

NEXPOINT

DST/1031 EXCHANGE

NexPoint DST Track Record

The NexPoint DST/1031 offerings are managed by NexPoint.

NexPoint's deep roots in multifamily have served as the foundation for its DST/1031 Exchange business and enabled the firm to meet the rising investor demand for tax-advantaged real estate offerings.



MULTIFAMILY



SELF-STORAGE



INDUSTRIAL



LIFE SCIENCES

The information set forth herein is qualified in its entirety by the Private Placement Memorandum ("PPM"). All potential purchasers must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM. 1031 DST programs are not suitable for all investors.

FOR ACCREDITED INVESTOR USE ONLY. NOT FOR FURTHER DISTRIBUTION.

www.nexpoint.com

A 1031 Exchange is an IRS-recognized tax deferral strategy that allows an investor to sell an investment property and acquire a similar property with the intent to defer capital gains and depreciation recapture taxes. Since 2016, NexPoint has accumulated a portfolio of core-plus and value-add DST properties through a series of opportunistic acquisitions.

DST/1031 SUMMARY*

24

Total DST Programs

**4 years
6 month**

Avg. Liquidated
Timeline

4

Publicly Traded
REITs

FULL CYCLE PROGRAMS

	Adair DST Sandy Springs, GA	Estates DST Phoenix, AZ	Meritage DST Phoenix, AZ
Annualized Rate of Return ¹	17.1%	28.8%	4.36%
Equity Multiple ²	1.69X	2.0X	1.24X
Full Cycle Timeline	4 years 5 months	3 years 8 months	5 years 6 months

1. The annualized rate of return is a measure of the growth of an investment over a specified period, adjusted to reflect a yearly rate. This rate is calculated by taking the total growth of the investment, dividing it by the original amount invested, and then raising the result to the power of one divided by the number of years the investment was held. It is then subtracted by one to provide the percentage growth per year. This calculation assumes a consistent growth rate over the investment period. 2. The Equity multiple is the return on net sale proceeds plus reserves including total proceeds and monthly distributions.



As of March 15, 2024.

DST/1031 TRACK RECORD

OFFERING NAME	EFFECTIVE DATE	LTV ³	CURRENT DISTRIBUTION RATE ⁴	CAPITALIZATION	DST EQUITY
NexPoint Life Sciences III	1/3/2024	50.52%	4.18%	\$61,961,253	\$30,661,253
NexPoint Semiconductor Manufacturing DST	10/11/2023	35.39%	5.19%	\$211,944,633	\$136,944,633
NexPoint Small Bay I	8/3/2023	41.52%	4.32%	\$101,745,817	\$59,505,817
NexPoint Life Sciences II	5/24/2023	36.23%	4.36%	\$63,489,695	\$40,489,695
NexPoint Storage IV	3/24/2023	—	4.03%	\$70,344,106	\$70,344,106
NexPoint Aviation	8/4/2022	42.20%	2.00%	\$133,656,899	\$77,258,899
NexPoint Hughes	3/9/2022	43.75%	2.00%	\$204,896,632	\$115,262,632
NexPoint Buffalo	3/9/2022	40.47%	2.00%	\$91,607,314	\$54,531,314
NexPoint Storage III	12/31/2021	49.16%	4.98%	\$187,155,013	\$95,155,013
NexPoint Life Sciences	12/6/2021	39.43%	5.44%	\$177,550,012	\$107,550,012
NexPoint Storage II	10/27/2021	30.13%	3.55%	\$94,605,324	\$66,105,324
NexPoint Hickory	10/26/2021	48.40%	5.48%	\$56,929,069	\$29,374,068
NexPoint Storage I	5/3/2021	43.08%	5.24%	\$150,892,414	\$85,892,414
NexPoint Flamingo	2/12/2020	49.02%	4.07%	\$114,317,704	\$58,277,704
NexPoint Gamma	12/9/2020	—	5.66%	\$16,685,138	\$16,685,138
NexPoint Polo Glen	2/28/2020	52.34%	5.68%	\$62,833,929	\$29,944,929
NexPoint TX Multifamily	10/7/2019	49.62%	6.00%	\$121,009,892	\$60,961,892
NREA SE One	4/1/2019	53.44%	5.85%	\$210,727,244	\$98,108,244
NREA SE Three	11/26/2018	54.70%	4.36%	\$159,837,877	\$72,403,877
NREA Retreat	10/3/2018	53.55%	5.30%	\$75,625,712	\$35,125,712
NREA Gardens	12/16/2016	49.65%	5.36%	\$51,505,513	\$24,633,987
FULL CYCLE PROGRAMS					
NREA Meritage	4/17/2018	49.85%	1.24x equity multiple	\$42,727,659	\$21,213,382
NREA Estates	7/13/2018	53.32%	2.00x equity multiple	\$54,015,375	\$25,215,375
NREA Adair	10/30/2017	51.82%	1.69x equity multiple	\$52,397,488	\$24,742,538

As of March 15, 2024. Distributions are not guaranteed and may be suspended, modified or terminated at the discretion of the board of trustees. Distributions may be paid from offering proceeds and may include a return of capital or borrowed funds, which may lower overall returns to the investor and may not be sustainable. Currently, all property distributions are paid from net operating income (NOI).

3. The loan-to-value ("LTV") ratio is the ratio of a loan to the value of an asset purchased. For instance, if someone borrows \$80,000 to purchase a property worth \$100,000, the LTV ratio is \$80,000 to 100,000 or \$80,000/100,000, or 80%. 4. The annualized distribution to investors is determined by calculating the Total Distribution rate, which is the sum of "Additional Rent" and "Supplemental Rent." This rate reflects the total amount distributed to investors over the course of a year, providing a measure of the investment's income-generating performance. The calculation is based on the premise that the distribution is consistent throughout the investment period.

Disclosures and Risks

Any investment in a DST is highly speculative, illiquid, and involves a high degree of risk, including the potential loss of your entire investment. The pictures shown in this piece are actual properties held by NexPoint.

Please review the entire PPM prior to investing. Reference is made to the PPM for a statement of risks and terms of the Offerings. The information set forth herein is qualified in its entirety by the PPM. All prospective Purchasers must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM.

The Private Placement Memorandum contains more complete information regarding the investment including the following risk factors:

- 1031 exchange programs are not suitable for all investors. Please contact your tax professional or financial advisor.
- There will be no public market for the interests. Limited transferability and lack of liquidity.
- There is no specified time that the investment will be liquidated.
- Delaware Statutory Trusts are a relatively new vehicle for real estate investment and are inflexible vehicles to own real property.
- Investors will have no voting rights and will have no control over management of the trust or the property.
- There is no guarantee that investor will receive any return.
- Distributions may be derived from sources other than earnings. No assurance of when distributions will be made or that any particular rate of distribution will be maintained.
- The property will be subject to a master lease agreement.
- The property will be subject to the risks generally associated with the acquisition, ownership and operation of real estate including, without limitation, environmental concerns, competition, occupancy, easements and restrictions and other real estate related risks.
- The manager and its affiliates are subject to conflicts of interest between their activities, roles and duties for other entities and the activities, roles and duties they have assumed on behalf of the Trust.
- Conflicts exist in allocating management time, services and functions between their current and future activities and the Trust.
- Accredited investor use only.
- No assurance that the disposition of property will allow for the repayment of outstanding indebtedness.
- Reliance on an advisor
- Payment of significant fees to the advisor and its affiliates
- Limited powers of the advisor with respect to the properties.
- Risk that a prospective purchase may not be consummated.

There can be no assurance that the investment objectives described herein will be achieved. Investment in securities sponsored by NexPoint is subject to substantial risks and may result in the loss of principal invested.

General Real Estate Risks. The offerings will be subject to the risks incident to the ownership and operation of real estate, including risks associated with the general economic climate, local real estate conditions (including the availability of excess supply of properties relative to demand), changes in the availability of debt financing, credit risk arising from the financial condition of tenants, buyers, and sellers of properties, geographic or market concentration, competition from other space, and various other risks. The offerings or its subsidiary entities will incur the burdens of ownership of real property, which include paying expenses and taxes, maintaining the investments, and ultimately disposing of the Portfolio. The possibility of partial or total loss of capital will exist, and prospective Investors should not subscribe unless they can readily bear the consequences of such loss.

Securities offered through NexPoint Securities, Inc. Member FINRA/SIPC.

NOT FDIC INSURED | MAY LOSE VALUE | NO BANK GUARANTEE

www.nexpoint.com

NEXPOINT

877.665.1287

FOR ACCREDITED INVESTOR USE ONLY. NOT FOR FURTHER DISTRIBUTION.

NexPoint Securities, Inc. Member FINRA/SIPC, is the dealer manager for the NexPoint Delaware Statutory Trust Offerings.

NEX-DST-SUMMARY | 03152024