



SOUTHEAST MULTIFAMILY PORTFOLIO, DST EXECUTIVE SUMMARY

Arboleda, Austin, TX



Fairways at Birkdale, Charlotte, NC



Landmark at Grand Oasis - Atlanta, GA

NexPoint Real Estate Advisors IV, L.P.

An affiliate of Highland Capital Management, L.P.

**HIGHLAND CAPITAL
MANAGEMENT**

This material does not constitute an offer and is authorized for use only when accompanied or preceded by a definitive confidential private placement memorandum ("PPM"). Reference is made to the PPM for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the PPM. All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in PPM.

**ACCREDITED INVESTOR USE ONLY.
NOT FOR PUBLIC DISTRIBUTION.**

INVESTMENT PLAN

- Acquired three multifamily communities in high growth Southeastern United States metros with substantial value-add potential
- Strive to improve operational performance and enhance underlying asset value by implementing institutional asset management and value-add strategies, including strategic capital improvements and cost controls

ACQUISITION DETAILS*

• Acquisition Cost	\$140,197,031
• Supplemental Trust Reserves	\$12,068,731
• Lender Reserves	\$363,868*
• Total Capitalization	\$159,274,915

LOAN INFORMATION

• Loan Amount	\$87,434,000
• Leverage to Investors*	54.90%
• Interest Rate	4.24% fixed rate
• Loan Term	10 years
• Amortization	Interest-only for the full term

DST/MASTER LESSEE*

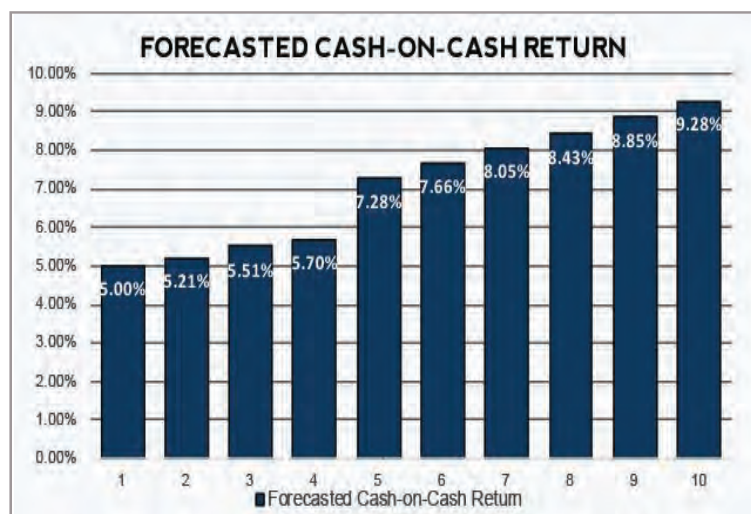
• Offering Size	\$71,840,915
• Minimum Purchase - Cash	\$100,000
• Minimum Purchase - 1031	\$100,000
• Suitability	Accredited Investor Only
• Cash flow for cash investors could be offset by depreciation and amortization expenses	

*Entails reserves for all three Properties. For complete details, please review PPM



Landmark at Grand Oasis Property

PLEASE CONSULT THE PPM FOR ANY ADDITIONAL FORECAST.



RISKS

There are substantial risks in any investment program. See "Risk Factors" in the accompanying PPM for a discussion of the risk relevant to this offering. Distributions are not guaranteed.

The projections and the forecasted rates of return are only estimates based on the specific assumptions more fully described in the confidential private placement memorandum (PPM). There is no guarantee that the assumptions used in the projection will be achieved. Please review the entire PPM prior to investing. This material does not constitute an offer and is authorized for use only when accompanied or preceded by the PPM. Reference is made to the PPM for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the PPM. All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM.

THE INVESTMENT OPPORTUNITY

- Opportunity to invest in a potentially attractive long-term investment due to the Properties' affordable rental profiles in areas with high job growth and strategic locations near excellent education systems.
- All three Properties have potential to improve operational performance, and enhance underlying asset value through the execution of strategic capital improvements and other value-added strategies.
- Discount to replacement cost.
- Each Property offers high-quality living spaces, a feature-rich amenity package and convenient access to dining, retail and outdoor entertainment venues, while maintaining competitive rental rates across a variety of one-, two-, and three-bedroom floorplans.
- The Properties should be attractive to middle-income residents from a wide range of demographics, from young professionals, small families and empty nesters.



Fairways at Birkdale Property



Arboleda Property

RISKS

The PPM contains more complete information regarding the investment, including risk factors:

- There will be no public market for the Interests.
- There is no specified time that the investment will be liquidated.
- Purchasers will have no voting rights and will have no control over management of the trust of the Property.
- There is no guarantee that Purchasers will receive any return.
- Distributions may be derived from sources other than earnings.
- The Property will be subject to a Master Lease Agreement (the "Master Lease") with an affiliate of NexPoint Real Estate Advisors IV, L.P.
- 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 Property will be leveraged. An investment in the interests involves certain tax risks.
- The Manager of the Trust, the Master Tenant and their affiliates will receive substantial compensation in connection with the offering and in connection with the ongoing management and the operation of the Property.
- 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. None of the arrangements or agreements described, including those relating to the purchase price of the Properties or compensation, is the result of arm's-length negotiations. See "Conflicts of Interest."



Arboleda Property



Fairways at Birkdale Property



Landmark at Grand Oasis Property

THE BUSINESS STRATEGY

The ownership objectives for the Property will be to (i) preserve the Purchasers' capital investment, (ii) make monthly distributions from Master Lease rent payments estimated to start at 5.00% per annum in year one, and projected to range from 5.21% to 9.28% per annum in years two through 10, which may be partially tax-deferred as a result of depreciation and amortization expenses, (iii) capitalize on potential rental premiums afforded by the easy access to major economic drivers, exemplary schools, booming development and thriving economic conditions in the local area, (iv) increase the net operating income of the Property through growth in rental rates, maintenance of high renter demand and occupancy, implementation and maintenance of expense controls by professional property management, and institutional-quality asset management, (v) add value and improve asset quality through selective minor and non-structural capital improvements, thereby increasing rent and renter demand, and (vi) sell the Property at a profit within approximately five to 10 years.

The income forecast is based on recent and historical rent and other income collections. Pro forma assumptions include: (1) a physical vacancy factor of 5.40% to 5.93%; (2) other rent deductions approximately 0.81% to 1.42%; (3) a residential rent general inflation factor of 3.00%; (4) fee-based and utility reimbursement income with a general inflation factor of 3.00%; (5) controllable expenses (consisting of payroll, maintenance and repairs, landscaping and turnover, and marketing and administration expenses) based on a general inflation factor of 3.00%; and (6) uncontrollable expenses (consisting of utilities, taxes, and insurance) based on a general inflation factor of 3.00%.

The Master Tenant will pay an annual property management fee in an amount equal to 3.00% of the gross income generated by the Property to an unaffiliated property manager. The initial property manager will be BH Management Services, LLC ("BH").

IMPROVE PROPERTY OPERATING PERFORMANCE

The Trust, through the Master Tenant, intends to make certain upgrades at the Properties over the next three to four years in an effort to maintain its historic occupancy and to increase rent. The estimated cost of these upgrades is as follows:

Arboleda

- Approximately \$2,100,000 or \$8,203 per unit
- \$643,879 reserved for exterior/common area improvements
- \$951,672 for unforeseen contingencies

Fairways at Birkdale

- Approximately \$1,673,393 or \$11,541 per unit
- \$767,088 reserved for exterior/common area improvements, design & supervision fees, and unforeseen contingencies

Grand Oasis

- Approximately \$4,234,109 or \$12,202 per unit
- \$1,538,159 reserved for exterior/common area improvements and design & supervision fees
- \$160,432 for unforeseen contingencies

These costs will be funded from the Supplemental Trust Reserve. The Sponsor does not anticipate making material structural upgrades to any of the Properties.

RISKS

- Owning, financing, operating and leasing a multifamily apartment complex and real estate generally in the Austin, Charlotte and Atlanta MSAs;
- Related to competition from properties similar to and near the Property;
- Relating to its own real estate market;
- The ability of the Property Manager to attract and retain tenants who will meet their rental obligations on a timely basis; and
- There is competition from apartment communities in the surrounding geographic area.

PROPERTY LOCATIONS AND DETAILS

Property Locations	Year Built	Total Apartment Units	1-Bedroom Units	2-Bedroom Units	3-Bedroom Units	Occupancy*
Arboleda 900 Discovery Boulevard Cedar Park, TX 78613	2007	312	180 (Avg. 682 Square Feet/ Unit)	120 (Avg. 942 Square Feet/ Unit)	12 (Avg. 1,230 Square Feet/ Unit)	97.8%
Fairways at Birkdale 16501 Stonemason Drive Huntersville, NC 28078	1997	180	80 (Avg. 930 Square Feet/ Unit)	84 (Avg. 1,209 Square Feet/ Unit)	16 (Avg. 1,442 Square Feet/ Unit)	96.7%
Landmark at Grand Oasis 4000 McGinnis Ferry Road Suwanee, GA 30024	1998	434	162 (Avg. 836 Square Feet/ Unit)	196 (Avg. 1,307 Square Feet/ Unit)	76 (Avg. 1,548 Square Feet/ Unit)	96.8%

*As of September 20, 2018



Arboleda Property

AUSTIN, TX

ARBOLEDA

APARTMENT HOMES

ACCOLADES

Ranked #1 Best Places to Live - U.S. News, 2017

Ranked #1 Millennial destination over 5 Years with 20.3% growth - ULI, 2018

Ranked #2 Market for Overall Real Estate Prospects - ULI, 2018

The Arboleda Property consists of 17.5 acres of land upon which are situated 13 two- and three-story residential buildings housing a total of approximately 250,556 net rentable square feet across 312 apartment units. The Arboleda Property offers one, two, and three bedroom apartments. Each apartment home is crafted with rustic comfort in mind, boasting features such as nine-foot ceilings with decorative crown molding, an oval garden-style soaking tub, private patio or balcony, washer and dryer connections, wood-style flooring, and oak-style cabinetry with satin nickel pulls. The shared spaces throughout the community include the clubhouse lounge with Wi-Fi cafe, a dog run, and a swimming pool with sun deck. Arboleda Property is centrally located to Austin, Texas and Round Rock, Texas, near U.S. Route 183 and Research Blvd, and local amenities and conveniences are nearby.



UNIT AND COMMUNITY FEATURES

- Attractive stucco and native Texas limestone exteriors
- Spacious 17.5-acre site offers potential for attached pet yards
- Full amenity package with oversized pool
- One-, two-, and three-bedroom units
- Detached garages
- Untouched interiors with laminate counters, white appliances, and carpet in living areas are primed for value-add renovation



PLANNED UPGRADES: VALUE-ADD POTENTIAL

- New paint, carpet and wood-style flooring
- New appliance package
- Upgraded fixtures
- Add tile backsplash
- Minor interior aesthetic enhancements
- Upgrade the bike shop
- New paint and upgrades to the clubhouse
- New parcel locker system
- New pool furniture
- New outdoor kitchen at the pool area
- Upgrades to the fitness center
- Landscaping cleanup and enhancements
- New paint on all exterior doors and metal railings
- Repair to the parking lots
- Upgrading exterior lighting to LED

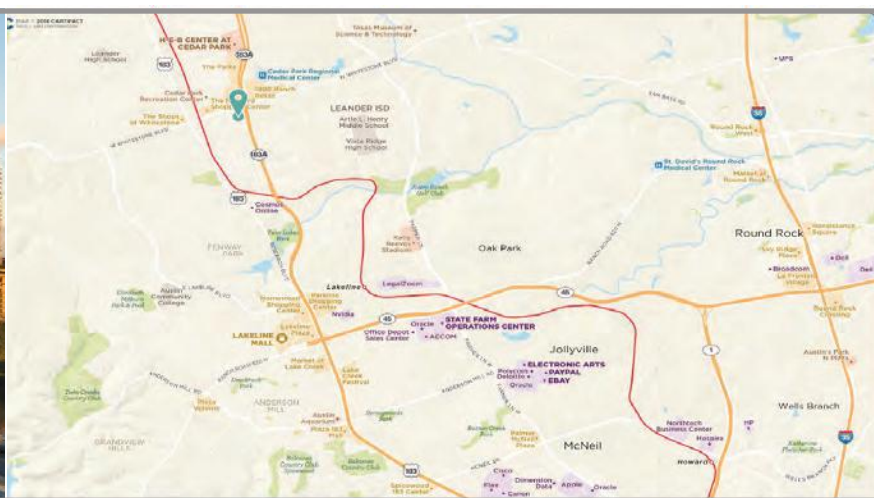


THE CEDAR PARK, TX MARKET

Located in the fast-growing Cedar Park Location, top ranked schools and tremendous retail convenience are driving demand for the location. The Property is convenient to top-rated Leander ISD schools, all rated 8/10 by GreatSchool. Prime shopping retailers, the Cedar Park Regional Medical Center and the Cedar Park Event Center are in close proximity. The Northwest Austin location is adjacent to the high growth US-183 and Highway 1431 intersection. Northwest Austin is the largest office submarket, totaling 18.4 million square feet of tech-driven office space, including the Apple Americas Operations Center.

AREA DEMOGRAPHICS

SUMMARY	1-MILE RADIUS	3-MILE RADIUS	5-MILE RADIUS
2010 - 2018 Population Growth	2.92%	3.49%	3.83%
2018 - 2023 Population Growth	2.79%	3.05%	3.27%
2018 Population	8,452	83,601	188,086
2018 Average Household Income	\$98,202	\$101,356	\$108,737
2018 Average Home Value	\$214,749	\$255,213	\$287,564



AUSTIN ECONOMIC HIGHLIGHTS

State Capital	As the Capital of Texas, Austin enjoys a healthy government sector that fuels the economy
Education	Austin is home to the flagship campus of The University of Texas, a “Public Ivy” that serves 51,000 students and employs 3,100 faculty
Music Scene	Austin is known for its eclectic live-music scene centered around country, blues and rock
Millennial Destination	Austin has 7.8 x the U.S. average for Millennial growth (ULI)
Explosive Population Growth	Austin was #1 in the country for rate of population growth in the U.S. in 2017 (+2.7%)
Employment Growth	Austin has sustained high rates of employment expansion (February 2018 is up +3.6% year-over-year) and has very low unemployment
Leading U.S. Tech Market	Austin has a thriving tech sector with major employers including Dell, IBM and Apple
Top Employers/ Headquarters	Along with tech employers, Austin is also a mecca for education, government and healthcare jobs with employers such as The University of Texas, the U.S. Federal Government and Seton Family of Hospitals

CHARLOTTE, NC



ACCOLADES

Ranked #1 Best State for Business - Forbes 2017

Ranked #7 Best Places for Business and Careers - Forbes, 2017

Ranked #14 Best Places to Live - U.S. News, 2017

The Fairways Property consists of 14.5 acres of land upon which are situated 12 two- and three-story residential buildings housing a total of approximately 199,008 net rentable square feet across 180 apartment units. The Fairways Property offers well-appointed floorplans in one, two and three bedroom options that come equipped with washer and dryer connections, built-in microwaves, private patios and balconies, gas fireplaces and stoves, garden tubs and sunrooms. The pet-friendly community features a fitness center, swimming pool with year-round access, car care center, and available garages. Located in the Lake Norman area of Huntersville, North Carolina, the Fairways Property offers an easy commute to area employers via Interstate 77 as well as convenient access to shopping, dining and entertainment options nearby at Northcross Shopping Center.



UNIT AND COMMUNITY FEATURES

- Garden Property with spacious floor plans and balconies
- Large floor plans with 9' ceilings and extra storage
- Standard finishes include crown molding and gas fireplaces with mantles
- Desirable bathrooms including double vanities and garden tubs
- Kitchens complete with large pantry, double basin stainless steel sink, and gas stove
- 24-Hour fitness center
- Swimming pool with expansive sundeck and an outdoor kitchen
- Carriage house-style units with attached garages
- Washer and dryer and connections in all units

PLANNED UPGRADES: VALUE-ADD POTENTIAL

- New paint, carpet and wood-style flooring
- New appliance packages
- Upgraded fixtures
- Add tile backsplash
- Minor interior aesthetic enhancements
- Installation of a new dog park
- New monument sign and full signage package
- New parcel locker system
- New pool furniture and sound system
- Upgrades to the business center, clubhouse, fitness center and playground
- Landscaping clean up and enhancements
- New paint on all hardwood exterior surfaces and doors
- Repairs to parking lots

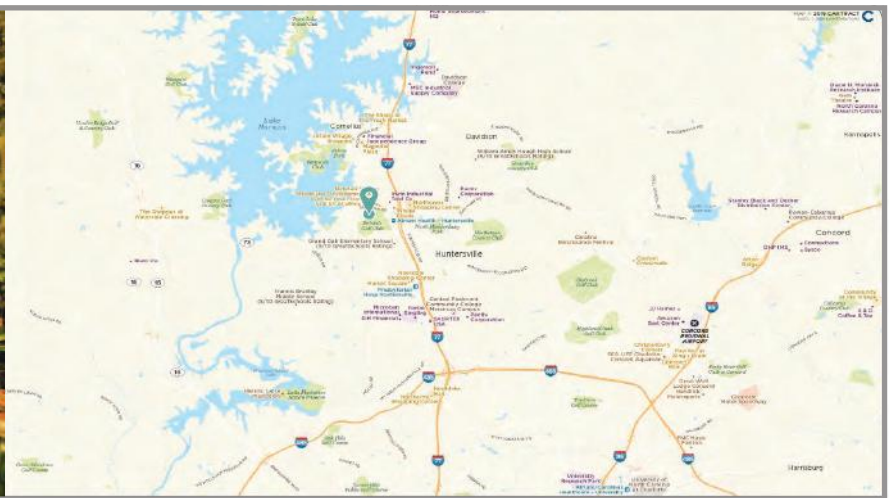


THE HUNTINGTON, NC MARKET

Fairways at Birkdale offers an affluent Huntersville address in a great school district with immediate access to unlimited amenities. The Property is less than one mile from Birkdale Village, a mixed-use development with over 60 retail stores, 10 restaurants and a 16-screen movie theater. Just one mile from the I-77 entrance, residents also have direct access into Uptown Charlotte (the CBD) and major employers. Huntersville is highly sought after due to highly-ranked schools, all with an 8 or 9 (out of 10) GreatSchools ratings. Adding to the quality of life, the Property is just five minutes from Blythe Landing, a 24-acre public park with boat launches and sand volleyball courts and is directly across Birkdale Commons Parkway from Birkdale Golf Club, a 200-acre 18-hole golf course designed by Arnold Palmer.

AREA DEMOGRAPHICS

SUMMARY	1-MILE RADIUS	3-MILE RADIUS	5-MILE RADIUS
2010 - 2018 Population Growth	1.86%	2.14%	2.66%
2018 - 2023 Population Growth	1.71%	1.83%	1.99%
2018 Population	10,194	53,413	98,573
2018 Average Household Income	\$112,118	\$117,293	\$120,551
2018 Average Home Value	\$382,313	\$346,550	\$369,165



CHARLOTTE ECONOMIC HIGHLIGHTS

Population Growth	Charlotte's population is approaching 2.5M, making the city the largest in North Carolina. Population is expected to grow 8.7% over 3 years (ULI)
Employment Growth	Charlotte has seen annual employment growth of 27.1% from February 2010 - February 2018 according to the U.S. Bureau of Labor Statistics
Millennial Destination	A top market for Millennial migration, attracting 5.9 x the U.S. as a whole (ULI)
Banking and Finance	The #3 banking center in the U.S. after NYC and San Francisco with headquarters for the #2 bank in the U.S., Bank of America
Diversified Industry	Thriving sectors in energy, advanced manufacturing, health care, and environmental technologies (<i>Charlotte Business Journal</i>)
Professional Sports	Home to the NBA's Charlotte Hornets and NFL's Carolina Panthers, providing top level sports entertainment
Top Employers/ Headquarters	Headquarters for 14 Fortune 500 and 26 Fortune 1000 companies (edpnc.com). Top employers include Bank of America, American Airlines, Carolinas Medical Center, Daimler, and Novant Health

ATLANTA, GA



ACCOLADES

Ranked #2 Best State for Business - CNBC 2017

Ranked #9 Best Places for Business and Careers - Forbes, 2017

Ranked #3 Cities Poised to Become Tomorrow's Tech Meccas - Forbes, 2017

The Grand Oasis Property consists of 55.3 acres of land upon which are situated 23 three-story residential buildings housing a total of approximately 509,324 net rentable square feet across 434 apartment units (the "Grand Oasis Apartment Units"). The Grand Oasis Property offers seven different thoughtfully-designed one, two and three bedroom floorplans, all of which have numerous amenities such as large, walk-in closets, breakfast bars, and private patios or balconies. The Grand Oasis Property is pet-friendly, located near Johns Creek, Georgia, and includes a 5,000 square foot fitness center, a nature walking trail, two pools, and a residents' lounge.



UNIT AND COMMUNITY FEATURES

- Low density site with attractive stacked stone/wood siding exteriors
- 9' ceilings, oversized bedrooms, living & dining areas and large, walk-in closets, huge balconies
- Large kitchens facing living space
- Covered parking available in detached and direct access options
- Large modern gym, two well-maintained tennis courts, and two resort style pools
- Easy access to major thoroughfares

PLANNED UPGRADES: VALUE-ADD POTENTIAL

- New paint, carpet and wood-style flooring
- New appliance packages
- Upgraded fixtures
- Resurfaced countertops
- Tile backsplash
- Minor interior aesthetic enhancements
- Complete name change and signage package
- Pool resurfacing and other enhancements
- Full model unit remodel and furniture upgrade
- Clubhouse remodel
- New pool furniture
- Roof replacement
- Allowance to replace HVAC systems
- Landscaping clean up and enhancements
- Site drainage improvements
- Exterior accent paint
- Repair to the parking lots
- Upgrading exterior lighting to LED

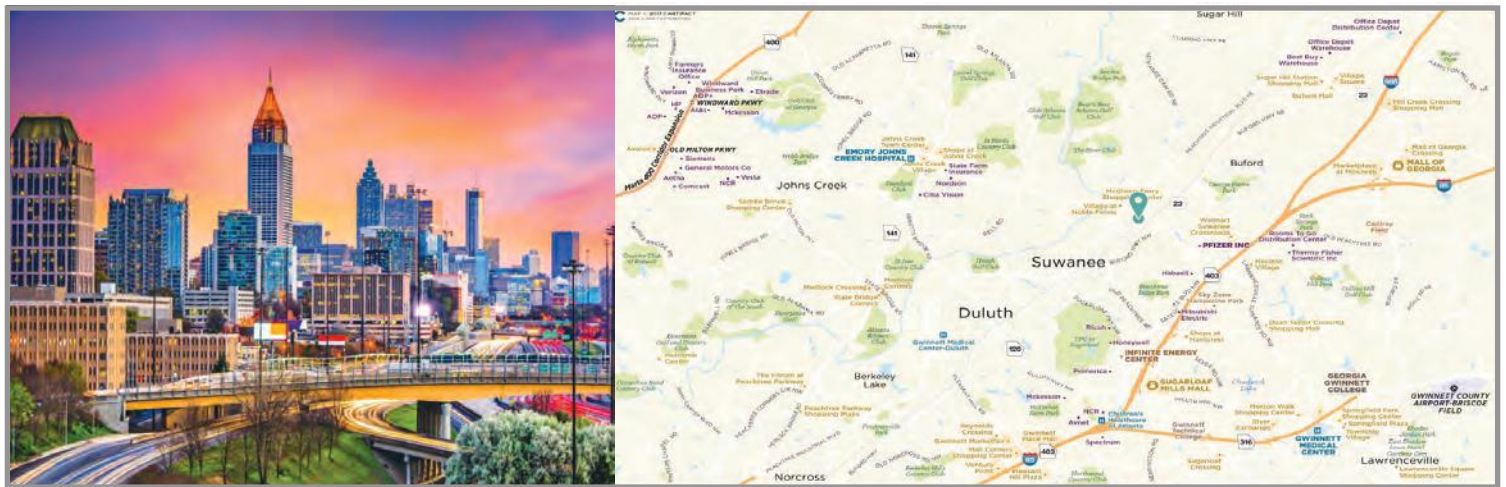
THE SUWANEE, GA MARKET

Suwanee, located Northeast of Atlanta is in the growth path of 25,000 jobs, including two major medical centers with over 5,300 employees and 800 affiliated physicians. The area is also home to Georgia Gwinnett College, the fastest-growing university in Georgia, whose economic impact totaled \$451M, an 8% increase from 2016. Families also move to Gwinnett County to take advantage of the highly respected school system. The elementary, middle and high schools are each in the top 3% of Georgia schools for their respective grades.



AREA DEMOGRAPHICS

SUMMARY	1-MILE RADIUS	3-MILE RADIUS	5-MILE RADIUS
2010 - 2018 Population Growth	3.17%	3.06%	2.46%
2018 - 2023 Population Growth	2.65%	2.64%	2.24%
2018 Population	7,639	52,465	165,606
2018 Average Household Income	\$104,633	\$128,864	\$124,238
2018 Average Home Value	\$327,136	\$386,950	\$364,266



ATLANTA ECONOMIC HIGHLIGHTS

Capital City for Georgia and the Southeast	As the capital of Georgia and the largest metro in the Southeast, Atlanta has become a major center for new migration
Continued Job Growth	From 2012 - 2017, Atlanta experienced the second fastest job rate growth and third largest number of jobs added in the country
Diversified Economy	Atlanta has healthy sectors in healthcare, government services, technology, transportation, education and business and professional services
Fortune 500	15 Fortune 500 companies are headquartered in Atlanta, including Home Depot, UPS, Coca-Cola, Delta Airlines, Southern Company, and SunTrust Bank
Education Epicenter	Atlanta is home to three national universities: Georgia Institute of Technology, Emory University and Georgia State University (100,000+ students, faculty and staff)
World's Busiest Airport	Hartsfield-Jackson Atlanta International Airport serves more than 100 million passengers a year

NEXPOINT REAL ESTATE ADVISORS

NexPoint Real Estate Advisors, L.P. (“NREA”) is the platform built to manage real estate investments on behalf of NexPoint Advisors, L.P., an affiliate of Highland Capital Management, L.P., a leading global alternative asset manager. NREA seeks to thoughtfully allocate capital with the goal of achieving risk adjusted returns for investors while partnering with the best sponsors, partners and property managers in the industry.

NREA manages a publicly-traded real estate investment trust (“REIT”), NexPoint Residential Trust, Inc. (NYSE: NXRT), and the REIT subsidiaries to NexPoint Strategic Opportunities Fund (NYSE: NHF), a closed-end fund. As of October 31, 2018, NXRT owned a portfolio of 35 multifamily properties totaling 12,555 units worth approximately \$1.5 billion.

NexPoint Real Estate Advisors, IV, L.P. (the “Sponsor”) serves as a sponsor to the platform’s newest offering, NREA Southeast, DST.

HIGHLAND CAPITAL FUNDS DISTRIBUTOR, INC.

Highland Capital Funds Distributor, Inc. (the “Dealer Manager”), an entity under common ownership with the Sponsor, serves as the Dealer Manager of the offering. The Dealer Manager was formed in November 2013 and has a limited prior operating history. The Dealer Manager is registered as a broker-dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority, or FINRA.

BH MANAGEMENT SERVICES, LLC

The Sponsor will enter into a property management agreement with its substantial operating partner, BH Management Services, LLC (i.e., the Property Manager). BH Companies, the parent to the Property Manager, is a fully integrated apartment management platform that provides acquisition, apartment management, design, construction and other advisory services to the Sponsor. Together, our partnerships own and operate roughly 24,000 units across the Southeastern and Southwestern United States.

Founded by Harry Bookey in 1993, the Property Manager has become one of the 15 largest management companies in the United States, with over 1,700 employees, over 85,000 units under management and revenues surpassing \$400 million annually. The Property Manager excels at understanding the market, serving the consumer, and creating living environments of exceptional quality. The Property Manager manages 23,773 units across the Sponsor’s real estate platform, including all 12,555 units for NXRT. For property owners, the Property Manager’s methods translate into higher occupancy, lower turnover and predictable ROI. BH manages 22,147 units across the Sponsor’s real estate platform, including all 12,555 units for NXRT.

RISKS

All real estate investments have risks. There is no assurance that some or all of these objectives will be met. There are substantial risks in any investment program. See “Risk Factors” in the accompanying PPM for a discussion of the risks relevant to this Offering. Distributions are not guaranteed.

If the Master Tenant requires funds in excess of the applicable Property net operating income to pay the Rent (subject to a limited right of deferral) or satisfy its other obligations under a Master Lease, it will need to call upon the Sponsor to contribute the amount of its Demand Note. The ability of the Trust to meet its obligations is dependent upon the performance of the Master Tenant and its payment of Rent and other payments, and the Master Tenant has a limited right to defer rental payments under the Master Lease. Purchasers may receive less or more varied distributions than they would have if the Master Tenant were required to call the Demand Note to fund any such Rent shortfall.

BROKER-DEALER FOR THIS OFFERING:
HIGHLAND CAPITAL FUNDS DISTRIBUTOR, INC.
MEMBER FINRA

PLEASE CONTACT YOUR ADVISOR WITH ANY QUESTIONS ABOUT THIS OFFERING



SOUTHEAST MULTIFAMILY PORTFOLIO, DST

EXECUTIVE SUMMARY

Fairways at Birkdale Property



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