
- LIFE SCIENCES**
- Another newer sector, life sciences has experienced secular demand growth that can be reliably estimated by looking into past performance over the past 1-15 years.
 - Increases in technology, spending and medical talent have created strong demand for real estate that meets unique and specific requirements.

SNAPSHOT

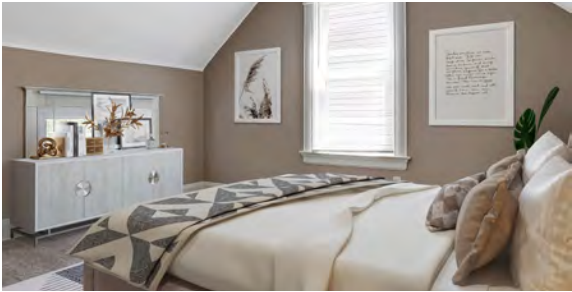
- 16.7% | Of Net Assets Within NXDT
- \$303M | Invested Across NexPoint Platform
- 6.4 years | Average Remaining Term
- 94.0% | Of Portfolio Stabilized
- 8.8% | Dividend Yield
- 67.7% | Weight Average LTV
- 1.87X | Weighted Average DSCR

Implied dividend yield is calculated by using the proposed 2Q dividend of \$0.50 per common share, annualized, divided by share price as of close of trading on April 27, 2022.
As of 03/31/22

(2) As of March 2022 (3) Freddie Mac; Q4 2021 (4) Freddie Mac; February 2022 (5) December 2021 Securitization Forbearance Report - Freddie Mac



VineBrook Homes



NEXPOINT

DIVERSIFIED REAL ESTATE

INVESTMENT HIGHLIGHTS

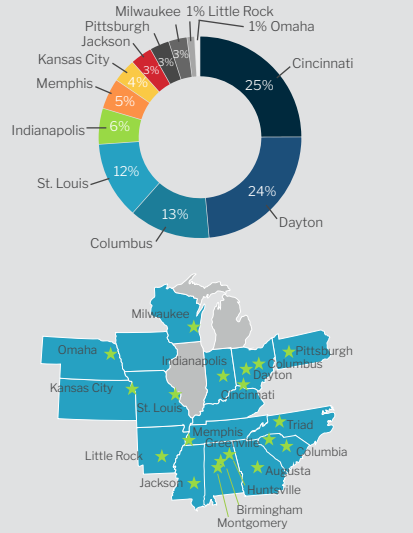
We believe VineBrook’s experienced management team and technology platform provide it the ability to scale as the company enters new markets and increases acquisitions in existing markets.

SFR investors have traditionally been “mom and pop” landlords. Out of the 16 million SFR households, only 2% of homes are owned by institutional investors, allowing for consolidation opportunities.⁶

Homeownership becomes less attainable for low to middle income wage earners. However, as this population ages and families begin to grow, multifamily rentals may become less desirable.

MARKET HIGHLIGHTS

VineBrook homes are located in Midwest and Southeast cities insulated from dependence on tourism, hospitality and manufacturing. As a result, there is not one employer that accounts for greater than 5% of the resident base.



SNAPSHOT

17.8%	Of Net Assets Within NXDT
\$216M	Invested Across NexPoint Platform
21,144	Homes
18	States
\$1,086	Average Monthly Rent
5.0X	Resident Average Rent to Income Ratio
95.1%	Stabilized Occupancy
63.0%	SHS NOI Margins
96.0%	YTD CFFO Coverage

As of 03/31/22

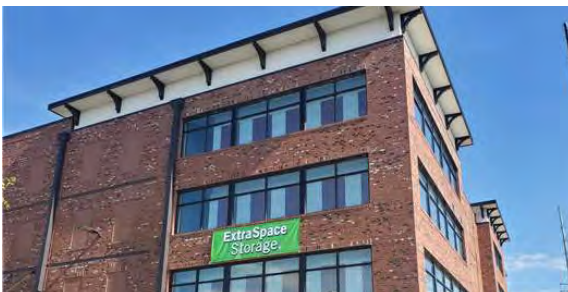
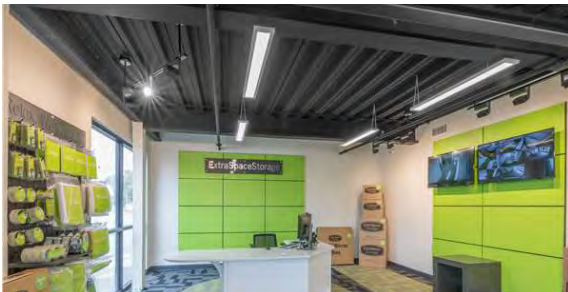


STORAGE

⁶Green Street Advisors & Consulting Group. February 2021.



NexPoint Storage Partners

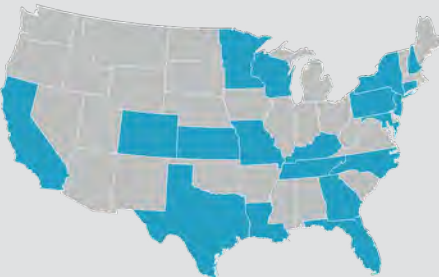


SAFStor



INVESTMENT HIGHLIGHTS

NexPoint Storage Partners is an approximately \$1 billion storage platform originating from NexPoint's first investment in Jernigan Capital in 2016. Jernigan initially focused on development financing but gradually expanded the business model to include outright ownership of facilities through a complementary acquisition strategy. In November 2020, NexPoint completed the acquisition of Jernigan in a transaction valued at approximately \$900 million and subsequently launched NexPoint Storage Partners as a dedicated platform for the self-storage sector. The platform consists of 46 self storage investments across the US, of which 39 are wholly-owned.



MARKET HIGHLIGHTS

NexPoint Storage targets Generation V or "GenV" facilities in major metropolitan areas across the US. GenV facilities are vertical buildings, and include heating/air condition, WiFi, LED lighting and advanced security systems. A key Partner is Extra Space Storage, who will manage all wholly owned facilities.

Storage fundamentals remain remarkably strong moving into 2022, as most analysts continue to revise their outlook for 2022 upward. Occupancies remain at seasonality adjusted all-time highs, and any threats of new supply have not presented themselves thanks to supply chain issues and elevated construction costs. We feel that there has never been a better time in the history of storage to have a lease up portfolio, and we are very excited for our storage portfolios to have strong NOI growth in 2022.

SNAPSHOT

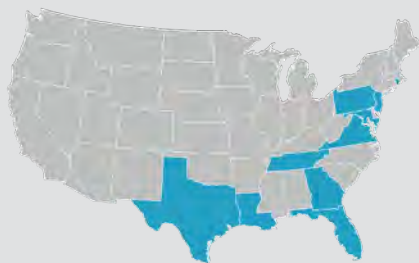
12.7%	Of Net Assets Within NXDT
\$168M	Invested Across NexPoint Platform
46	Total Investments
\$903M	Total Value
40,034	Rentable Units
3.6M	Total Rentable Sqft

As of 03/31/22

INVESTMENT HIGHLIGHTS

SAFStor owns, develops, and redevelops single- and multistory self-storage properties in under supplied markets with high barriers to entry. The company looks for markets that offer low delinquency, high traffic count, and high population growth, with above-average household income. Property management is performed by reputable operators such as Extra Space Storage and CubeSmart.

As of December 31, 2021, we have completed 26 individual storage facilities that are currently in lease up. An additional 3 projects are in the construction and planning phases, with completions expected through the next 12 months. The weighted average yield on cost is 8.6% for all SAFStor properties. NXDT has exposure to 8 properties that are all in lease up. Stabilized cap rates for similar properties average approximately 5%, reflecting the potential for SAFStor properties to see significant increases in value once stabilized. Additionally, we expect appreciation of the storage portfolio once development is complete.



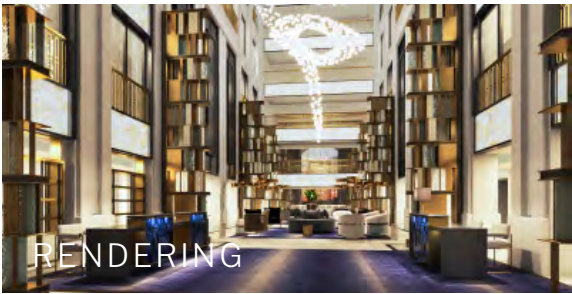
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SNAPSHOT

6.6%	Of Net Assets Within NXDT
\$167M	Invested Across NexPoint Platform
8.6%	Weighted-Average Yield on Cost ⁷
26	Completed Projects
3	Projects in Construction or Planning
23,617	Total Units*

*NXDT has exposure to 6,268 units.
As of 03/31/22

⁷ Yield-on-cost is the net operating income (or sometimes cash flow from operations) at stabilization divided by the total project cost



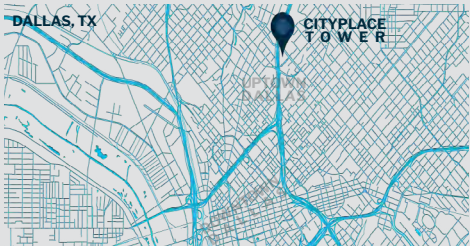
INVESTMENT HIGHLIGHTS

Cityplace Tower ("Cityplace") is a 42-story, 1.35 million-square-foot, trophy office building acquired in 2018. The building is adjacent to the Uptown submarket in Dallas, Texas. The prior owners were unwilling to invest significant capital to keep up with the property's competitive set.

Plans include significant capital investments to bring class-A amenities to the property and reposition the asset, providing the potential to achieve higher rental rates in both the office and retail spaces. Since the 2018 acquisition, the property announced plans to establish a 223-key, five-star hotel within the building, operated by InterContinental Hotels Group. The hotel will occupy eight of the building's 42 floors and will contain a restaurant, full bar, and lounge. The hotel is slated to open in the first quarter of 2024.

MARKET HIGHLIGHTS

Cityplace is located in the DFW MSA of Texas. DFW MSA is the fourth largest metropolitan statistical area by population in the United States. Due to business friendly policies, lower taxes and affordability, DFW MSA's industries have grown much faster than the national average in recent years, had job gain of 5.4% as of August 2021 and was significantly higher than the national increase of 4.4%.⁸ DFW MSA's unemployment rate was 4.4% as of October 2021, which was below the national average of 4.6%. The area's business complex is diverse including concentrations in health care, logistics and technology, among numerous other industries. We believe the DFW MSA is enjoying sustained momentum as it continues its economic growth and is forecast to be among the stronger U.S. cities in terms of long-term real estate performance.



SNAPSHOT

8.8%	Of Net Assets Within NXDT
\$83M	Invested Across NexPoint Platform
100%	Ownership
42	Floors
	Dallas, Texas
1.35 million	Sqft
70%	LTV
★★★★★ Development of 5 star hotel underway	

As of 03/31/22

⁸ U.S. Bureau of Labor Statistics



INVESTMENT HIGHLIGHTS

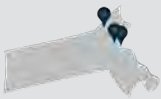
IQHQ is at the forefront of the thriving Life Science real estate market. Having raised \$2.4B of institutional capital, the company is well positioned and actively acquiring unique and imaginative projects to enhance shareholder value and build what we believe to be a best-in-class portfolio of life science real estate. The company has put together a dramatic portfolio of 14 projects, including several recognizable market defining developments. Two flagship projects recently broke ground and look to develop an iconic life science campus on each coast with Fenway Center overlooking the green monster and Fenway Park in Boston, creatively utilizing space by decking the Mass Pike and The Research and Development District (RaDD), an 8 acre site on the waterfront in San Diego representing the largest remaining waterfront development site on the California coast. The company remains focused on Boston, San Diego, and San Francisco as these markets represent the leading markets for life science real estate. The company currently has numerous projects in each market.

MARKET HIGHLIGHTS

Life Science real estate has been one of the top performing real estate asset classes since the onset of the pandemic. While many asset classes are just starting to recover from the significant headwinds created by the pandemic, Life Science real estate has actually benefited from tailwinds created from the pandemic. Venture capital continued to see record setting investment in the sector with Q1 nearly doubling the Venture investment from Q1 2020, which was a record investment at the time. In addition to private funding, public funding saw a 12% yoy growth, with almost 9% yearly growth rate over the last five years.⁹ We believe these trends will continue and along with decreased competition from other asset classes for available sites Life Science real estate investing remains an ideal place for institutional capital.



California



Massachusetts

SNAPSHOT

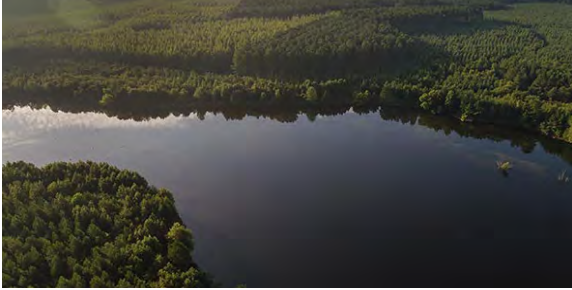
- 4.0% | Of Net Assets Within NXDT
- \$89M | Invested Across NexPoint Platform
- 15 | Projects
- 4 | Markets

As of 03/31/22

⁹CBRE Life Science Mid-Year 2021



Caddo Sustainable Timberlands



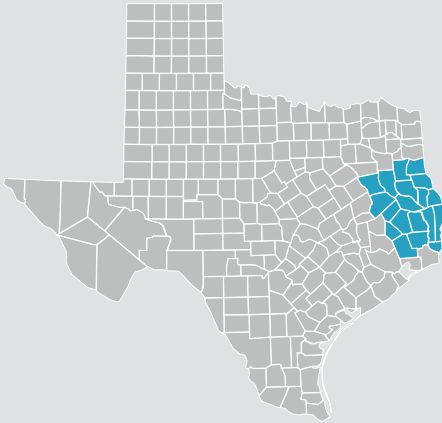
TIMBER

INVESTMENT HIGHLIGHTS

We originally invested in the asset in May 2018 through TexMark Timber Treasury, L.P. (“Triple T”) as participating preferred in a joint venture with a consortium of institutional investors lead by Catchmark Timber Trust (ticker: CTT). The asset comprised 1.1 million acres of prime East Texas timberlands. The timberlands are located near top quartile mills and within approximately 100 miles of three of the top five U.S. homebuilding markets; Austin, Dallas, and Houston. When Triple T acquired the asset in 2018, the group planned to renegotiate a long-term wood supply agreement, bringing it to current market terms for both pricing and volume. The agreement was successfully amended in 2020. On July 30, 2021, CatchMark announced a definitive agreement to sell 301,000 acres of timberlands for approximately \$498 million in cash (~\$1,656/acre). The property represents a portion of the 1.1 million acres in East Texas, which was purchased for \$1,264/acre. When the agreement was announced, CTT noted that the proceeds of the sale would be used to reduce leverage and pay down a portion of the preferred partnership interests in the joint venture. On October 15, 2021, CTT announced that it had reached an agreement with its joint venture partners, including NXDT, for CTT to redeem its common equity interest. This follows the previously announced sale of 301,000 acres of timberlands for \$498 million in cash. As part of these transactions NXDT redeemed approximately \$17 million. The balance of NXDT’s original investment after the October 2021 redemption was converted into common equity in a new venture called Caddo Sustainable Timberlands that was formed with a small group of institutional investors. The new entity now owns the remaining portion of the assets following the sale of 301,000 acres announced in September. The parties involved in the new venture alongside the Company are sophisticated institutional investors that manage private investment vehicles. Together they have significant experience owning and managing timber assets. With this expertise, the new venture intends to increase efficiencies and drive revenue for the property under a more favorable capital structure.

MARKET HIGHLIGHTS

The timberlands are located near top quartile mills and within approximately 100 miles of three of the top five U.S. homebuilding markets; Austin, Dallas, and Houston. We believe these markets provide strong, growing, and compelling demand fundamentals. The joint venture assumes long-term sawtimber and pulpwood supply agreements with Georgia-Pacific and International Paper.



SNAPSHOT

- 1.2%

Of Net Assets
Within NXDT
- \$117M

Invested Across
NexPoint Platform
- 800
thousand

Acres
- East
Texas

Within 100 Miles
of Austin, Dallas,
and Houston

Highly productive soils with site index at age 25 of 74 feet, compared to U.S. South average of 64 feet¹⁰

Rapidly improving inventory profile, growing from current 2.8 million tons of annual harvest volume to more than five million tons by 2028

As of 03/31/22

¹⁰Catchmark

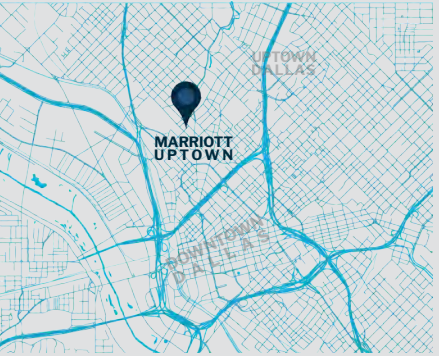


HOSPITALITY

INVESTMENT HIGHLIGHTS

NexPoint funded the development of an upscale Marriott hotel in the heart of the Uptown submarket of Dallas, Texas. Upon completion, the hotel boasts 255 upscale guestrooms with approximately 13,000 square feet of meeting space. The hotel aims to fill a void in the immediate submarket, which lacks an affordable, quality hotel for the business traveler. The project had its grand opening in the first quarter of 2021.

DALLAS, TX



MARKET HIGHLIGHTS

The Marriott Uptown fills a void in the Uptown Dallas hospitality market, while also serving as one of the Marriott-branded hotel in the area. Currently, the only major hotels in the general vicinity are five star, luxury hotels. The Uptown area of Dallas is known for attracting young professionals, as well as business travelers due to the proximity to the many businesses in Uptown and Downtown. Uptown has a vibrant bar and restaurant scene, as well as a 9 mile walking and biking trail and several large parks. College students at nearby Southern Methodist University are also known to live in the area. The hotel contains high-class amenities built to attract young adults and business travelers alike, such as a rooftop pool lounge, as well as bars and restaurants featuring celebrity chefs. Dallas Love-Field Airport is also less than five miles away.

SNAPSHOT

2.7%	Of Net Assets Within NXDT
\$18M	Invested Across NexPoint Platform
255	Keys
13,000	Sqft of Meeting Space
85%	Owned*
\$134	RevPar

*The remaining 15% is owned by Alamo Manhattan.
As of 03/31/22

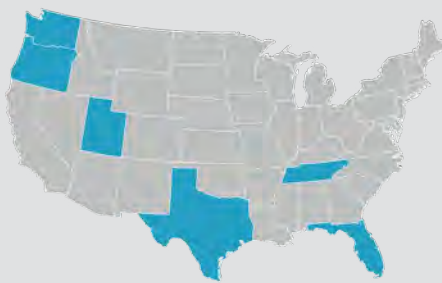


NexPoint Hospitality Trust

INVESTMENT HIGHLIGHTS

NexPoint Hospitality Trust is a publicly traded REIT, with its units listed on the TSX Venture Exchange under the symbol “NHT-U” and is primarily focused on acquiring, owning, renovating, and operating select-service, extended-stay and efficient full-service hotels located in attractive U.S. markets. NHT is externally advised by NexPoint Real Estate Advisors. NHT partners with well-known hospitality brands with strong loyalty programs, such as Marriott and Hilton.

In Q1 2022, NHT purchased two assets - the Hyatt Place in Park City, Utah and the Hampton Inn & Suites in Bradenton, Florida.



NHT pursues investments demonstrating idiosyncratic challenges with a value-add component:

- Capital Improvements
- Brand Repositioning
- Revenue Enhancements
- Operational Efficiencies
- Market-Based Recovery
- Exploiting Unutilized Space



NEXPOINT

DIVERSIFIED REAL ESTATE

SNAPSHOT

2.0% | Of Net Assets Within NXDT

13 | Properties

1,848 | Keys

6 | States



MULTIFAMILY

As of 03/31/22



NexPoint Residential Trust

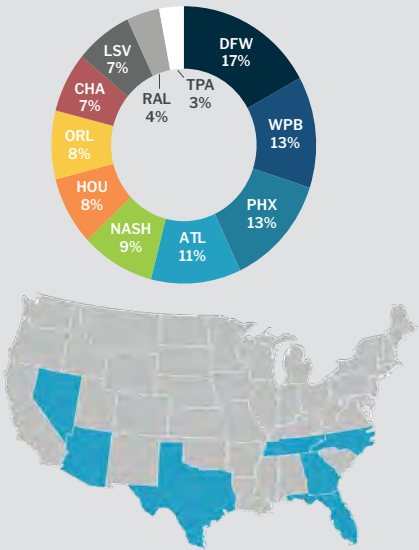
INVESTMENT HIGHLIGHTS

NexPoint Residential Trust, Inc. is a publicly traded REIT listed on the New York Stock Exchange under the symbol “NXRT.” NXRT is primarily focused on acquiring, owning and operating well located, middle-income, multifamily properties, with “value-add” potential in large cities, primarily in the Sunbelt markets.

NXRT’s seeks to provide residents with “life-style” amenities found in newly constructed multifamily properties at a reasonable price and increase shareholder value for investors. At the end of March 2022, NXRT completed interior renovations on 6,398 units with a 21.8% return on investment.

MARKET HIGHLIGHTS

- NXRT targets markets that have the following characteristics:
- Attractive job growth and household formation fundamentals
 - High costs of homeownership and/ or class A multifamily rental
 - Elevated or increasing construction or replacement costs for multifamily real property



SNAPSHOT

0.8%	Of Net Assets Within NXDT
\$45M	Invested Across NexPoint Platform
41	Properties ¹¹
15,387	Units ¹¹
\$1,310	Average Monthly Rent/Unit
94.2%	Portfolio Occupancy
\$0.38	Q2 2022 Dividend per Share
12.42%	Inside Ownership
742.2%	Total Return Since Inception ¹²

As of 03/31/22

Disclosures

On August 28, 2020, shareholders approved the conversion proposal and amended the Company’s fundamental investment policies and restrictions to permit the Company to pursue its new business. The Company is realigning its portfolio so that it is no longer an “investment company” under the Investment Company Act of 1940 (the “1940 Act”). On March 31, 2021, the Company filed an application (the “Deregistration Application”) with the Securities and Exchange Commission (the “SEC”) for an order under the 1940 Act declaring that the Company is no longer an investment company (the “Deregistration Order”). On September 13, 2021, November 5, 2021, and December 2, 2021, the Company filed amendments to the Deregistration Application, which provides additional information regarding the realignment of the Company’s portfolio. The Company will continue to be structured as a registered closed-end investment company until it receives the Deregistration Order; however, the Company has repositioned its portfolio sufficient to achieve REIT tax status and is operating during its 2021 taxable year so that it may qualify for taxation as a REIT.

Effective November 8, 2021, NHF changed its name to NexPoint Diversified Real Estate Trust and is traded on the New York Stock Exchange under the ticker NXDT.

Following review of the amended application, the SEC may grant the Deregistration Order, which would represent the final step in NHF’s business plan to convert to a diversified REIT.

While NexPoint is committed to the REIT conversion, it is still contingent upon regulatory approval and the ability to reconfigure NXDT’s portfolio to attain REIT status and deregister as an investment company. The time required to reconfigure the Company’s portfolio could be impacted by, among other things, the COVID-19 pandemic and related market volatility, determinations to preserve capital, the Company’s ability to identify and execute on desirable investments, and applicable regulatory, lender and governance requirements. The conversion process could take up to 24 months; and there can be no assurance that conversion of NXDT to REIT status will improve its performance or reduce the discount to NAV. Further, the SEC may determine not to grant the Company’s request for the Deregistration Order, which would materially change the Company’s plans for its business and investments.

In addition, these actions may adversely affect the Company’s financial condition, yield on investment, results of operations, cash flow, per share trading price of its common shares, and ability to satisfy debt service obligations, if any, and to make cash distributions to shareholders. Whether the Company remains a registered investment company or converts to a REIT, its common shares, like an investment in any other public company, are subject to investment risk, including the possible loss of investment. For a discussion of certain other risks relating to the proposed conversion to a REIT, see “Implementation of the Business Change Proposal and Related Risks” in the proxy statement.

No assurance can be given that the Company will achieve its investment objectives.

¹¹As of April 1, 2022
¹²Cumulative Total Return including reinvestment of dividends since inception March 2015 to March 31, 2022. Returns to NXDT shareholders is based on the performance of the total portfolio and NXRT represents only 1% of the real estate exposure and less than 1% of the overall portfolio.

NEXPOINT

DIVERSIFIED REAL ESTATE

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NexPoint Securities, Inc, member FINRA/SIPC, is the dealer
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