INVESTOR FACT SHEET

NEXPOINT HEALTHCARE

WHO WE ARE

Nexpoint Capital is a healthcare-focused non-listed business development company ("BDC") sponsored by Nexpoint Advisors, an affiliate of Highland Capital Management. Highland is an institutional investment firm with more than $20 billion of assets under management and particular expertise in the U.S. healthcare economy.

INVESTMENT SUB-SECTOR FOCUS:

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

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

FOR INVESTORS SEEKING*:

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

Offering Period: Two years, commencing August 18, 2014

Price Per Share $10.00

Minimum Initial Investment: $2,500

Program Size: $1.5 billion / 150,000,000 shares of common stock

Distribution Frequency†: Monthly

Distribution Reinvestment Plan: Shares may be purchased at the discounted price of $9.50 per share during the offering period via the distribution reinvestment plan.

Minimum Investor Qualifications†† (pursuant to state securities law): $250,000 net worth (exclusive of home, furnishings and autos) or minimum net worth of $70,000 combined with minimum gross annual income of $70,000.

Share Repurchase Program: Beginning with the first quarter following the one-year anniversary of the date that we satisfy the minimum offering requirement, we intend to offer to repurchase shares on a quarterly basis. Shares will be repurchased at a price equal to 90 percent of the current offering price in effect on each date of repurchase. Investors interested in tendering shares to be repurchased must either tender at least 25 percent of their shares, or all of the shares the investor owns. If an investor chooses to tender only a portion of their shares, they must maintain a minimum balance of $5,000 worth of shares of common stock following a tender of shares for repurchase. We do not expect to repurchase more than 10 percent of the weighted average number of shares that were outstanding in the prior calendar year.

Liquidity: Quarterly tender offers. Additionally, the board of directors will consider some type of liquidity event within five years after the offering stage is complete. However, there is no guarantee that a liquidity event will occur within five years after the offering stage or at all.

* 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.

† Subject to our board of directors' discretion and applicable legal restrictions, we intend to authorize and declare ordinary cash distributions on either a semimonthly or monthly basis and pay such distributions on a monthly basis beginning to later than the first calendar quarter after the month in which the minimum offering requirement is met.

†† Some states have established different suitability standards than those set forth by the Company. Please consult the prospectus for the suitabilty standards.

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.

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.

- 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.

NEXPOINT HEALTHCARE

www.NexPointCapital.com

HIGHLAND CAPITAL MANAGEMENT

300 Crescent Court, Suite 700, Dallas, TX 75201 (972) 628-4100

Highland Capital Funds Distributors Inc., member FINRA, is the dealer manager for the NexPoint Capital Offering.

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