HIGHLAND CAPITAL MANAGEMENT

NEXPOINT HEALTHCARE

FUNDING AMERICA'S HEALTHCARE ECONOMY

www.NexPointCapital.com

NEXPOINT
HEALTHCARE

NexPoint Capital is a healthcare focused business development company sponsored by NexPoint Advisors, an affiliate of Highland Capital Management. Highland is an institutional investment firm with approximately $20 billion of assets under management with particular expertise in the healthcare sector.

HIGHLAND CAPITAL
MANAGEMENT

Healthcare is the largest component of the American economy, accounting for more than 17.2 percent of the nation's gross domestic product. It is also the fastest growing segment, forecast to increase above 20 percent of GDP in the next few years. (Source: Centers for Medicare and Medicaid Services, 2012)

In the midst of this growth, the Affordable Care Act ("ACA" or as commonly referred to as "Obamacare") is driving dynamic changes to the healthcare economy as it transforms patient access to care while modernizing and re-engineering the current infrastructure of medical delivery.

We believe the changes precipitated by the implementation of the ACA will result in "winners" that are able to effectively adapt and thrive in the new environment, as well as "losers" that are unable to access the necessary capital and expertise to compete.

For investors, this historic period of change may offer significant opportunity to those able to identify the difference between those firms able to thrive and those that will struggle.

NexPoint Capital is a healthcare focused business development company sponsored by NexPoint Advisors, an affiliate of Highland Capital Management, L.P. Highland Capital Management, L.P. and its affiliate advisors (together "Highland") is an institutional investment firm with approximately $20 billion of assets under management with particular expertise in the healthcare sector.

We believe our specialized expertise affords us the ability to identify the "winners" and to provide NexPoint Capital investors with a unique opportunity to benefit from the ongoing strength and historic change in the quickly evolving healthcare sector.

FOR INVESTORS SEEKING*:

- CURRENT INCOME**
- PORTFOLIO DIVERSIFICATION
- LONG-TERM CAPITAL APPRECIATION

* There is no assurance that these objectives will be met.

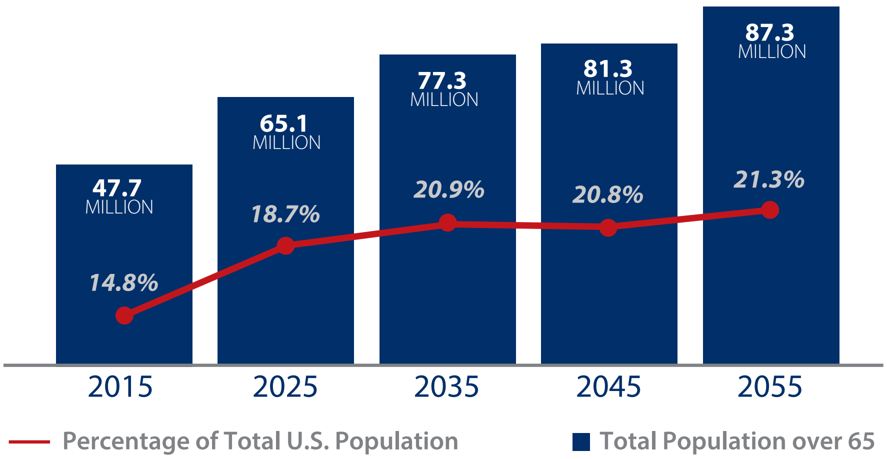
** Distributions are not guaranteed and may be suspended, modified or terminated at the discretion of the board of directors. Distributions may include a return of principal or borrowed funds, which may lower overall returns to the investor and may not be sustainable.

WHY INVEST IN THE HEALTHCARE ECONOMY?

AGING AMERICA

The population of the United States is rapidly expanding and growing older. In fact, according to the U.S. Census Bureau, the population older than age 65 is expected to grow significantly between 2015 and 2055, from nearly 48 million to almost 90 million.

PERCENTAGE OF TOTAL U.S. POPULATION OVER 65 YEARS OF AGE

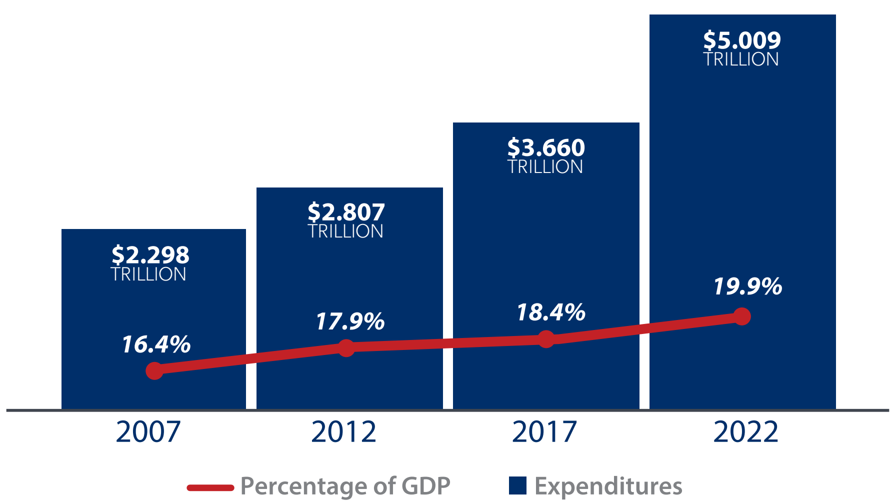


Source: U.S. Census Bureau, "U.S. Population Projections," 2012.

SPENDING MORE FOR HEALTHCARE

At the same time, medical technology is helping us live longer and better lives. As a result, healthcare spending has grown dramatically over the past several decades, from 3 percent of gross domestic product in 1980 to approximately18 percent currently; forecasters predict that healthcare spending will total more than $5 trillion and account for approximately 20 percent of GDP by 2022.

GROWTH OF HEALTHCARE AS PERCENTAGE OF GDP, 2007– 2022



Source: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

The population of the United States is rapidly growing larger and older. As we age, the need for healthcare-related services also continues to rise. According to Pew Research, American Baby Boomers (people born between 1946 and 1964) are aging at a rate that one-in-five U.S. residents are expected to be 65 and older by mid-century, greater than the share of seniors in the population of Florida today.[1] Between now and 2030, 10,000 Boomers will turn 65 every day.

THE IMPACT OF THE AFFORDABLE CARE ACT

In 2012, Congress passed the Affordable Care Act ("ACA") in an attempt to increase access to healthcare for millions of Americans, transform the way that patients access medical care, as well as modernize and re-engineer the current infrastructure of healthcare delivery. As a result of the ACA broad mandate, we believe it will revolutionize the enormous American healthcare economy. It is likely that some companies will adapt and thrive to the changing environment, while others will falter and fade.

NexPoint Capital is a business development company that seeks to provide investors access to the unique opportunities offered by the historic changes to our nation's healthcare economy. Primarily through debt investments in middle-market (companies with annual revenue between $50 million and $2.5 billion) and larger private healthcare companies, NexPoint Capital seeks to provide investors with a unique opportunity to benefit from the projected growth in America's largest economic sector.***

THE U.S. HEALTHCARE SECTOR IS EXPECTED TO GENERATE 3.5 MILLION NEW JOBS BETWEEN 2010 AND 2020—MORE THAN ANY OTHER INDUSTRY.

Source: "Occupational Outlook Handbook, 2012-2013 Edition, Projections Overview," Bureau of Labor Statistics, U.S. Department of Labor.

NEXPOINT'S SUB-SECTOR FOCUS:

- PHARMACEUTICALS
- MEDICAL DEVICES
- LIFE SCIENCES
- INSURANCE
- FACILITIES

NEXPOINT'S ASSET CLASS FOCUS:

- DEBT OF MIDDLE MARKET COMPANIES
- SYNDICATED FLOATING RATE DEBT
- MEZZANINE AND EQUITY TRANCHES OF COLLATERALIZED LOAN OBLIGATIONS
- EQUITY OF MIDDLE MARKET COMPANIES
- PUBLIC EQUITY

*** While NexPoint Capital intends to focus its investments primarily on companies focused on healthcare, it may also opportunistically invest in other companies or securities it deems to be of value to investors and may invest without limit in companies that are not in the healthcare sector.

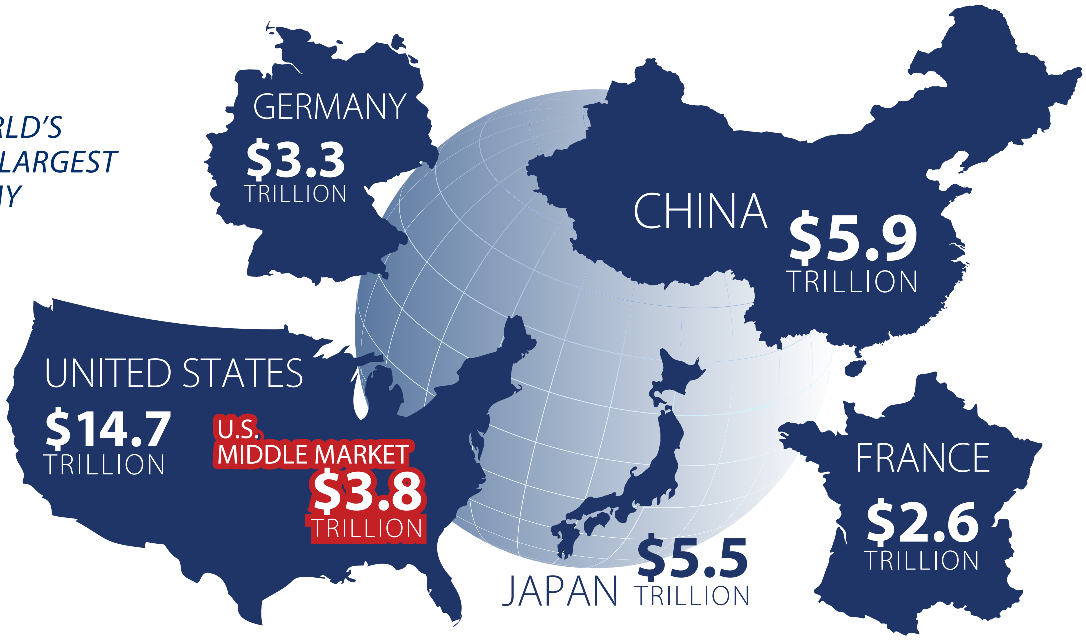
BUSINESS DEVELOPMENT COMPANIES: FUELING THE AMERICAN ECONOMY

THE MIDDLE MARKET: AMERICA'S ECONOMIC ENGINE

We typically think of small local businesses or large multinational corporations as the largest drivers of the U.S. economy, but the often overlooked middle market† companies account for approximately 1/3 of the total private sector economy in terms of GDP and employment. (Source: U.S. Census Bureau)

In fact, American middle market companies represent the world's fourth largest economy, accounting for $3.8 trillion in GDP. (Sources: CIA World Factbook; Bureau of Economic Analysis; OSU/GE Analysis)

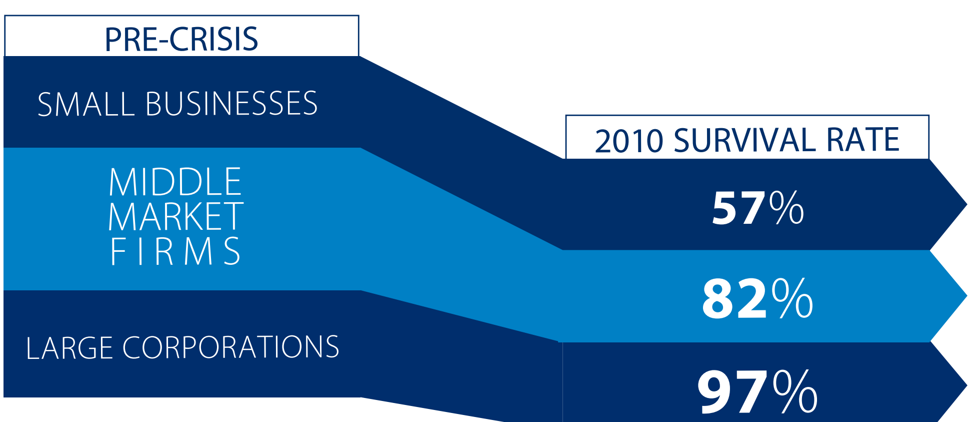
THE WORLD'S FOURTH LARGEST ECONOMY



† Companies with revenues of $50M – $2.5B Source: National Center for the Middle Market Q4 2013 report.

THE RESILIENT MIDDLE MARKET

While approximately 43 percent of American small businesses failed during the Great Recession, the middle market was the resilient engine of the U.S. economy, with a survival rate of 82 percent.



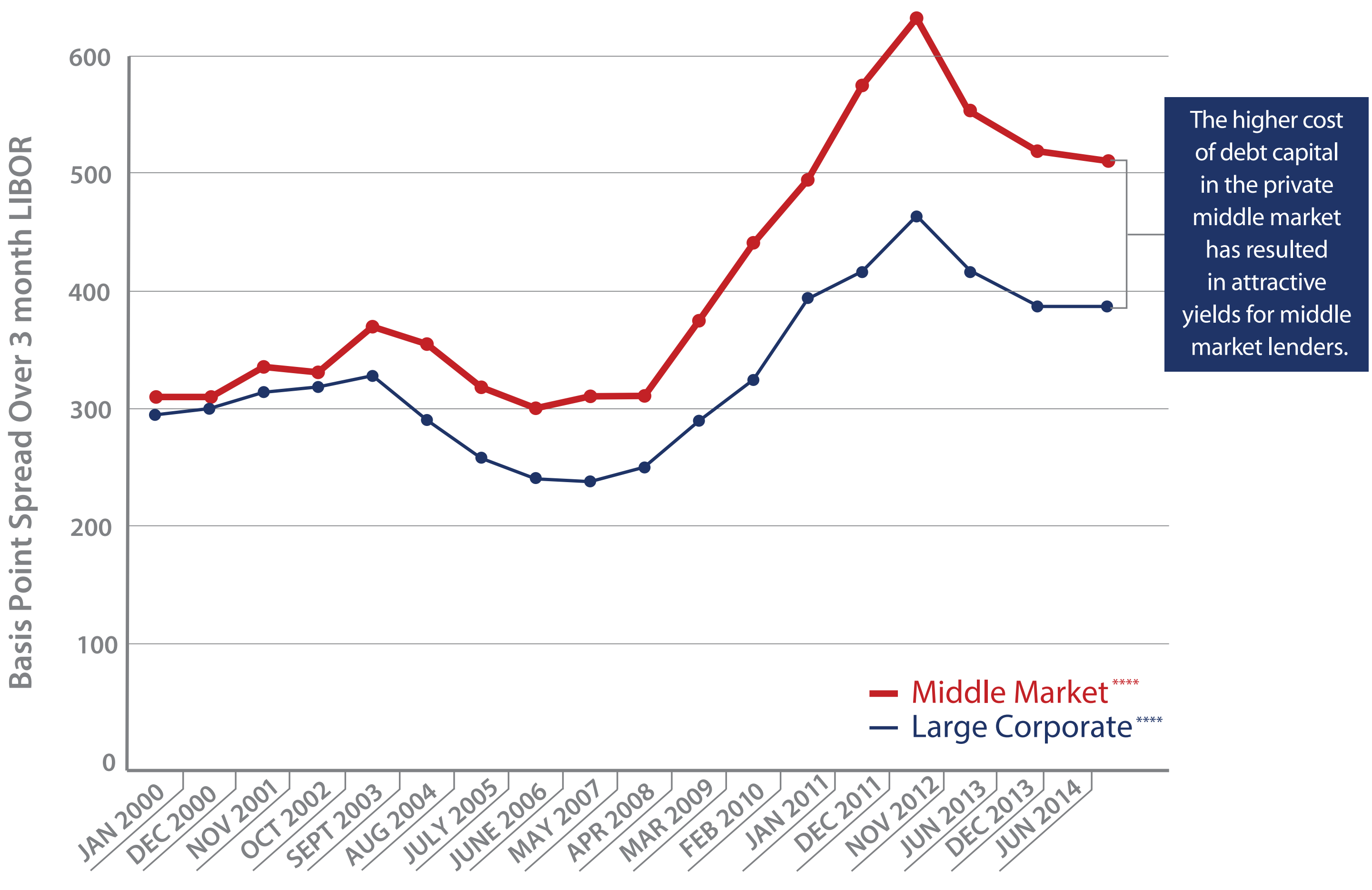
Source: U.S. Census Bureau; D&B; ES202; Ohio State University/ General Electric Analysis.

Business development companies ("BDCs"), like NexPoint Capital, provide a vital economic function as a source of capital to America's middle market companies. BDCs were created by Congress in 1980 as a means to provide smaller U.S. businesses access to capital and allow average investors the opportunity to invest in private companies, enabling further diversification similar to that sought by large institutional investors.

MIDDLE MARKET COMPANIES ARE AN ATTRACTIVE INVESTMENT SECTOR FOR BDCs

Additionally, we believe the growing demands of our aging population, along with the mandates of the Affordable Care Act, will result in significantly greater demand for capital among middle market healthcare companies as they adapt, grow and consolidate.

Absent access to the public capital markets, the cost of capital in the middle market is generally higher, which may provide more attractive yields to middle market lenders. Should interest rates rise above the historically low post-recession rates, we believe middle market companies will find traditional sources of capital increasingly scarce, further enhancing opportunities for middle market investors such as NexPoint Healthcare.



Source: Standard & Poor's LCD Research, 2013. Returns are from January 2000 through June 2014.

**** There are considerable differences in private middle market debt and large corporate public debt, including but not limited to, the size of the company issuing the debt, the credit quality of the company, loan covenants, liens and interest rates. Large corporate public debt is typically highly liquid and trades on an exchange. In certain cases, large corporations may have slightly higher financial resources and greater stability than smaller, less-developed middle market companies. Middle market companies may also be subject to higher default risk than larger, more stable public corporations.

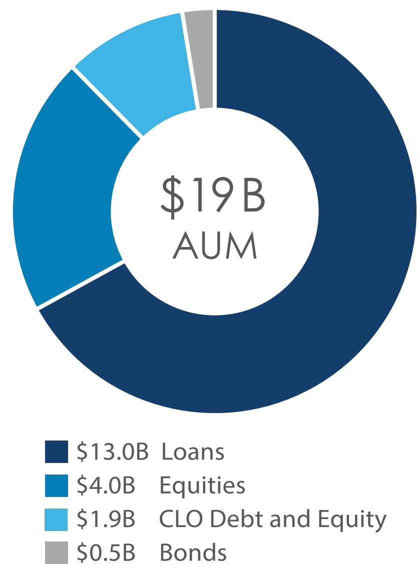
NEXPOINT AND HIGHLAND – THE VALUE OF EXPERIENCE

IDENTIFYING THE WINNERS

Determining which companies are likely to "win" in the changing healthcare economy is a daunting task—one best left to specialists with a firm understanding of this complicated sector.

NexPoint Capital is advised by NexPoint Advisors, L.P., an affiliate of Highland. Founded in 1993 to focus on credit and alternative investments, Highland has grown to approximately $20 billion of capital under management as of May 31, 2014, and provides the strategic investment expertise that guides NexPoint Capital.

ASSETS UNDER MANAGEMENT



HIGHLAND AND IT'S AFFILIATES HAVE:

$2.6 BILLION IN HEALTHCARE ASSETS UNDER MANAGEMENT

NexPoint will focus on companies that are stable, have positive cash flow and the ability to grow their business model. However, the expertise of Highland will be leveraged with regard to investing and restructuring to make opportunistic investments in troubled companies. Highland's credit underwriting capability will be utilized to identify the types of companies believed to provide high current income and/or long-term appreciation, and Highland's credit platform will be used to source deals.

Highland's proficiency in underwriting credit across all sectors gives NexPoint an advantage in identifying and investing in the best middle market companies in syndicated loans and CLOs.

James Dondero, CFA, CMA
Co-Founder, President

Highland has been led for more than 20 years by president, co-founder and majority partner Jim Dondero and co-founder and chief investment officer, Mark Okada. Under their leadership, Highland became an early pioneer of the syndicated bank loan asset class and collateralized loan obligations ("CLOs"). The company's investments have spanned a diverse spectrum that range from publicly traded large capitalization companies to small, privately held firms and distressed entities in need of repositioning.

Highland's expertise in underwriting credit across all sectors may provide an advantage to NexPoint Capital in identifying and investing in the best middle market companies, syndicated loans and collateralized loan obligations.

Michael Gregory
Managing Director

HIGHLAND CAPITAL MANAGEMENT – HEALTHCARE INVESTMENT SPECIALISTS

Highland has a long history as a leading alternative asset manager with a historical focus on the healthcare sector. Highland manages more than $2.6 billion in healthcare assets in the form of institutional funds and mutual funds.

Highland's experienced team of nine healthcare industry investment specialists is led by Michael Gregory, a recognized expert in healthcare policy. A graduate of the Yale School of Management's highly specialized joint program in healthcare within the Yale School of Medicine, Management and Public Health, Gregory has been investing in the healthcare sector since the 1990s.

His team of experts includes specialists in the biotechnology, pharmaceuticals and other healthcare sub-sectors with an average of 12 years of healthcare investment experience. Six of these professionals are restructuring specialists that work closely with management teams of healthcare companies and, in many cases, hold a board seat on such companies.

NexPoint Capital is a healthcare-focused non-listed business development company that may provide investors with valuable diversification and income potential.

To learn more, please consult with your financial advisor. You may also visit our website at www.NexPointCapital.com to review our prospectus and learn more about this offering.

NexPoint Capital is only available through properly licensed financial advisors, who can help you determine an appropriate investment strategy, determine your tolerance for risk and properly evaluate appropriate investments for your particular needs, goals and circumstances.

Speak with your financial advisor to learn more about NexPoint Capital.

RISK FACTORS

Investing in our shares of common stock may be considered speculative and involves a high degree of risk, including the risk of a substantial loss of investment. See "Risk Factors" beginning on page 26 of our prospectus to read about the risks you should consider before buying our shares including the risk of leverage.

The public offering price of NexPoint Capital's common stock is subject to a sales load of up to 8% and offering expenses of up to 1%. Estimated annual fund expenses as a percentage of the average net assets attributable to common stock are 6.6%. Expenses and fees are described more fully in the prospectus. Annual expense ratio calculated as set forth in the prospectus and based on public offering price in effect on such date. Please consult the prospectus and read it carefully.

- You should not expect to be able to sell your shares of common stock regardless of how we perform.
- If you are able to sell your shares of common stock, you will likely receive less than your purchase price.
- We do not intend to list our shares of common stock on any securities exchange during, or for what may be a significant time after, the offering period, and we do not expect a secondary market in the shares of common stock to develop.
- Because our common stock will not be listed on a securities exchange, you may be unable to sell your shares and, as a result, you may be unable to reduce your exposure on any market downturn.
- We intend to implement a share repurchase program, but we do not expect to repurchase more than 10% of the weighted average number of shares that were outstanding in the prior calendar year. In addition, any such repurchases will be at a 10% discount to the current offering price in effect on the date of repurchase.
- Our distributions may be funded from offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to us for investment. Any capital returned to stockholders through distributions will be distributed after payment of sales load, fees and expenses and such amounts will not be recoverable by our stockholders.
- You should consider that you may not have access to the money you invest for an indefinite period of time. An investment in our shares of common stock is not suitable for you if you need access to the money you invest. See "Share Repurchase Program," "Suitability Standards" and "Liquidity Strategy."
- The lack of experience of our investment adviser operating under the constraints imposed on us as a business development company and RIC may hinder the achievement of our investment objective.
- We intend to finance our investments with borrowed money, which will magnify the potential for gain or loss on amounts invested and may increase the risk of investing in us.
- We are subject to risks associated with middle-market healthcare companies, including competition, extensive government regulation and commercial difficulties.
- Our CLO investments may be riskier and less transparent to us and our stockholders than direct investments in the underlying companies. Our investments in equity and mezzanine tranches of CLOs will likely be subordinate to the other debt tranches of such CLOs, and are subject to a higher degree of risk of total loss.
- There are significant potential conflicts of interest that could affect our investment returns.

CITATIONS

1. http://www.pewglobal.org/2014/01/30/attitudes-about-aging-a-global-perspective

2. U.S. Census Bureau, "U.S. Population Projections," 2012

3. http://www.bls.gov/opub/mlr/2011/04/art1full.pdf

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