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**COUNSEL FOR PATRICK DAUGHERTY**

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**COUNSEL FOR  
PATRICK DAUGHERTY**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

<b>In re:</b>	§	
	§	<b>CASE NO. 19-34054-SGJ-11</b>
<b>HIGHLAND CAPITAL MANAGEMENT,</b>	§	
<b>L.P</b>	§	<b>CHAPTER 11</b>
	§	
<b>Debtor.</b>	§	

**AMENDED WITNESS AND EXHIBIT LIST**

Patrick Hagaman Daugherty (“**Daugherty**”) a creditor and party-in-interest in the above-captioned bankruptcy case, files this Amended Witness and Exhibit List in connection with the hearing scheduled before the Honorable Stacey G. C. Jernigan, United States Bankruptcy Judge, United States Bankruptcy Court, Earl Cabell Federal Building, 1100 Commerce Street, 14th Floor, Dallas, Texas 75242 on **October 20, 2020 at 9:30 a.m.**

- I. Witnesses.** Daugherty may call the following witnesses:
- a. James P. Seery, Jr.;
  - b. Patrick H. Daugherty;
  - c. Any and all witnesses designated and/or called by any party in interest;  
and/or
  - d. Any and all necessary rebuttal and/or impeachment witnesses.





**II. Exhibits.** Daugherty may seek the introduction of the following exhibits:

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>	<b>M A R K E D</b>	<b>O F F E R E D</b>	<b>O B J E C T</b>	<b>A D M I T</b>	<b>D A T E</b>
PHD-1	Correspondence from B. Shaw to M. Maloney and H. O'Neill dated February 26, 2019					
PHD-2	Correspondence from M. Maloney to B. Shaw dated March 20, 2019					
PHD-3	Debtor's Schedules [Docket No. 247]					
PHD-4	Trustee Report ACIS CLO 2014-3, Ltd – Feb. 2019					
PHD-5	Trustee Report ACIS CLO 2014-3, Ltd – Sept. 2020					
PHD-6	Trustee Report ACIS CLO 2014-4, Ltd – Feb. 2019					
PHD-7	Trustee Report ACIS CLO 2014-4, Ltd – Sept. 2020					
PHD-8	Trustee Report ACIS CLO 2014-5, Ltd – Feb. 2019					
PHD-9	Trustee Report ACIS CLO 2014-5, Ltd – Sept. 2020					
PHD-10	Trustee Report ACIS CLO 2014-6, Ltd – Feb. 2019					
PHD-11	Trustee Report ACIS CLO 2014-6, Ltd – Sept. 2020					
PDH-12	Form N-CSR – Highland Global Allocation Fund – Mar. 2019					
PHD-13	Form N-CSR – Highland Global Allocation Fund – Sept. 2019					
PHD-14	Form N-CSR – Highland Global Allocation Fund – Mar. 2020					
PDH-15	Form N-CSR – Highland Floating Rate Opportunities Fund – Mar. 2019					
PHD-16	Form N-CSR Highland Income Fund – Dec. 2019					
PHD-17	Form N-CSR – Highland Income Fund – June 2020					
PDH-18	Form N-CSR – NexPoint Strategic Opportunities Fund – Mar. 2019					
PHD-19	Form N-CSR – NexPoint Strategic Opportunities Fund – Dec. 2019					
PHD-20	Form N-CSR – NexPoint Strategic Opportunities Fund – June 2020					
PHD-21	Highland CLO Funding, Ltd. – NAV Calculation at 4/30/2018					



EXHIBIT NUMBER	DESCRIPTION	M A R K E D	O F F E R E D	O B J E C T	A D M I T	D A T E
PHD-22	19 CFR Part 276 – Release No. IA-5248					
PHD-23	Amended Plan [Docket No. 1079]					
PHD-24	Amended Disclosure Statement [Docket No. 1080]					
	Any exhibits designated by any other party					
	Any rebuttal exhibits					

Daugherty expressly reserves the right to amend or supplement this list at any time prior to the hearing. Any party wishing to obtain copies of the exhibits designated herein may do so by requesting copies, in writing, from the undersigned counsel.

Dated: October 19, 2020.

Respectfully submitted,

/s/ Jason P. Kathman

Jason P. Kathman  
State Bar No. 24070036  
**PRONSKE & KATHMAN, P.C.**  
2701 Dallas Parkway, Suite 590  
Plano, Texas 75093  
(214) 658-6500 – Telephone  
(214) 658-6509 – Telecopier  
Email: jkathman@pronskepc.com

**COUNSEL**  
**PATRICK DAUGHERTY**

### **CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that, on October 19, 2020, I caused to be served the foregoing pleading upon all parties receiving notice via the Court's electronic transmission facilities.

/s/ Jason P. Kathman  
Jason P. Kathman





1201 ELM ST., SUITE 5200  
DALLAS, TEXAS 75270-2142  
(214) 888-5000 • FAX (214) 220-3833

TRIAL ATTORNEYS

**BRIAN P. SHAW**  
PARTNER

WRITER'S DIRECT DIAL: (214) 239-2707  
WRITER'S E-MAIL: [shaw@RoggeDunnGroup.com](mailto:shaw@RoggeDunnGroup.com)

February 26, 2019

Mark M. Maloney  
KING & SPALDING  
1180 Peachtree Street, NE Suite 1600  
Atlanta, Georgia 30309

Holland N. O'Neil  
FOLEY GARDERE  
2021 McKinney Avenue  
Suite 1600  
Dallas, Texas 75201

- ☐ VIA ECF
- ☐ VIA OVERNIGHT
- ☐ VIA HAND DELIVERY
- ☐ VIA FIRST CLASS MAIL
- ☐ VIA FAX:
- ☒ VIA E-MAIL:  
mmaloney@kslaw.com  
honeil@foley.com
- ☐ VIA CERTIFIED MAIL:

Re: Resets or refinancings of Acis CLOs

Dear Counsel:

I represent Acis Capital Management, L.P. ("Acis"). I write to you as counsel for Highland CLO Funding, Ltd. ("HCLOF"), Highland Capital Management, L.P., and Highland HCF Advisor, Ltd., respectively.

I assume HCLOF still maintains its position in the subordinated notes of CLOs for which Acis presently serves as portfolio manager. If so, Acis desires to work with HCLOF to attempt a reset or refinance of the relevant CLOs, as provided in the plan of reorganization for Acis (the "Plan"). This desire is constrained, of course, by market conditions, the governing documents of the CLOs, the Plan, as well as any other applicable law or contractual limitation.

HCLOF and its directors have repeatedly stated that a reset or refinance of the relevant CLOs is in HCLOF's best interests. Acis wants to do everything reasonably practicable to accomplish that goal.

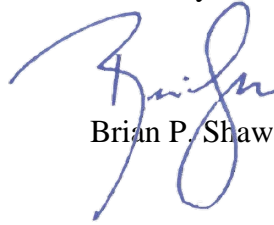
Acis notes that while it is not presently a shareholder in HCLOF, Acis believes its status as a shareholder will be recognized in the future by courts in the United States, and that recognition will be retroactive.

Please contact me as soon as possible so we can get this process moving. My hope is that the attorneys can step aside and we can let the business people get to business.



Mark M. Maloney  
Holland N. O'Neil  
February 26, 2019  
Page 2

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian P. Shaw". The signature is fluid and cursive, with a large initial "B" and "S".

Brian P. Shaw

BPS



# KING & SPALDING

King & Spalding LLP  
1180 Peachtree Street N.E. Ste. 1600  
Atlanta, GA 30309-3521  
Tel: +1 404 572 4600  
Fax: +1 404 572 5100  
www.kslaw.com

Mark M. Maloney  
Direct Dial: +1 404 572 4857  
Direct Fax: +1 404 572 5100  
mmaloney@kslaw.com

March 20, 2019

## VIA ELECTRONIC MAIL

Brian P. Shaw  
Rogge Dunn Group  
1201 ELM ST., SUITE 5200  
DALLAS, TEXAS 75270-2142

**Re: Resets or refinancings of Acis CLOs**

Dear Counsel,

I am responding to your letter of February 26, attached, which I have discussed with Highland CLO Funding Limited ("HCLOF").

As you know, Highland CLO Funding Limited ("HCLOF") is appealing the bankruptcy court's confirmation order. As you also know, HCLOF has repeatedly denied that a reset transaction led by Acis and Brigade is either feasible, or in HCLOF's best interests, and HCLOF has received and continued to rely on independent advice to that effect. Further, as also noted in connection with HCLOF's objections to confirmation of the plan of reorganization, HCLOF is constrained under its governing Investment Policy from authorizing a reset transaction with Acis and Brigade.

For the above reasons, while HCLOF will continue to evaluate all options and alternatives, at present HCLOF is neither interested in pursuing, nor able to pursue, a reset transaction.

Sincerely,



Mark M. Maloney

cc: William Scott  
Heather Bestwick



# KING & SPALDING

King & Spalding LLP  
1180 Peachtree Street N.E. Ste. 1600  
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Mark M. Maloney  
Direct Dial: +1 404 572 4857  
Direct Fax: +1 404 572 5100  
mmaloney@kslaw.com

March 20, 2019

## VIA ELECTRONIC MAIL

Brian P. Shaw  
Rogge Dunn Group  
1201 ELM ST., SUITE 5200  
DALLAS, TEXAS 75270-2142

**Re: Resets or refinancings of Acis CLOs**

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For the above reasons, while HCLOF will continue to evaluate all options and alternatives, at present HCLOF is neither interested in pursuing, nor able to pursue, a reset transaction.

Sincerely,



Mark M. Maloney

cc: William Scott  
Heather Bestwick



**Fill in this information to identify the case:**

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

**Official Form 206Sum**  
**Summary of Assets and Liabilities for Non-Individuals**

12/15

**Part 1: Summary of Assets**

**1. Schedule A/B: Assets-Real and Personal Property** (Official Form 206A/B)

**1a. Real property:**  
Copy line 88 from *Schedule A/B*..... \$ **523,970.00**

**1b. Total personal property:**  
Copy line 91A from *Schedule A/B*..... \$ **409,580,813.30**

**1c. Total of all property:**  
Copy line 92 from *Schedule A/B*..... \$ **410,104,783.30**

**Part 2: Summary of Liabilities**

**2. Schedule D: Creditors Who Have Claims Secured by Property** (Official Form 206D)  
Copy the total dollar amount listed in Column A, *Amount of claim*, from line 3 of *Schedule D*..... \$ **34,862,225.94**

**3. Schedule E/F: Creditors Who Have Unsecured Claims** (Official Form 206E/F)

**3a. Total claim amounts of priority unsecured claims:**  
Copy the total claims from Part 1 from line 5a of *Schedule E/F*..... \$ **Unknown**

**3b. Total amount of claims of nonpriority amount of unsecured claims:**  
Copy the total of the amount of claims from Part 2 from line 5b of *Schedule E/F*..... +\$ **244,455,350.78**

**4. Total liabilities** .....  
Lines 2 + 3a + 3b \$ **279,317,576.72**





## Fill in this information to identify the case:

Debtor name **Highland Capital Management, L.P.**United States Bankruptcy Court for the: **NORTHERN DISTRICT OF TEXAS**Case number (if known) **19-34054-SGJ**☐ Check if this is an amended filing**Official Form 206A/B**  
**Schedule A/B: Assets - Real and Personal Property**

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

**Part 1: Cash and cash equivalents****1. Does the debtor have any cash or cash equivalents?**

- ☐ No. Go to Part 2.  
☒ Yes Fill in the information below.

**All cash or cash equivalents owned or controlled by the debtor****Current value of  
debtor's interest****3. Checking, savings, money market, or financial brokerage accounts (Identify all)**

Name of institution (bank or brokerage firm)	Type of account	Last 4 digits of account number	
3.1. <b>NexBank</b>	<b>Checking Account</b>	<b>X735</b>	<b>\$1,453.40</b>
3.2. <b>NexBank</b>	<b>Checking Account</b>	<b>X668</b>	<b>\$0.00</b>
3.3. <b>NexBank</b>	<b>Checking Account</b>	<b>X513</b>	<b>\$291,309.27</b>
3.4. <b>NexBank</b>	<b>Money Market Deposit Account</b>	<b>X130</b>	<b>\$190.82</b>
3.5. <b>BBVA Compass</b>	<b>Checking Account</b>	<b>X342</b>	<b>\$2,125,975.28</b>
3.6. <b>Jefferies</b>	<b>Brokerage Account</b>	<b>X932</b>	<b>\$0.00</b>
3.7. <b>Maxim Group</b>	<b>Brokerage Account</b>	<b>X885</b>	<b>\$96.17</b>



Debtor Highland Capital Management, L.P.  
NameCase number (If known) 19-34054-SGJ4. **Other cash equivalents** (Identify all)5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

**\$2,419,024.94****Part 2: Deposits and Prepayments**6. **Does the debtor have any deposits or prepayments?**

- ☐ No. Go to Part 3.  
☒ Yes Fill in the information below.

7. **Deposits, including security deposits and utility deposits**  
Description, including name of holder of deposit7.1. Certificate of Deposit (NexBank) **\$135,205.21**7.2. Security Deposit (200/300 Crescent Ct #700 Dallas, TX 75201) - Crescent TC Investors **\$118,397.05**7.3. Deposit for Maple Avenue Holdings (Equity Method Investment) **\$10,000.00**7.4. Deposit for expense reimbursement. **\$1,474.60**8. **Prepayments, including prepayments on executory contracts, leases, insurance, taxes, and rent**  
Description, including name of holder of prepayment8.1. Other Prepaid Expenses (Unreconciled Book Balance) **\$830,899.73**8.2. Prepaid Retainer - Development Specialists, Inc. **\$240,340.00**8.3. Prepaid Legal Retainer - Pachulski Stang Ziehl & Jones LLP (1) **\$500,000.00**8.4. Prepaid Retainers - Kurtzman Carson Consultants LLC (1) **\$50,000.00**8.5. Prepaid Rent (200/300 Crescent Ct #700 Dallas, TX 75201) - Crescent TC Investors **\$96,294.05**

(1) Pre-petition balance was not applied.

9. **Total of Part 2.**

Add lines 7 through 8. Copy the total to line 81.

**\$1,982,610.64**



Debtor **Highland Capital Management, L.P.**  
NameCase number (If known) **19-34054-SGJ****Part 3: Accounts receivable****10. Does the debtor have any accounts receivable?**

- ☐ No. Go to Part 4.  
☒ Yes Fill in the information below.

**11. Accounts receivable Exhibit A**

11a. 90 days old or less: 3,482,893.80 - 0.00 = .... \$3,482,893.80  
face amount doubtful or uncollectible accounts

11b. Over 90 days old: 32,304,511.36 - 22,380,459.81 = .... \$9,924,051.55  
face amount doubtful or uncollectible accounts

**12. Total of Part 3.**

Current value on lines 11a + 11b = line 12. Copy the total to line 82.

**\$13,406,945.35****Part 4: Investments****13. Does the debtor own any investments?**

- ☐ No. Go to Part 5.  
☒ Yes Fill in the information below.

**14. Mutual funds or publicly traded stocks not included in Part 1**  
Name of fund or stock:**15. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture**  
Name of entity: % of ownership

15.1. Equity Method Investments (Exhibit B) Multiple % Book Value \$167,226,227.63

15.2. Investments at Fair Value (Exhibit C) Multiple % Fair Value \$224,267,777.21

**16. Government bonds, corporate bonds, and other negotiable and non-negotiable instruments not included in Part 1**  
Describe:

16.1. Debtor owns defaulted corporate bonds. N/A \$0.00

**17. Total of Part 4.**

Add lines 14 through 16. Copy the total to line 83.

**\$391,494,004.84****Part 5: Inventory, excluding agriculture assets****18. Does the debtor own any inventory (excluding agriculture assets)?**

- ☒ No. Go to Part 6.  
☐ Yes Fill in the information below.

**Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)**



Debtor **Highland Capital Management, L.P.**  
NameCase number (If known) **19-34054-SGJ**

## 27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- ☒ No. Go to Part 7.  
☐ Yes Fill in the information below.

**Part 7: Office furniture, fixtures, and equipment; and collectibles**

## 38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- ☐ No. Go to Part 8.  
☒ Yes Fill in the information below.

	General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39.	<b>Office furniture</b> <b>Desk, chairs and other office furniture.</b>	<b>\$118,428.73</b>	<b>N/A</b>	<b>Unknown</b>
40.	<b>Office fixtures</b>			
41.	<b>Office equipment, including all computer equipment and communication systems equipment and software</b> <b>Computers, Software and Office Equipment</b>	<b>\$382,803.25</b>	<b>N/A</b>	<b>Unknown</b>
42.	<b>Collectibles</b> <i>Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles</i>			
42.1.	<b>Artwork</b>	<b>\$0.00</b>	<b>Original Cost</b>	<b>\$231,657.53</b>

43. **Total of Part 7.**

Add lines 39 through 42. Copy the total to line 86.

**\$231,657.53**

## 44. Is a depreciation schedule available for any of the property listed in Part 7?

- ☐ No  
☒ Yes

## 45. Has any of the property listed in Part 7 been appraised by a professional within the last year?

- ☒ No  
☐ Yes

**Part 8: Machinery, equipment, and vehicles**

## 46. Does the debtor own or lease any machinery, equipment, or vehicles?

- ☐ No. Go to Part 9.  
☒ Yes Fill in the information below.

	General description Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
47.	<b>Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles</b>			
47.1.	<b>2015 GMC Sierra 2500 HD</b>	<b>\$0.00</b>	<b>Replacement</b>	<b>\$46,570.00</b>

48. **Watercraft, trailers, motors, and related accessories** *Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels*



Debtor **Highland Capital Management, L.P.**  
NameCase number (If known) **19-34054-SGJ**49. **Aircraft and accessories**50. **Other machinery, fixtures, and equipment (excluding farm machinery and equipment)**51. **Total of Part 8.****\$46,570.00**

Add lines 47 through 50. Copy the total to line 87.

52. **Is a depreciation schedule available for any of the property listed in Part 8?**☒ No  
☐ Yes53. **Has any of the property listed in Part 8 been appraised by a professional within the last year?**☒ No  
☐ Yes**Part 9: Real property**54. **Does the debtor own or lease any real property?**☐ No. Go to Part 10.  
☒ Yes Fill in the information below.55. **Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest****Description and location of property**

Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available).

**Nature and extent of debtor's interest in property****Net book value of debtor's interest**  
(Where available)**Valuation method used for current value****Current value of debtor's interest**55.1. **30.433 Acres of raw land located at 14102 FM 986 Terrell, Texas 75160****100% Ownership****\$398,450.00****Tax records****\$523,970.00**55.2. **Leasehold Improvements (200/300 Crescent Ct #700 Dallas, TX 75201)****Tenant****\$1,550,281.49****N/A****Unknown**56. **Total of Part 9.****\$523,970.00**

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets. Copy the total to line 88.

57. **Is a depreciation schedule available for any of the property listed in Part 9?**☐ No  
☒ Yes58. **Has any of the property listed in Part 9 been appraised by a professional within the last year?**☒ No  
☐ Yes**Part 10: Intangibles and intellectual property**59. **Does the debtor have any interests in intangibles or intellectual property?**☐ No. Go to Part 11.  
☒ Yes Fill in the information below.



Debtor Highland Capital Management, L.P.  
NameCase number (If known) 19-34054-SGJ

General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
60. Patents, copyrights, trademarks, and trade secrets			
61. Internet domain names and websites 139 Domain Names	\$0.00	N/A	Unknown

62. Licenses, franchises, and royalties 3rd Party Private Equity Management Company	\$0.00	N/A	Unknown
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63. Customer lists, mailing lists, or other compilations

64. Other intangibles, or intellectual property

65. Goodwill

66. Total of Part 10.

Add lines 60 through 65. Copy the total to line 89.

Unknown

67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107?)

☐ No  
☒ Yes

68. Is there an amortization or other similar schedule available for any of the property listed in Part 10?

☒ No  
☐ Yes

69. Has any of the property listed in Part 10 been appraised by a professional within the last year?

☒ No  
☐ Yes**Part 11: All other assets**

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

☐ No. Go to Part 12.  
☒ Yes Fill in the information below.

Current value of debtor's interest

71. Notes receivable Description (include name of obligor)	150,331,222.61	-	Unknown	=	Unknown
Notes Receivable (Exhibit D)	Total face amount		doubtful or uncollectible amount		

72. Tax refunds and unused net operating losses (NOLs)  
Description (for example, federal, state, local)

73. Interests in insurance policies or annuities

74. Causes of action against third parties (whether or not a lawsuit has been filed)



Debtor Highland Capital Management, L.P.  
Name

Case number (If known) 19-34054-SGJ

**Exhibit E**

**Unknown**

Nature of claim

Amount requested

75. **Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims**

76. **Trusts, equitable or future interests in property**

77. **Other property of any kind not already listed** *Examples: Season tickets, country club membership*

**Defined Benefit Plan (Overfunded 12/31/18 balance \$323 thousand)**

**Unknown**

**Estimated Deferred Fee Account value plus residual deferred fee accounts at NAV \$13.0 million fully reserved due to uncertain collectibility**

**Unknown**

78. **Total of Part 11.**

Add lines 71 through 77. Copy the total to line 90.

**Unknown**

79. **Has any of the property listed in Part 11 been appraised by a professional within the last year?**

☒ No  
☐ Yes



Debtor **Highland Capital Management, L.P.**  
NameCase number (If known) **19-34054-SGJ****Part 12: Summary**

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. <b>Cash, cash equivalents, and financial assets.</b> <i>Copy line 5, Part 1</i>	<u>\$2,419,024.94</u>	
81. <b>Deposits and prepayments.</b> <i>Copy line 9, Part 2.</i>	<u>\$1,982,610.64</u>	
82. <b>Accounts receivable.</b> <i>Copy line 12, Part 3.</i>	<u>\$13,406,945.35</u>	
83. <b>Investments.</b> <i>Copy line 17, Part 4.</i>	<u>\$391,494,004.84</u>	
84. <b>Inventory.</b> <i>Copy line 23, Part 5.</i>	<u>\$0.00</u>	
85. <b>Farming and fishing-related assets.</b> <i>Copy line 33, Part 6.</i>	<u>\$0.00</u>	
86. <b>Office furniture, fixtures, and equipment; and collectibles.</b> <i>Copy line 43, Part 7.</i>	<u>\$231,657.53</u>	
87. <b>Machinery, equipment, and vehicles.</b> <i>Copy line 51, Part 8.</i>	<u>\$46,570.00</u>	
88. <b>Real property.</b> <i>Copy line 56, Part 9.....&gt;</i>		<u>\$523,970.00</u>
89. <b>Intangibles and intellectual property.</b> <i>Copy line 66, Part 10.</i>	<u>\$0.00</u>	
90. <b>All other assets.</b> <i>Copy line 78, Part 11.</i>	+ <u>Unknown</u>	
91. <b>Total.</b> Add lines 80 through 90 for each column	<u>\$409,580,813.30</u>	+ 91b. <u>\$523,970.00</u>
92. <b>Total of all property on Schedule A/B.</b> Add lines 91a+91b=92		<u>\$410,104,783.30</u>



Highland Capital Management LP  
Case # 19-34054-SGJ  
Exhibit A - Schedule 11

Accounts Receivable	Less than 90 Days [1]			Greater than 90 days		
	Face Amount	Doubtful or Uncollectible	Total	Face Amount	Doubtful or Uncollectible	Total
Reimbursable Fund Expense	\$ 777,108.00	\$ -	\$ 777,108.00	\$ 6,082,319.61	\$ (1,934,540.89)	\$ 4,147,778.72
Unpaid Crusader Distributions [3]	-	-	-	6,324,234.00	(2,034,161.00)	4,290,073.00
Management Fees Receivable [2][5]	2,435,434.04	-	2,435,434.04	197,173.42	-	197,173.42
Cash Interest Receivable [2]	-	-	-	1,243,304.26	-	1,243,304.26
Shared Services Fee Receivable [2]	270,351.76	-	270,351.76	-	-	-
Highland Capital Management Singapore Pte Ltd [2]	-	-	-	35,158.50	-	35,158.50
Miscellaneous Receivable [2]	-	-	-	10,563.65	-	10,563.65
Acis Capital Management, LP Subadvisory and Shared Services Fee Receivable	-	-	-	5,350,931.62	(5,350,931.62)	-
Highland Capital of New York, Inc.	-	-	-	5,023,073.12	(5,023,073.12)	-
HERA [4]	-	-	-	7,231,103.00	(7,231,103.00)	-
Reimbursements from multiple funds managed by Acis Capital Management, LP	-	-	-	806,650.18	(806,650.18)	-
<b>Total</b>	<b>\$ 3,482,893.80</b>	<b>\$ -</b>	<b>\$ 3,482,893.80</b>	<b>\$ 32,304,511.36</b>	<b>\$ (22,380,459.81)</b>	<b>\$ 9,924,051.55</b>

[1] For shaded area, no aging analysis has been performed so entire amount is included in the greater than 90 days section.

[2] Doubtful or Uncollectible accounts are evaluated at year end.

[3] Represents distributions from all Crusader entities, including Highland Crusader Fund, Ltd., Highland Crusader Fund II, Ltd., and Highland Crusader Fund, L.P. and includes unpaid distributions due to a wholly owned subsidiary (Eames Ltd) as well as unpaid distributions with respect to deferred fees, which are reserved against as potentially uncollectible.

[4] Debtor has recorded \$3.3mm of net receivable as of the Petition Date, representing 2019 activity. This balance is normally evaluated for collectability as of year-end.

However, the 2019 activity is likely not collectible and has therefore been fully reserved for purposes of this schedule.

[5] Amount greater than 90 days represents the entire receivable earned, but not yet payable per one of the Debtor's management agreements.

For the receivable under this agreement, the entire \$197k amount has been earned during 2019 and a portion has been earned within the last 90 days.



**Highland Capital Management LP**  
**Case # 19-34054-SGJ**  
**Exhibit B - Schedule 15**

<b>Equity Method Investments [1]</b>	<b>Total [2]</b>
Highland Select Equity Fund, L.P.	\$ 130,213,244.86
Wright, Ltd [3]	22,303,199.33
Starck, Ltd [3]	6,960,671.89
Eames, Ltd [3]	3,704,338.16
Maple Avenue Holdings LLC	2,250,501.95
Highland Capital Management Korea Ltd.	1,011,300.61
Highland Capital Management Singapore Pte Ltd	457,809.57
Penant Management LP	302,358.21
Eagle Equity Advisors, LLC	22,803.05
<b>Total</b>	<b><u><u>\$ 167,226,227.63</u></u></b>

*[1] Investments are based on the debtors pro rata net asset value.*

*[2] Values based on most recent available information as of the petition date.*

*[3] Owned indirectly through 100% owned subsidiaries.*



**Highland Capital Management LP**  
**Case # 19-34054-SGJ**  
**Exhibit C - Schedule 15**

<b>Investments, at fair value [1]</b>	<b>Total [2][3]</b>
Investment Securities - Cost	\$ 66,791,277.56
Investment Securities - Mark To Market	(7,702,195.68)
Public Security - A	49,648,257.65
Private Security - A	36,949,197.43
Private Security - B	20,244,908.67
Public Security - B	13,275,503.51
Third Party Private Equity Fund - A	12,065,754.32
Public Security - C	10,718,068.67
Public Security - D	5,427,536.32
Private Security - C	3,346,763.82
Public Security - E	2,752,533.87
Private Portfolio Company - A	2,525,873.00
Public Security - F	1,721,458.16
Public Security - G	1,573,054.32
Public Security - H	1,397,752.04
Third Party Private Equity Fund - B	1,254,168.41
Public Security - I	792,313.43
Public Security - J	533,357.32
Private Security - D	481,354.43
Private Security - E	261,889.71
Private Security - F	132,002.75
Public Security - K	67,639.33
Public Security - L	8,928.17
Third Party Private Equity Fund - C [4]	380.00
<b>Total</b>	<b><u>\$ 224,267,777.21</u></b>

[1] Listing includes both publicly traded and private investments. Public securities are denoted with the description "Public Security - [ ]". Additionally, \$28,651,800 of the total balance of "Investment Securities - Cost" and "Investment Securities - Mark to Market" is comprised of public securities.

[2] Values based on most recent available information as of the petition date.

[3] For third party private equity funds and investments in managed private funds values are at estimated net asset value.

[4] For [Third party private equity fund - c] value presented equals cost basis.



Highland Capital Management LP  
Case # 19-34054-SGJ  
Exhibit D - Schedule 71A

Notes Receivable	Total Face Amount [1]
Hunter Mountain Investment Trust	\$ 56,873,209.22
Affiliate Note Receivable - A	24,534,644.03
The Dugaboy Investment Trust	18,286,268.16
Affiliate Note Receivable - B	10,413,539.53
Affiliate Note Receivable - C	10,394,680.47
James Dondero	9,334,012.00
Highland Capital Management Services, Inc.	7,482,480.88
Siepe	2,019,256.35
Highland Mult Strategy Credit Fund, LP	3,269,000.00
Highland Capital Management Korea Ltd. [2]	3,132,278.05
Private Portfolio Company - A	2,198,610.05
Mark Okada	1,336,287.84
Private Portfolio Company - B	1,056,956.03
<b>Total</b>	<b>\$ 150,331,222.61</b>

[1]Doubtful or Uncollectible accounts are evaluated at year end.  
[2] Includes \$72,278.05 of intercompany receivable.



Highland Capital Management LP  
Case # 19-34054-SGJ  
Exhibit E - Schedule 74

Case Style	Date Filed	Damages	Summary	Status
Highland Capital Management, L.P. and Highland CLO Funding, Ltd. v. Robin Phelan as Chapter 11 Trustee v. Highland HCF Advisor, Ltd., Highland CLO Management, Ltd., and Highland CLO Holdings, Ltd., Adversary No. 18-03078 in the United States Bankruptcy Court for the Northern District of Texas	5/30/2018	\$4-\$8 million	Highland entities sought to compel redemptions in the Acis CLOs; Trustee counterclaimed for alleged fraudulent transfers	Motion practice.
Highland Capital Management, L.P. v. Patrick Daugherty v. Sierra Verde, LLC, Highland Employee Retention Assets, LLC, James Dondero, Patrick Boyce, and William L. Britain, Cause No. 05-14-01215-CB pending in the Texas Fifth Court of Appeals, Dallas, Texas	4/11/2012	None	Highland has collected on its verdict for \$2.8 million against Daugherty. Daugherty obtained a judgment for \$2.6 million against HERA. Daugherty has not appealed any of his affirmative claims against Highland, though he has appealed other claims.	Enforcement of Injunction versus Mr. Daugherty
NexBank, SSB and Highland Capital Management, L.P. v. Winstead, P.C., in the District Court of Dallas County, 193rd Judicial District	3/16/15	\$3 million	Law firm committed malpractice by incorrectly handling foreclosure of Park West property	Appeal.



**Fill in this information to identify the case:**

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?

- ☐ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

**Part 1: List Creditors Who Have Secured Claims**

2. List in alphabetical order all creditors who have secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim.

		Column A Amount of claim  Do not deduct the value of collateral.	Column B Value of collateral that supports this claim	
2.1	<b>Frontier State Bank</b> Creditor's Name <b>5100 South I-35 Service Road</b> <b>Oklahoma City, OK 73129</b> Creditor's mailing address  <b>selliot@frontier-ok.com</b> Creditor's email address, if known  <b>Date debt was incurred</b> <b>08/17/2015</b> <b>Last 4 digits of account number</b> <b>1100</b> <b>Do multiple creditors have an interest in the same property?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.	Describe debtor's property that is subject to a lien <b>171,724 shares of voting common stock of privately held security.</b>  Describe the lien <b>Held in lender's name</b> Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)  As of the petition filing date, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed	<b>\$5,209,102.31</b>	<b>\$10,103,038.09</b>

2.2	<b>Jefferies LLC</b> Creditor's Name <b>520 Madison Avenue, 12th Floor</b> <b>New York, NY 10022</b> Creditor's mailing address  <b>Cbianchi@jefferies.com</b> Creditor's email address, if known  <b>Date debt was incurred</b> <b>05/24/2013</b> <b>Last 4 digits of account number</b> <b>0932</b> <b>Do multiple creditors have an interest in the same property?</b>	Describe debtor's property that is subject to a lien <b>The assets held within the Jefferies Prime Brokerage Account</b>  Describe the lien <b>Security interest in all collateral</b> Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H)  As of the petition filing date, the claim is: Check all that apply	<b>\$29,653,123.63</b>	<b>\$82,007,136.69</b>
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Debtor <b>Highland Capital Management, L.P.</b>	Case number (if know) <b>19-34054-SGJ</b>
Name	
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.	<input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any. **\$34,862,225.94**

**Part 2: List Others to Be Notified for a Debt Already Listed in Part 1**

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address	On which line in Part 1 did you enter the related creditor?	Last 4 digits of account number for this entity
<b>Director of Compliance</b> <b>Re: Prime Brokerage Services - Jefferies</b> <b>520 Madison Ave</b> <b>New York, NY 10022</b>	Line <u><b>2.2</b></u>	
<b>Frontier State Bank</b> <b>Attn: Mr. Steve Elliot</b> <b>5100 South I-35 Service Road</b> <b>Oklahoma City, OK 73129</b>	Line <u><b>2.1</b></u>	
<b>Office of General Counsel</b> <b>RE: Prime Brokerage Services - Jefferies</b> <b>520 Madison Ave</b> <b>New York, NY 10022</b>	Line <u><b>2.2</b></u>	
<b>Prime Brokerage Services</b> <b>Attn: Jefferies LLC</b> <b>520 Madison Ave</b> <b>New York, NY 10020</b>	Line <u><b>2.2</b></u>	



## Fill in this information to identify the case:

Debtor name **Highland Capital Management, L.P.**United States Bankruptcy Court for the: **NORTHERN DISTRICT OF TEXAS**Case number (if known) **19-34054-SGJ**☐ Check if this is an amended filing

## Official Form 206E/F

## Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

**Part 1: List All Creditors with PRIORITY Unsecured Claims**

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

☐ No. Go to Part 2.☒ Yes. Go to line 2.

2. List in alphabetical order all creditors who have unsecured claims that are entitled to priority in whole or in part. If the debtor has more than 3 creditors with priority unsecured claims, fill out and attach the Additional Page of Part 1.

		Total claim	Priority amount
2.1	Priority creditor's name and mailing address <b>All Employees 300 Crescent Ct. Suite 700 Dallas, TX 75201</b>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed	<b>Unknown</b>
	Date or dates debt was incurred <b>2019</b>	Basis for the claim: <b>Employee Wages &amp; Bonuses</b>	
	Last 4 digits of account number	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
	Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (4)		

**Part 2: List All Creditors with NONPRIORITY Unsecured Claims**

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

		Amount of claim
3.1	Nonpriority creditor's name and mailing address <b>45 Employees 300 Crescent Ct. Suite 700 Dallas, TX 75201</b>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed
	Date(s) debt was incurred <b>2017, 2018 &amp; 2019</b>	Basis for the claim: <b>Deferred Awards</b>
	Last 4 digits of account number	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
3.2	Nonpriority creditor's name and mailing address <b>46 Employees 300 Crescent Ct. Suite 700 Dallas, TX 75201</b>	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed
	Date(s) debt was incurred <b>2018</b>	Basis for the claim: <b>Prior year employee bonuses</b>
	Last 4 digits of account number	Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes



Debtor	<b>Highland Capital Management, L.P.</b> <small>Name</small>	Case number (if known)	<b>19-34054-SGJ</b>
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3.3	<b>Nonpriority creditor's name and mailing address</b> <b>Abrams &amp; Bayliss</b> <b>20 Montchanin Road, Suite 200</b> <b>Wilmington, DE 19807</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$108,399.83</b>
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3.4	<b>Nonpriority creditor's name and mailing address</b> <b>ACA Compliance Group</b> <b>8403 Colesville Road</b> <b>Suite 870</b> <b>Silver Spring, MD 20910</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$26,324.25</b>
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3.5	<b>Nonpriority creditor's name and mailing address</b> <b>Acis Capital Management</b> <b>c/o Brian P. Shaw</b> <b>Rogge Dunn Group PC</b> <b>500 N. Akard Street Ste 1900</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>Unknown</b>
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3.6	<b>Nonpriority creditor's name and mailing address</b> <b>Acis Capital Management, L.P.</b> <b>c/o Brian P. Shaw</b> <b>Rogge Dunn Group, PC</b> <b>500 N. Akard Street Ste 1900</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>Unknown</b>
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3.7	<b>Nonpriority creditor's name and mailing address</b> <b>Action Shred of Texas</b> <b>1420 S. Barry Ave</b> <b>Dallas, TX 75223</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$3,825.00</b>
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3.8	<b>Nonpriority creditor's name and mailing address</b> <b>Akin Gump Strauss Hauer &amp; Feld LLP</b> <b>1700 Pacific Avenue</b> <b>Suite 4100</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$113,947.86</b>
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3.9	<b>Nonpriority creditor's name and mailing address</b> <b>All Employees</b> <b>300 Crescent Ct.</b> <b>Suite 700</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Employee Bonuses</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>Unknown</b>
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Debtor	<b>Highland Capital Management, L.P.</b> <small>Name</small>	Case number (if known)	<b>19-34054-SGJ</b>
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3.10	<b>Nonpriority creditor's name and mailing address</b> <b>Allen ISD</b> <b>Attn: Elizabeth Weller</b> <b>2777 N. Stemmons Freeway</b> <b>Suite 1000</b> <b>Dallas, TX 75207</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>2301</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,522.33</b>
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3.11	<b>Nonpriority creditor's name and mailing address</b> <b>Allen ISD</b> <b>Attn: Elizabeth Weller</b> <b>2777 N. Stemmons Freeway</b> <b>Suite 1000</b> <b>Dallas, TX 75207</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>9351</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,188.30</b>
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3.12	<b>Nonpriority creditor's name and mailing address</b> <b>Alston &amp; Bird LLP</b> <b>1201 W. Peachtree Street</b> <b>Atlanta, GA 30309-3424</b>  Date(s) debt was incurred <u>          </u> Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,234.00</b>
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3.13	<b>Nonpriority creditor's name and mailing address</b> <b>American Arbitration Association</b> <b>120 Broadway, 21st Floor</b> <b>New York, NY 10271</b>  Date(s) debt was incurred <u>          </u> Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$55,511.80</b>
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3.14	<b>Nonpriority creditor's name and mailing address</b> <b>American Solutions for Business</b> <b>NW#7794</b> <b>PO Box 1450</b> <b>Minneapolis, MN 55485-7794</b>  Date(s) debt was incurred <u>          </u> Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$7,470.04</b>
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3.15	<b>Nonpriority creditor's name and mailing address</b> <b>Andrews Kurth</b> <b>111 Congress Ave</b> <b>Suite 1700</b> <b>Attn: Scott Brister</b> <b>Austin, TX 78701</b>  Date(s) debt was incurred <u>          </u> Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$137,637.81</b>
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3.16	<b>Nonpriority creditor's name and mailing address</b> <b>Arkadin, Inc.</b> <b>Lockbox #32726</b> <b>Collection Center Dr</b> <b>Chicago, IL 60693-0726</b>  Date(s) debt was incurred <u>          </u> Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$647.59</b>
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Debtor	<b>Highland Capital Management, L.P.</b> <small>Name</small>	Case number (if known)	<b>19-34054-SGJ</b>
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3.17	<b>Nonpriority creditor's name and mailing address</b> <b>ASW Law Limited</b> <b>Crawford House</b> <b>50 Cedar Avenue</b> <b>Hamilton HM11 Bermuda</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$77,044.60</b>
3.18	<b>Nonpriority creditor's name and mailing address</b> <b>AT&amp;T</b> <b>PO BOX 5001</b> <b>Carol Stream, IL 60197-5001</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$927.16</b>
3.19	<b>Nonpriority creditor's name and mailing address</b> <b>AT&amp;T Mobilty</b> <b>PO Box 6444</b> <b>Carol Stream, IL 60197-6444</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$6,728.59</b>
3.20	<b>Nonpriority creditor's name and mailing address</b> <b>Bates White, LLC</b> <b>2001 K Street, NW</b> <b>North Building, Suite 500</b> <b>Washington, DC 20006</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$90,855.79</b>
3.21	<b>Nonpriority creditor's name and mailing address</b> <b>Bell Nunnally &amp; Martin LLP</b> <b>3232 MCKINNEY AVE</b> <b>STE 1400</b> <b>DALLAS, TX 75204</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$6,934.79</b>
3.22	<b>Nonpriority creditor's name and mailing address</b> <b>Bloomberg Finance LP</b> <b>731 Lexington Ave.</b> <b>New York, NY 10022</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$25,384.89</b>
3.23	<b>Nonpriority creditor's name and mailing address</b> <b>Boies, Schiller &amp; Flexner LLP</b> <b>5301 Wisconsin Ave NW</b> <b>Washington, DC 20015-2015</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$115,714.80</b>
3.24	<b>Nonpriority creditor's name and mailing address</b> <b>Brandywine Process Servers, Ltd.</b> <b>PO Box 1360</b> <b>Wilmington, DE 19899</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$69.00</b>



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3.25	<b>Nonpriority creditor's name and mailing address</b> <b>Caledonian Directors Limited</b> <b>PO Box 1043</b> <b>George Town</b> <b>Grand Cayman KY1-1002</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$325.00</b>
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3.26	<b>Nonpriority creditor's name and mailing address</b> <b>Canteen Vending Services</b> <b>PO Box 417632</b> <b>Boston, MA 02241-7632</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$4,233.60</b>
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3.27	<b>Nonpriority creditor's name and mailing address</b> <b>Carey International, Inc.</b> <b>7445 New Technology Way</b> <b>Frederick, MD 21703</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Uncompleted Transaction</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,059,337.01</b>
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3.28	<b>Nonpriority creditor's name and mailing address</b> <b>Carey Olsen</b> <b>PO Box 10008</b> <b>Willow House, Cricket Square</b> <b>Grand Cayman KY1-1001</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$38,930.00</b>
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3.29	<b>Nonpriority creditor's name and mailing address</b> <b>Case Anywhere LLC</b> <b>21860 Burbank Blvd.</b> <b>Ste 125</b> <b>Woodland Hills, CA 91367</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$417.20</b>
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3.30	<b>Nonpriority creditor's name and mailing address</b> <b>CBIZ Valuation Group, LLC</b> <b>ATTN: ACCOUNTS RECEIVABLE</b> <b>PO BOX 849846</b> <b>DALLAS, TX 75284-9846</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$545.77</b>
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3.31	<b>Nonpriority creditor's name and mailing address</b> <b>CDW Direct</b> <b>PO Box 75723</b> <b>Chicago, IL 60675-5723</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$4,998.70</b>
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3.32	<b>Nonpriority creditor's name and mailing address</b> <b>Centroid</b> <b>1050 Wilshire Dr.</b> <b>Ste #170</b> <b>Troy, MI 48084</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,155.00</b>
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3.33	<b>Nonpriority creditor's name and mailing address</b> <b>Chase Couriers, Inc</b> <b>1220 Champion Circle</b> <b>#114</b> <b>Carrollton, TX 75006</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$155.81</b>
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3.34	<b>Nonpriority creditor's name and mailing address</b> <b>CLO Holdco, Ltd.</b> <b>c/o Grant Scott, Esq</b> <b>Myers Bigel Sibley &amp; Sajovec, P.A.</b> <b>4140 Park Lake Ave, Ste 600</b> <b>Raleigh, NC 27612</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Contractual Obligation</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$11,340,751.26</b>
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3.35	<b>Nonpriority creditor's name and mailing address</b> <b>Cole Schotz</b> <b>Court Plaza North</b> <b>25 Main Street</b> <b>P.O. Box 800</b> <b>Hackensack, NJ 07602-0800</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$198,760.29</b>
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3.36	<b>Nonpriority creditor's name and mailing address</b> <b>Coleman Research Group, Inc.</b> <b>120 West 45th St</b> <b>25th Floor</b> <b>New York, NY 10036</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$52,500.00</b>
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3.37	<b>Nonpriority creditor's name and mailing address</b> <b>Concur Technologies, Inc.</b> <b>18400 NE Union Hill Road</b> <b>Redmond, WA 98052</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$4,090.46</b>
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3.38	<b>Nonpriority creditor's name and mailing address</b> <b>Connolly Gallagher LLP</b> <b>1201 North Market Street</b> <b>20th Floor</b> <b>Wilmington, DE 19801</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$118,831.25</b>
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3.39	<b>Nonpriority creditor's name and mailing address</b> <b>Crescent Research</b> <b>PO Box 64-3622</b> <b>Vero Beach, FL 32964</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,200.00</b>
3.40	<b>Nonpriority creditor's name and mailing address</b> <b>CSI Global Deposition Services</b> <b>Accounting Dept-972-719-5000</b> <b>4950 N. O'Connor Rd, 1 st Fl</b> <b>Irving, TX 75062-2778</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$826.01</b>
3.41	<b>Nonpriority creditor's name and mailing address</b> <b>CT Corp</b> <b>PO Box 4349</b> <b>Carol Stream, IL 60197-4349</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$515.25</b>
3.42	<b>Nonpriority creditor's name and mailing address</b> <b>CVE Technologies Group Inc.</b> <b>1414 S. Gustin Rd.</b> <b>Salt Lake City, UT 84104</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,500.00</b>
3.43	<b>Nonpriority creditor's name and mailing address</b> <b>Dallas County</b> <b>Attn: Elizabeth Weller</b> <b>2777 N. Stemmons Freeway</b> <b>Suite 1000</b> <b>Dallas, TX 75207</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>3150</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$47,809.87</b>
3.44	<b>Nonpriority creditor's name and mailing address</b> <b>Daniel Sheehan &amp; Associates, PLLC</b> <b>8150 N. Central Expressway</b> <b>Suite 100</b> <b>Dallas, TX 75206</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$21,226.25</b>
3.45	<b>Nonpriority creditor's name and mailing address</b> <b>Debevoise &amp; Plimpton LLP</b> <b>c/o Accounting Dept. 28th Floor</b> <b>909 Third Ave</b> <b>New York, NY 10022</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$20,658.79</b>



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	<b>Highland Capital Management, L.P.</b>	<b>19-34054-SGJ</b>	
3.46	<b>Nonpriority creditor's name and mailing address</b> <b>Denton County</b> <b>PO Box 90223</b> <b>Denton, TX 76202</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0DEN</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$553.46</b>
3.47	<b>Nonpriority creditor's name and mailing address</b> <b>Denton County</b> <b>PO Box 90223</b> <b>Denton, TX 76202</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>5DEN</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$3.68</b>
3.48	<b>Nonpriority creditor's name and mailing address</b> <b>DLA Piper LLP (US)</b> <b>1900 N Pearl St, Suite 2200</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred <u>  </u> Last 4 digits of account number <u>  </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,318,730.36</b>
3.49	<b>Nonpriority creditor's name and mailing address</b> <b>Dow Jones &amp; Company, Inc.</b> <b>1211 Avenue of the Americas</b> <b>New York, NY 10036</b>  Date(s) debt was incurred <u>  </u> Last 4 digits of account number <u>  </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,038.26</b>
3.50	<b>Nonpriority creditor's name and mailing address</b> <b>DTCC ITP LLC</b> <b>PO Box 27590</b> <b>New York, NY 10087-7590</b>  Date(s) debt was incurred <u>  </u> Last 4 digits of account number <u>  </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$3.30</b>
3.51	<b>Nonpriority creditor's name and mailing address</b> <b>Duff &amp; Phelps, LLC</b> <b>c/o David Landman</b> <b>Benesch, Friedlander, Coplan &amp; Aronoff</b> <b>200 Public Sq. Suite 2300</b> <b>Cleveland, OH 44114-4000</b>  Date(s) debt was incurred <u>  </u> Last 4 digits of account number <u>  </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$350,000.00</b>
3.52	<b>Nonpriority creditor's name and mailing address</b> <b>Elite Document Technology</b> <b>403 North Stemmons Freeway Suite 100</b> <b>Dallas, TX 75207</b>  Date(s) debt was incurred <u>  </u> Last 4 digits of account number <u>  </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$5,837.30</b>
3.53	<b>Nonpriority creditor's name and mailing address</b> <b>Epiq eDiscovery Solutions</b> <b>Dept 2651</b> <b>PO Box 122651</b> <b>Dallas, TX 75312-2651</b>  Date(s) debt was incurred <u>  </u> Last 4 digits of account number <u>  </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$9,972.65</b>



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3.54	<b>Nonpriority creditor's name and mailing address</b> <b>Eric Girard</b> <b>312 Polo Trl</b> <b>Colleyville, TX 76034</b>  Date(s) debt was incurred <u>10/14/2019</u>  Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Consulting fee</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$11,430.14</b>
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3.55	<b>Nonpriority creditor's name and mailing address</b> <b>Felicity Toubé QC</b> <b>3-4 South Square</b> <b>Gray's Inn</b> <b>London, WC1R 5HP</b>  Date(s) debt was incurred <u>          </u>  Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,546.65</b>
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3.56	<b>Nonpriority creditor's name and mailing address</b> <b>Foley Gardere</b> <b>2021 McKinney Ave</b> <b>Suite 1600</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred <u>          </u>  Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,446,136.66</b>
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3.57	<b>Nonpriority creditor's name and mailing address</b> <b>Four Seasons Landscaping, LLC</b> <b>139 Turtle Creek Blvd.</b> <b>Dallas, TX 75207-6807</b>  Date(s) debt was incurred <u>          </u>  Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$108.95</b>
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3.58	<b>Nonpriority creditor's name and mailing address</b> <b>Gardner Haas PLLC</b> <b>2501 N. Harwood Street</b> <b>Suite 1250</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred <u>          </u>  Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$522.72</b>
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3.59	<b>Nonpriority creditor's name and mailing address</b> <b>Gold's Gym International</b> <b>Attn: Corporate Billing</b> <b>125 E John Carpenter Frwy</b> <b>Suite 1300</b> <b>Irving, TX 75062</b>  Date(s) debt was incurred <u>          </u>  Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$561.75</b>
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3.60	<b>Nonpriority creditor's name and mailing address</b> <b>Greenwood Office Outfitters</b> <b>2951 Suffolk Drive</b> <b>Suite 640</b> <b>Fort Worth, TX 76133-1149</b>  Date(s) debt was incurred <u>          </u>  Last 4 digits of account number <u>          </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,371.07</b>
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Debtor	<b>Highland Capital Management, L.P.</b> <small>Name</small>	Case number (if known)	<b>19-34054-SGJ</b>
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3.61	<b>Nonpriority creditor's name and mailing address</b> <b>Greyline Solutions</b> <b>PO Box 733976</b> <b>Dallas, TX 75373-3976</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$11,250.00</b>
3.62	<b>Nonpriority creditor's name and mailing address</b> <b>Harder LLP</b> <b>132 S. RODEO DRIVE</b> <b>FOURTH FLOOR</b> <b>BEVERLY HILLS, CA 90212</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$5,464.13</b>
3.63	<b>Nonpriority creditor's name and mailing address</b> <b>Highland Capital Management (Singapore)</b> <b>300 Crescent Ct.</b> <b>Suite 700</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred <u>Prior to 12/31/2018</u> Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>The balance shown is updated annually for service fees and has not been updated since 12/31/2018</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$248,745.28</b>
3.64	<b>Nonpriority creditor's name and mailing address</b> <b>Highland CLO Holdco</b> <b>300 Crescent Ct.</b> <b>Suite 700</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Interest payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$599,187.26</b>
3.65	<b>Nonpriority creditor's name and mailing address</b> <b>Highland CLO Holdco</b> <b>300 Crescent Ct.</b> <b>Suite 700</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Notes Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$9,541,446.00</b>
3.66	<b>Nonpriority creditor's name and mailing address</b> <b>Highland RCP Offshore, LP</b> <b>300 Crescent Ct.</b> <b>Suite 700</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Unearned Revenue</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,447,870.00</b>
3.67	<b>Nonpriority creditor's name and mailing address</b> <b>Highland RCP, LP</b> <b>300 Crescent Ct.</b> <b>Suite 700</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Unearned Revenue</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,945,067.00</b>



Debtor	<b>Highland Capital Management, L.P.</b> Name	Case number (if known)	<b>19-34054-SGJ</b>
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3.68	<b>Nonpriority creditor's name and mailing address</b> <b>Hunton Andrews Kurth LLP</b> <b>1445 Ross Avenue</b> <b>Suite 3700</b> <b>Dallas, TX 75202-2799</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$107,221.92</b>
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3.69	<b>Nonpriority creditor's name and mailing address</b> <b>ICE Data Pricing &amp; Reference Data, LLC</b> <b>PO Box 98616</b> <b>Chicago, IL 60693</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,565.23</b>
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3.70	<b>Nonpriority creditor's name and mailing address</b> <b>Intralinks</b> <b>P.O. Box 10259</b> <b>New York, NY 10259</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$7,995.00</b>
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3.71	<b>Nonpriority creditor's name and mailing address</b> <b>JAMS, Inc</b> <b>PO Box 512850</b> <b>Los Angeles, CA 90051-0850</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,352.27</b>
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3.72	<b>Nonpriority creditor's name and mailing address</b> <b>Joshua &amp; Jennifer Terry</b> <b>c/o Brian P. Shaw, Esq.</b> <b>Rogge Dunn Group, PC</b> <b>500 N. Akard Street, Suite 1900</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$425,000.00</b>
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3.73	<b>Nonpriority creditor's name and mailing address</b> <b>Katten Muchin Rosenman LLP</b> <b>525 W Monroe St</b> <b>Chicago, IL 60661-3693</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$16,695.00</b>
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3.74	<b>Nonpriority creditor's name and mailing address</b> <b>Kaufman County</b> <b>Attn: Elizabeth Weller</b> <b>2777 N. Stemmons Freeway</b> <b>Suite 1000</b> <b>Dallas, TX 75207</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0606</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$585.09</b>
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Debtor	Name	Case number (if known)	Page
	<b>Highland Capital Management, L.P.</b>	<b>19-34054-SGJ</b>	
3.75	<b>Nonpriority creditor's name and mailing address</b> <b>Kaufman County</b> <b>Attn: Elizabeth Weller</b> <b>2777 N. Stemmons Freeway</b> <b>Suite 1000</b> <b>Dallas, TX 75207</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0600</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$3,090.25</b>
3.76	<b>Nonpriority creditor's name and mailing address</b> <b>Kaufman County</b> <b>Attn: Elizabeth Weller</b> <b>2777 N. Stemmons Freeway</b> <b>Suite 1000</b> <b>Dallas, TX 75207</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0600</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$125.05</b>
3.77	<b>Nonpriority creditor's name and mailing address</b> <b>Kaufman County</b> <b>Attn: Elizabeth Weller</b> <b>2777 N. Stemmons Freeway</b> <b>Suite 1000</b> <b>Dallas, TX 75207</b>  Date(s) debt was incurred <u>2019</u> Last 4 digits of account number <u>0600</u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Ad Valorem Taxes</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$5,732.15</b>
3.78	<b>Nonpriority creditor's name and mailing address</b> <b>Legalpeople LLC</b> <b>134 N LaSalle Street</b> <b>Suite 800</b> <b>Chicago, IL 60602</b>  Date(s) debt was incurred <u>        </u> Last 4 digits of account number <u>        </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$34,425.72</b>
3.79	<b>Nonpriority creditor's name and mailing address</b> <b>Levinger PC</b> <b>1445 Ross Avenue</b> <b>Suite 2500</b> <b>Dallas, TX 75202</b>  Date(s) debt was incurred <u>        </u> Last 4 digits of account number <u>        </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$3,778.01</b>
3.80	<b>Nonpriority creditor's name and mailing address</b> <b>Lexitas</b> <b>PO Box 734298</b> <b>Dept. 2012</b> <b>Dallas, TX 75373-4298</b>  Date(s) debt was incurred <u>        </u> Last 4 digits of account number <u>        </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,583.66</b>
3.81	<b>Nonpriority creditor's name and mailing address</b> <b>Loews Coronado Bay Resort</b> <b>4000 Coronado Bay Road</b> <b>Coronado, CA 92118</b>  Date(s) debt was incurred <u>        </u> Last 4 digits of account number <u>        </u>	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$57,628.65</b>



Debtor Name	Case number (if known)	
<b>Highland Capital Management, L.P.</b>	<b>19-34054-SGJ</b>	
<b>3.82</b> Nonpriority creditor's name and mailing address <b>Lynn Pinker Cox &amp; Hurst, LLP</b> <b>2100 Ross Ave</b> <b>Suite 2700</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$436,538.06</b>
<b>3.83</b> Nonpriority creditor's name and mailing address <b>Maples and Calder</b> <b>UGLAND HOUSE</b> <b>PO BOX 309GT; S CHURCH ST</b> <b>George Town Grand Cayman</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$25,800.11</b>
<b>3.84</b> Nonpriority creditor's name and mailing address <b>MarkitWSO Corporation</b> <b>Three Lincoln Centre</b> <b>5430 LBJ Frwy; Ste 800</b> <b>Dallas, TX 75240</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$12,015.91</b>
<b>3.85</b> Nonpriority creditor's name and mailing address <b>McKool Smith</b> <b>300 Crescent Court</b> <b>Suite 1500</b> <b>Dallas, TX 75201</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,163,976.00</b>
<b>3.86</b> Nonpriority creditor's name and mailing address <b>Meta-e Discovery LLC</b> <b>Six Landmark Square</b> <b>Fourth Floor</b> <b>Stamford, CT 06901</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$780,645.36</b>
<b>3.87</b> Nonpriority creditor's name and mailing address <b>Nick Meserve</b> <b>11835 Brandywine Ln</b> <b>Houston, TX 77024</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$300.00</b>
<b>3.88</b> Nonpriority creditor's name and mailing address <b>NWCC, LLC</b> <b>c/o of Michael A. Battle</b> <b>Barnes &amp; Thornburg, LLP</b> <b>1717 Pennsylvania Ave N.W. Ste 500</b> <b>Washington, DC 20006</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$375,000.00</b>



Debtor Name	Case number (if known)	
<b>Highland Capital Management, L.P.</b>	<b>19-34054-SGJ</b>	
<b>3.89</b> Nonpriority creditor's name and mailing address <b>Opus 2 International, Inc.</b> <b>100 Pine Street</b> <b>Suite 560</b> <b>San Francisco, CA 94111</b> Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$15,669.86</b>
<b>3.90</b> Nonpriority creditor's name and mailing address <b>PACER Service Center</b> <b>P.O. Box 5208</b> <b>Portland, OR 97208-5208</b> Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$435.30</b>
<b>3.91</b> Nonpriority creditor's name and mailing address <b>Patrick Daugherty</b> <b>c/o Thomas A. Uebler</b> <b>McCollom D'Emilio Smith</b> <b>2751 Centerville Rd #401</b> <b>Wilmington, DE 19808</b> Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed <b>Basis for the claim:</b> <u>Litigation Claim</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$11,700,000.00</b>
<b>3.92</b> Nonpriority creditor's name and mailing address <b>Pitney Bowes- Purchase Power</b> <b>PO Box 371874</b> <b>Pittsburgh, PA 15250-2648</b> Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,611.00</b>
<b>3.93</b> Nonpriority creditor's name and mailing address <b>ProStar Services, Inc</b> <b>PO Box 110209</b> <b>Carrollton, TX 75011</b> Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,064.58</b>
<b>3.94</b> Nonpriority creditor's name and mailing address <b>Quintairos, Prieto Wood &amp; Boyer</b> <b>865 S. Figueroa St</b> <b>10th FL</b> <b>Los Angeles, CA 90017</b> Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$8,608.17</b>
<b>3.95</b> Nonpriority creditor's name and mailing address <b>Redeemer Committee - Highland Crusader</b> <b>Attn: Eric Felton</b> <b>731 Pleasant Ave.</b> <b>Glen Ellyn, IL 60137</b> Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed <b>Basis for the claim:</b> <u>Litigation Claim</u> Is the claim subject to offset? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<b>\$189,314,946.00</b>



Debtor	<b>Highland Capital Management, L.P.</b> <small>Name</small>	Case number (if known)	<b>19-34054-SGJ</b>
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3.96	<b>Nonpriority creditor's name and mailing address</b> <b>Reid Collins &amp; Tsai</b> <b>810 Seventh Ave Ste 410</b> <b>New York, NY 10019</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$258,526.25</b>
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3.97	<b>Nonpriority creditor's name and mailing address</b> <b>Scott Douglass &amp; McConnico LLP</b> <b>303 Colorado St</b> <b>Ste 2400</b> <b>Austin, TX 78701</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,478.59</b>
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3.98	<b>Nonpriority creditor's name and mailing address</b> <b>Secured Access Systems, LLC</b> <b>1913 Walden Court</b> <b>Flower Mound, TX 75022</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$24.37</b>
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3.99	<b>Nonpriority creditor's name and mailing address</b> <b>Siepe Services, LLC</b> <b>5440 Harvest Hill Road</b> <b>Suite 100</b> <b>Dallas, TX 75230</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$80,183.88</b>
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3.100	<b>Nonpriority creditor's name and mailing address</b> <b>Southland Property Tax Consultants, Inc</b> <b>421 W. 3rd Street</b> <b>Ste 920</b> <b>Fort Worth, TX 76102</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$309.11</b>
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3.101	<b>Nonpriority creditor's name and mailing address</b> <b>Squire Patton Boggs (US) LLP</b> <b>PO Box 643051</b> <b>Cincinnati, OH 45264</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$5,208.40</b>
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3.102	<b>Nonpriority creditor's name and mailing address</b> <b>Stanton Advisors LLC</b> <b>300 Coles Street</b> <b>Apt. 802</b> <b>Jersey City, NJ 07310</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$10,000.00</b>
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Debtor	<b>Highland Capital Management, L.P.</b> <small>Name</small>	Case number (if known)	<b>19-34054-SGJ</b>
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3.103	<b>Nonpriority creditor's name and mailing address</b> <b>Stanton LLP</b> <b>9400 N Central Expwy</b> <b>Ste 1304</b> <b>Dallas, TX 75231</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$90,712.65</b>
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3.104	<b>Nonpriority creditor's name and mailing address</b> <b>State Street Global Exchange</b> <b>Elkins/McSherry, LLC</b> <b>One Lincoln Street</b> <b>Boston, MA 02111</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,500.00</b>
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3.105	<b>Nonpriority creditor's name and mailing address</b> <b>Stinson Leonard Street LLP</b> <b>PO Box 843052</b> <b>Kansas City, MO 64184</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$246,802.54</b>
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3.106	<b>Nonpriority creditor's name and mailing address</b> <b>Thomson West</b> <b>PO Box 64833</b> <b>St. Paul, MN 55164-0833</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,158.52</b>
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3.107	<b>Nonpriority creditor's name and mailing address</b> <b>UBS AG, London Branch</b> <b>c/o Andrew Clubock, Esq.</b> <b>Latham &amp; Watkins LLP</b> <b>555 11th Street NW #1000</b> <b>Washington, DC 20004</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Litigation Claim</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>Unknown</b>
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3.108	<b>Nonpriority creditor's name and mailing address</b> <b>UBS Securities LLC</b> <b>c/o Andrew Clubock</b> <b>Latham &amp; Watkins LLP</b> <b>555 11th Street NW #1000</b> <b>Washington, DC 20004</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input checked="" type="checkbox"/> Contingent <input checked="" type="checkbox"/> Unliquidated <input checked="" type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Litigation Claim</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>Unknown</b>
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3.109	<b>Nonpriority creditor's name and mailing address</b> <b>UPS Supply Chain Solutions</b> <b>28013 Network Place</b> <b>Chicago, IL 60673-1280</b>  Date(s) debt was incurred ____  Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u>  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$90.45</b>
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Debtor **Highland Capital Management, L.P.** Case number (if known) **19-34054-SGJ**

3.110	<b>Nonpriority creditor's name and mailing address</b> <b>Wakefield Quin</b> <b>Victoria Place</b> <b>31 Victoria St</b> <b>Hamilton, HM10 Bermuda</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>See Exhibit A</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,334.80</b>
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3.111	<b>Nonpriority creditor's name and mailing address</b> <b>Wilks, Lukoff &amp; Bracegirdle, LLC</b> <b>4250 Lancaster Pike</b> <b>#200</b> <b>Wilmington, DE 19805</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$3,411.87</b>
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3.112	<b>Nonpriority creditor's name and mailing address</b> <b>Xerox Corporation</b> <b>PO Box 650361</b> <b>Dallas, TX 75265</b>  Date(s) debt was incurred ____ Last 4 digits of account number ____	<b>As of the petition filing date, the claim is:</b> <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> <u>Trade Payable</u> Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$2,348.31</b>
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**Part 3: List Others to Be Notified About Unsecured Claims**

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Name and mailing address	On which line in Part1 or Part 2 is the related creditor (if any) listed?	Last 4 digits of account number, if any
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**Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims**

5. Add the amounts of priority and nonpriority unsecured claims.

5a. Total claims from Part 1

5b. Total claims from Part 2

5c. Total of Parts 1 and 2  
Lines 5a + 5b = 5c.

<b>Total of claim amounts</b>	
5a.	\$ <u>Unknown</u>
5b. +	\$ <u>244,617,627.33</u>
5c.	\$ <u>244,617,627.33</u>



**Highland Capital Management LP**  
**Case # 19-34054-SGJ**  
**Schedule F - Exhibit A**

<b>Law Firm</b>	<b>Gross Balance [1]</b>	<b>HCMLP Balance [2]</b>	<b>Other Balance [3]</b>
McKool Smith	2,163,976.00	2,163,976.00	-
Foley Gardere	1,601,136.66	1,446,136.66	155,000.00
DLA Piper LLP (US)	1,318,730.36	1,318,730.36	-
Meta-e Discovery LLC	1,378,061.34	780,645.36	597,415.98
Lynn Pinker Cox & Hurst, LLP	529,303.56	436,538.06	92,765.50
Duff & Phelps, LLC	350,000.00	350,000.00	-
Reid Collins & Tsai	1,087,474.36	258,526.25	828,948.11
Stinson Leonard Street LLP	246,802.54	246,802.54	-
Cole Schotz	243,667.06	198,760.29	44,906.77
Andrews Kurth	771,467.89	137,637.81	633,830.08
Connolly Gallagher LLP	118,831.25	118,831.25	-
Boies, Schiller & Flexner LLP	115,714.80	115,714.80	-
Akin Gump Strauss Hauer & Feld LLP	1,739,149.45	113,947.86	1,625,201.59
Abrams & Bayliss	108,399.83	108,399.83	-
Hunton Andrews Kurth LLP	205,378.20	107,221.92	98,156.28
Bates White, LLC	90,855.79	90,855.79	-
Stanton LLP	90,712.65	90,712.65	-
ASW Law Limited	77,044.60	77,044.60	-
American Arbitration Association	55,511.80	55,511.80	-
Carey Olsen	38,930.00	38,930.00	-
Legalpeople LLC	34,425.72	34,425.72	-
ACA Compliance Group	48,526.43	26,324.25	22,202.18
Maples and Calder	200,758.82	25,800.11	174,958.71
Daniel Sheehan & Associates, PLLC	21,226.25	21,226.25	-
Debevoise & Plimpton LLP	48,300.79	20,658.79	27,642.00
Katten Muchin Rosenman LLP	16,695.00	16,695.00	-
Opus 2 International, Inc.	39,214.03	15,669.86	23,544.17
MarkitWSO Corporation	154,632.25	12,015.91	142,616.34
Greyline Solutions	11,250.00	11,250.00	-
Stanton Advisors LLC	10,000.00	10,000.00	-
Epiq eDiscovery Solutions	21,889.05	9,972.65	11,916.40
Quintairos, Prieto Wood & Boyer	12,897.42	8,608.17	4,289.25
Bell Nunnally & Martin LLP	6,934.79	6,934.79	-
Elite Document Technology	49,300.00	5,837.30	43,462.70
Harder LLP	5,464.13	5,464.13	-
Squire Patton Boggs (US) LLP	50,000.00	5,208.40	44,791.60
Levinger PC	12,884.21	3,778.01	9,106.20
Lexitas	2,583.66	2,583.66	-
State Street Global Exchange	2,500.00	2,500.00	-
Wakefield Quin	4,760.60	2,334.80	2,425.80
Alston & Bird LLP	2,234.00	2,234.00	-
Felicity Toubé QC	6,208.22	1,546.65	4,661.57
Scott Douglass & McConnico LLP	4,983.50	1,478.59	3,504.91
JAMS, Inc	24,097.28	1,352.27	22,745.01
CSI Global Deposition Services	826.01	826.01	-
CBIZ Valuation Group, LLC	8,269.26	545.77	7,723.49
Gardner Haas PLLC	7,920.00	522.72	7,397.28
Case Anywhere LLC	417.20	417.20	-
Caledonian Directors Limited	325.00	325.00	-
Winston & Strawn LLP	1,770,877.30	-	1,770,877.30
K&L Gates LLP	160,228.40	-	160,228.40
Davis Polk & Wardwell LLP	105,140.83	-	105,140.83



**Highland Capital Management LP**  
**Case # 19-34054-SGJ**  
**Schedule F - Exhibit A**

<b>Law Firm</b>	<b>Gross Balance [1]</b>	<b>HCMLP Balance [2]</b>	<b>Other Balance [3]</b>
Baker & McKenzie LLP	131,938.68	-	131,938.68
Zuckerman Spaeder LLP	127,295.18	-	127,295.18
Robbins, Russell, Englert, Orseck, Untereiner & Sauber LLP	100,476.30	-	100,476.30
Berkeley Research Group, LLC	60,976.22	-	60,976.22
Day Pitney LLP	55,793.69	-	55,793.69
Milbank, Tweed, Hadley	52,993.21	-	52,993.21
Garman Turner Gordon	42,222.06	-	42,222.06
Wick Phillips Gould & Martin, LLP - Operating Account	27,749.45	-	27,749.45
Pope, Hardwicke, Christie, Schell, Kelly & Taplett LLP	27,102.33	-	27,102.33
Ober Kaler Grimes & Shriver	24,939.27	-	24,939.27
ValueScope	22,357.65	-	22,357.65
Brian Lauten, PC	16,650.00	-	16,650.00
Hutchison & Steffen, PLLC	15,156.95	-	15,156.95
Counsel Press LLC	14,926.01	-	14,926.01
Integra FEC LLC	13,409.52	-	13,409.52
Rowlett Hill Collins LLP	12,562.50	-	12,562.50
Willkie Farr & Gallagher LLP	9,640.00	-	9,640.00
Flemming Zulack Williamson Zauderer	8,356.25	-	8,356.25
TSG Reporting, Inc	6,589.70	-	6,589.70
Todd Travers	4,987.50	-	4,987.50
Brownstein Hyatt Farber Schreck, LLP	4,777.21	-	4,777.21
Morris James LLP - Invoices	4,313.10	-	4,313.10
Wachtell, Lipton, Rosen & Katz	3,752.48	-	3,752.48
Lenz & Staehelin	3,568.15	-	3,568.15
Quinn Emanuel Trial Lawyers	3,180.65	-	3,180.65
Ogier	2,794.97	-	2,794.97
Lowenstein Sandler	2,778.72	-	2,778.72
J. Sagar Associates	2,391.20	-	2,391.20
Bifferato Gentilotti LLC	1,931.41	-	1,931.41
Bass, Berry & Sims PLC	1,888.00	-	1,888.00
TransPerfect Translations International Inc.	1,646.59	-	1,646.59
Kim & Chang	1,487.11	-	1,487.11
WilmerHale	1,056.00	-	1,056.00
Bailey Kennedy, LLP	900.00	-	900.00
CT Corporation	899.00	-	899.00
Cooke, Young & Keidan LLP	804.40	-	804.40
Elite Deposition Technologies	783.61	-	783.61
Gibson, Dunn & Crutcher LLP	651.60	-	651.60
US Legal Support	507.06	-	507.06
Esquire Deposition Solutions	253.42	-	253.42
Kim Leslie Shafer	225.00	-	225.00
Akerman LLP	69.93	-	69.93
<b>Total</b>	<b>15,993,700.38</b>	<b>8,511,459.84</b>	<b>7,482,240.53</b>

[1] Represents gross amount of invoices received where the Debtor is counterparty to the engagement letter.

[2] Represents allocated amount of invoices owing by Debtor.

[3] Represents allocated amount of invoices owing by non-Debtor party. Amount are not final amounts and may be subject to dispute.



**Fill in this information to identify the case:**

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

**Official Form 206G**

**Schedule G: Executory Contracts and Unexpired Leases** 12/15

Be as complete and accurate as possible. If more space is needed, copy and attach the additional page, number the entries consecutively.

1. **Does the debtor have any executory contracts or unexpired leases?**

☐ No. Check this box and file this form with the debtor's other schedules. There is nothing else to report on this form.

☒ Yes. Fill in all of the information below even if the contacts of leases are listed on *Schedule A/B: Assets - Real and Personal* Property

(Official Form 206A/B).

**2. List all contracts and unexpired leases**

**State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease**

2.1.	State what the contract or lease is for and the nature of the debtor's interest	<b>Subscription To 13D Global Strategy And Research Services</b>	
	State the term remaining	<b>121 Days</b>	
	List the contract number of any government contract		<b>13D Global Strategy and Research 491 N Main Street Ketchum, ID 83340</b>
2.2.	State what the contract or lease is for and the nature of the debtor's interest	<b>Subscription Agreement</b>	
	State the term remaining	<b>76 Days</b>	
	List the contract number of any government contract		<b>4Cast Inc. 420 Lexington Avenue Suite 2147 New York, NY 10170</b>
2.3.	State what the contract or lease is for and the nature of the debtor's interest	<b>Servicing Agreement</b>	
	State the term remaining	<b>Termination Contingent</b>	
	List the contract number of any government contract		<b>Aberdeen Loan Funding, Ltd. 190 Elgin Avenue George Town, Grand Cayman KY1-9005, Cayman Islands</b>
2.4.	State what the contract or lease is for and the nature of the debtor's interest	<b>Janitorial Service</b>	
	State the term remaining	<b>198 Days</b>	
	List the contract number of any government contract		<b>ABM Texas General Services, Inc. 2020 Westridge Drive Irving, TX 75038</b>



Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known)

**19-34054-SGJ****Additional Page if You Have More Contracts or Leases****2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.5. State what the contract or lease is for and the nature of the debtor's interest **Compliance Services**

State the term remaining **0 Days**

List the contract number of any government contract \_\_\_\_\_

**ACA Compliance Group**  
**8403 Colesville Road**  
**Ste 870**  
**Silver Spring, MD 20910**

2.6. State what the contract or lease is for and the nature of the debtor's interest **Tamale Software**

State the term remaining **351 Days**

List the contract number of any government contract \_\_\_\_\_

**Advent Software, Inc.**  
**600 Townsend Street**  
**Ste 500**  
**San Francisco, CA 94103**

2.7. State what the contract or lease is for and the nature of the debtor's interest **Geneva Software**

State the term remaining **207 Days**

List the contract number of any government contract \_\_\_\_\_

**Advent Software, Inc.**  
**Three Lincoln Centre**  
**5430 LBJ Freeway Ste 800**  
**Dallas, TX 75240**

2.8. State what the contract or lease is for and the nature of the debtor's interest **Software License Global Strategy And China**

State the term remaining **167 Days**

List the contract number of any government contract \_\_\_\_\_

**Alpine Macro**  
**1130 Sherbrooke St West PH1**  
**Montreal, Quebec**  
**Canada, H3A2M8**

2.9. State what the contract or lease is for and the nature of the debtor's interest **Travel Account Purchase And Usage**

State the term remaining **254 Days**

List the contract number of any government contract \_\_\_\_\_

**American Airlines, Inc.**  
**PO Box 619616 MD4106**  
**Ft Worth, TX 76155**

2.10. State what the contract or lease is for and the nature of the debtor's interest **Actuarial Services**

State the term remaining **76 Days**

List the contract number of any government contract \_\_\_\_\_

**Aon Consulting, Inc.**  
**445 Hutchinson Ave**  
**Ste 900**  
**Columbus, OH 43235**



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

**Additional Page if You Have More Contracts or Leases**

**2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.11. State what the contract or lease is for and the nature of the debtor's interest **Enterprise Technology Research**

State the term remaining **746 Days**

List the contract number of any government contract

**Aptiviti, Inc.  
129 West 29th Street  
3rd Floor  
New York, NY 10001**

2.12. State what the contract or lease is for and the nature of the debtor's interest **Employment Practices Insurance**

State the term remaining **147 Days**

List the contract number of any government contract

**Argonaut Insurance Company  
225 W Washington Street  
24th floor  
Chicago, IL 60606**

2.13. State what the contract or lease is for and the nature of the debtor's interest **Internet**

State the term remaining **3 Years**

List the contract number of any government contract

**AT&T  
208 South Akard Street  
Dallas, TX 75201**

2.14. State what the contract or lease is for and the nature of the debtor's interest **Cell Phones**

State the term remaining **Monthly**

List the contract number of any government contract

**AT&T Mobility  
208 South Akard Street  
Dallas, TX 75202**

2.15. State what the contract or lease is for and the nature of the debtor's interest **Dev Server Hosting**

State the term remaining **Monthly**

List the contract number of any government contract

**AWS  
410 Terry Avenue North  
Seattle, WA 98109**

2.16. State what the contract or lease is for and the nature of the debtor's interest **Investment Research**

**BCA Research Inc.  
1002 Sherbrooke Street West  
Suite 1600  
Montreal, Quebec, CA 3L6**



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **76 Days**

List the contract number of any government contract \_\_\_\_\_

2.17. State what the contract or lease is for and the nature of the debtor's interest **Bloomberg**

State the term remaining **60 day termination; two year autorenewal; after initial term of 07/15/201**

List the contract number of any government contract \_\_\_\_\_

**Bloomberg Finance, L.P.  
731 Lexington Ave  
New York, NY 10022**

2.18. State what the contract or lease is for and the nature of the debtor's interest **Erisa Group Health Plan**

State the term remaining **41 Days**

List the contract number of any government contract \_\_\_\_\_

**Blue Cross Blue Shield of Texas  
1001 E. Lookout Dr.  
Richardson, TX 75082**

2.19. State what the contract or lease is for and the nature of the debtor's interest **Stop Loss Coverage**

State the term remaining **41 Days**

List the contract number of any government contract \_\_\_\_\_

**Blue Cross Blue Shield of Texas  
1001 E. Lookout Dr.  
Richardson, TX 75082**

2.20. State what the contract or lease is for and the nature of the debtor's interest **Electronic Access**

State the term remaining **Perpetuity**

List the contract number of any government contract \_\_\_\_\_

**BNY Mellon  
525 Penn Place  
Pittsburgh, PA 15219**

2.21. State what the contract or lease is for and the nature of the debtor's interest **Cloud Doc Hosting**

State the term remaining **Monthly**

List the contract number of any government contract \_\_\_\_\_

**BOX.com  
900 Jefferson Ave  
Redwood City, CA 94063**



Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known)

**19-34054-SGJ****Additional Page if You Have More Contracts or Leases****2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.22. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract

**Brentwood CLO, Ltd.  
Maples Finance Limited, PO Box 1093GT  
Queensgate House, South Church Street  
George Town, Grand Cayman, Cayman Island**2.23. State what the contract or lease is for and the nature of the debtor's interest **E-Ballot And Meeting Information Services**

State the term remaining

**162 Days**

List the contract number of any government contract

**Broadridge Investor Communication Solutions  
One Park Ave  
New York, NY 10016**2.24. State what the contract or lease is for and the nature of the debtor's interest **Advisory Services Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract

**Carey International, Inc.  
4530 Wisconsin Ave NW  
Washington, DC 20016**2.25. State what the contract or lease is for and the nature of the debtor's interest **Advisory Services Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract

**CCS Medical, Inc.  
14255 49th Street North  
Suite 301  
Clearwater, FL 33762**2.26. State what the contract or lease is for and the nature of the debtor's interest **Wan Line And Telephones**

State the term remaining

**Monthly**

List the contract number of any government contract

**CenturyLink  
100 CenturyLink Drive  
Monroe, LA 71203**2.27. State what the contract or lease is for and the nature of the debtor's interest **Second Amended And Restated Investment Advisory Agreement**

State the term remaining

**90 Day Termination Provision; Annual Autoextend Following****Charitable DAF Fund, L.P. / Charitable DAF GP, LLC  
Attention: Grant Scott  
4140 Park Lake Avenue  
Suite 600  
Raleigh, NC 27612**



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

	Initial Term Ending 12/31/2017	
List the contract number of any government contract		
2.28. State what the contract or lease is for and the nature of the debtor's interest	<b>Second Amended And Restated Service Agreement</b>	
State the term remaining	<b>60 Day Termination Provision; Annual Autoextend Following Initial Term 12/31/2017</b>	Charitable DAF Fund, L.P. / Charitable DAF GP, LLC
List the contract number of any government contract		Attention: Grant Scott 4140 Park Lake Avenue Suite 600 Raleigh, NC 27612
2.29. State what the contract or lease is for and the nature of the debtor's interest	<b>Workers Comp</b>	
State the term remaining	<b>254 Days</b>	Chubb
List the contract number of any government contract		2001 Bryan St. Ste. 3600 Dallas, TX 75201
2.30. State what the contract or lease is for and the nature of the debtor's interest	<b>Cisco Hardware Support</b>	
State the term remaining	<b>2 Years</b>	Cisco
List the contract number of any government contract		170 West Tasman Dr San Jose, CA 95134
2.31. State what the contract or lease is for and the nature of the debtor's interest	<b>Conference Services</b>	
State the term remaining	<b>Monthly</b>	Cisco Webex
List the contract number of any government contract		170 West Tasman Dr San Jose, CA 95134
2.32. State what the contract or lease is for and the nature of the debtor's interest	<b>Webex Seminars</b>	
State the term remaining	<b>Annual</b>	Cisco Webex Events
List the contract number of any government contract		170 West Tasman Dr San Jose, CA 95134



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.33. State what the contract or lease is for and the nature of the debtor's interest **Pr Services**

State the term remaining **121 Days**

List the contract number of any government contract

**Cision US Inc.  
1 Prudential Plaza, 7th floor  
130 E Randolph Street  
Chicago, IL 60601**

2.34. State what the contract or lease is for and the nature of the debtor's interest **Reference Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Citibank, N.A.  
Attn: Doug Warren  
390 Greenwich Street  
Fourth Floor  
New York, NY 10013**

2.35. State what the contract or lease is for and the nature of the debtor's interest **SaaS Solutions**

State the term remaining **295 Days**

List the contract number of any government contract

**Clearwater Analytics LLC  
777 W Main St  
Ste 900  
Boise, ID 83702**

2.36. State what the contract or lease is for and the nature of the debtor's interest **Research**

State the term remaining **77 Days**

List the contract number of any government contract

**Coleman Research  
575 5th Ave 21st Floor  
New York, NY 10017**

2.37. State what the contract or lease is for and the nature of the debtor's interest **Research Service Credits**

State the term remaining **76 Days**

List the contract number of any government contract

**Coleman Research Group, Inc.  
575 5th Avenue  
21st Floor  
New York, NY 10017**

2.38. State what the contract or lease is for and the nature of the debtor's interest **San Backup**

State the term remaining **Annual**

**Commvault Backup  
1 Commvault Way  
Tinton Falls, NJ 07724**



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract \_\_\_\_\_

2.39. State what the contract or lease is for and the nature of the debtor's interest **Avaya Maintenance**

State the term remaining **Annual**

List the contract number of any government contract \_\_\_\_\_

**Converge One  
10900 Nesbitt Avenue South  
Bloomington, MN 55437**

2.40. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Advisory Services Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract \_\_\_\_\_

**Cornerstone Healthcare Group Holding, Inc  
2200 Ross Ave  
Ste. 5400  
Dallas, TX 75201**

2.41. State what the contract or lease is for and the nature of the debtor's interest **Office Lease**

State the term remaining **927 Days**

List the contract number of any government contract \_\_\_\_\_

**Crescent TC Investors, L.P.  
200 Crescent Court  
Ste 250  
Dallas, TX 75201**

2.42. State what the contract or lease is for and the nature of the debtor's interest **Filing/Formation/Registered Agent**

State the term remaining **N/A - As Needed**

List the contract number of any government contract \_\_\_\_\_

**CT Corporation  
1999 Bryan Street  
Ste 900  
Dallas, TX 75201**

2.43. State what the contract or lease is for and the nature of the debtor's interest **Emergency Backup It Support**

State the term remaining **Monthly**

List the contract number of any government contract \_\_\_\_\_

**CVE technology  
3000 E Plano Pkwy  
Plano, TX 75074**



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First Name Middle Name Last Name

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**Additional Page if You Have More Contracts or Leases**

**2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.44. State what the contract or lease is for and the nature of the debtor's interest **Anti Virus Software**

State the term remaining **Annual**

List the contract number of any government contract

**Cylance  
400 Spectrum Center Dr.  
Suite 900  
Irvine, CA 92618**

2.45. State what the contract or lease is for and the nature of the debtor's interest **Compliance Information Service**

State the term remaining **30 Day Termination**

List the contract number of any government contract

**Debt Domain  
295 Madison Ave  
Ste 24  
New York, NY 10017**

2.46. State what the contract or lease is for and the nature of the debtor's interest **Cable News**

State the term remaining **Monthly**

List the contract number of any government contract

**DirectTV  
208 South Akard Street  
Dallas, TX 75202**

2.47. State what the contract or lease is for and the nature of the debtor's interest **Cobra Admin**

State the term remaining **443 Days**

List the contract number of any government contract

**Discovery Benefits Inc  
4321 20th Ave. S.  
Fargo, ND 58103**

2.48. State what the contract or lease is for and the nature of the debtor's interest **2 Factor Authentication**

State the term remaining **Monthly**

List the contract number of any government contract

**DUO Security  
170 West Tasman Dr  
San Jose, CA 95134**

2.49. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Eastland CLO Ltd.  
190 Elgin Avenue  
George Town, Grand Cayman  
KY1-9005, Cayman Islands**



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First Name Middle Name Last Name

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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.50. State what the contract or lease is for and the nature of the debtor's interest **Trading Cost Analytic Services**

State the term remaining

**30 Day Termination**

**Elkins McSherry  
225 Liberty St  
24th floor  
New York, NY 10281**

List the contract number of any government contract

2.51. State what the contract or lease is for and the nature of the debtor's interest **Disaster Recovery Site**

State the term remaining

**3 Years**

**Evoque Data Center  
250 Vesey Street 15th Floor  
New York, NY 10281**

List the contract number of any government contract

2.52. State what the contract or lease is for and the nature of the debtor's interest **Load Balancers**

State the term remaining

**Annual**

**F5  
801 5th Ave  
Seattle, WA 98104**

List the contract number of any government contract

2.53. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Shared Services Agreement**

State the term remaining

**Termination Contingent**

**Falcon E&P Opportunities GP, LLC  
c/o PetroCap, LLC, Attention: Marc Manzo  
2602 McKinney Avenue  
Suite 400  
Dallas, TX 75204**

List the contract number of any government contract

2.54. State what the contract or lease is for and the nature of the debtor's interest **Software**

State the term remaining

**169 Days**

**Financial Tracking  
1111 East Putnam Ave  
Ste 304  
Riverside, CT 06878**

List the contract number of any government contract

2.55. State what the contract or lease is for and the nature of the debtor's interest **Pr Services**

**First Page Management LLC dba StatusLabs  
151 South 1st  
Ste 100  
Austin, TX 78704**



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First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

**Additional Page if You Have More Contracts or Leases**

**2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **16 Days**

List the contract number of any government contract \_\_\_\_\_

2.56. State what the contract or lease is for and the nature of the debtor's interest **Primary Data Center**

State the term remaining **Monthly**

List the contract number of any government contract \_\_\_\_\_

**Flexential**  
**11900 East Cornell Avenue**  
**Building B, 3rd Floor**  
**Aurora, CO 80014**

2.57. State what the contract or lease is for and the nature of the debtor's interest **Plant Maintenance**

State the term remaining **166 Days**

List the contract number of any government contract \_\_\_\_\_

**Four Seasons Landscaping, LLC**  
**PO Box 793429**  
**Dallas, TX 75379**

2.58. State what the contract or lease is for and the nature of the debtor's interest **Data Accessed Via Bloomberg Terminals**

State the term remaining **290 Days**

List the contract number of any government contract \_\_\_\_\_

**FT Interactive Data Corporation**  
**22 Crosby Drive**  
**Bedford, MA 01730**

2.59. State what the contract or lease is for and the nature of the debtor's interest **Expert Services**

State the term remaining **N/A**

List the contract number of any government contract \_\_\_\_\_

**FTI Consulting, Inc.**  
**Three Times Square**  
**10th floor**  
**New York, NY 10036**

2.60. State what the contract or lease is for and the nature of the debtor's interest **Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract \_\_\_\_\_

**Gleneagles CLO, Ltd.**  
**PO Box 1093 GT, Queensgate House**  
**South Church Street, George Town**  
**Grand Cayman, Cayman Islands**



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 First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

**Additional Page if You Have More Contracts or Leases**

**2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.61. State what the contract or lease is for and the nature of the debtor's interest **Domain Registrations**

State the term remaining **1 Year**

List the contract number of any government contract

**GoDaddy  
 14455 N. Hayden Rd.  
 Ste. 219  
 Scottsdale, AZ 85260**

2.62. State what the contract or lease is for and the nature of the debtor's interest **Corporate Wellness**

State the term remaining **197 Days**

List the contract number of any government contract

**Gold's Texas Holdings Group, Inc  
 4001 Maples Avenue  
 Ste 200  
 Dallas, TX 75219**

2.63. State what the contract or lease is for and the nature of the debtor's interest **Investment Management Agreement**

State the term remaining **60 Day Termination Provision; Annual Autoextend Following Initial Term 12/31/2008**

List the contract number of any government contract

**Governance Re Ltd.  
 Wellesley House North  
 2nd Floor, 90 Pitts Bay Road  
 Pembroke HM 08, Bermuda**

2.64. State what the contract or lease is for and the nature of the debtor's interest **D&O policy**

State the term remaining **75 days (to 12/31/2019)**

List the contract number of any government contract

**Governance Re Ltd.  
 Wellesley House North, 2nd Floor  
 90 Pitts Bay Road, Pembroke HM 08  
 Bermuda**

2.65. State what the contract or lease is for and the nature of the debtor's interest **Amendment No. 1 To Servicing Agreement**

State the term remaining **N/A**

List the contract number of any government contract

**Grayson CLO Corp., et al  
 190 Elgin Avenue  
 George Town, Grand Cayman  
 KY1-9005, Cayman Islands**

2.66. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining **Termination Contingent**

**Grayson CLO Ltd.  
 190 Elgin Avenue  
 George Town, Grand Cayman  
 KY1-9005, Cayman Islands**



Debtor 1 **Highland Capital Management, L.P.**

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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract \_\_\_\_\_

2.67. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining

**Termination Contingent**

**Greenbriar CLO, Ltd.  
P.O. Box 1093GT, Queensgate House  
South Church Street, George Town  
Grand Cayman, Cayman Islands**

List the contract number of any government contract \_\_\_\_\_

2.68. State what the contract or lease is for and the nature of the debtor's interest **Compliance Testing**

State the term remaining

**95 Days**

**Greyline Solutions LLC  
One Sansome Street  
Suite 1895  
San Francisco, CA 94104**

List the contract number of any government contract \_\_\_\_\_

2.69. State what the contract or lease is for and the nature of the debtor's interest **Food Ordering**

State the term remaining

**191 Days**

**GrubHub Holdings Inc.  
111 W. Washington Street  
Ste 2100  
Chicago, IL 60602**

List the contract number of any government contract \_\_\_\_\_

2.70. State what the contract or lease is for and the nature of the debtor's interest **Gips Services**

State the term remaining

**43982**

**Guardian Performance Solutions, LLC  
836 57th Street  
Suite 408  
Sacramento, CA 95819**

List the contract number of any government contract \_\_\_\_\_

2.71. State what the contract or lease is for and the nature of the debtor's interest **Data Sharing Platform**

State the term remaining

**306 Days**

**Harvest Exchange Corp  
1200 Smith Street  
Ste. 672  
Houston, TX 77002**

List the contract number of any government contract \_\_\_\_\_



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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.72. State what the contract or lease is for and the nature of the debtor's interest **Online Research Portal**

State the term remaining **5 business day termination; 3 month autorenewal after initial term of 03/31/2016**

List the contract number of any government contract

**Hedgeye Risk Management, LLC  
1 High Ridge Park  
3rd Floor  
Stamford, CT 06905**

2.73. State what the contract or lease is for and the nature of the debtor's interest **Sub-Advisory Agreement**

State the term remaining **30 Days With Additional Contingencies**

List the contract number of any government contract

**Highland Capital Insurance Solutions, L.P.  
Attention: General Counsel  
300 Crescent Court  
Suite 700  
Dallas, TX 75201**

2.74. State what the contract or lease is for and the nature of the debtor's interest **Shared Services Agreement**

State the term remaining **30 Day Termination Provision**

List the contract number of any government contract

**Highland Capital Insurance Solutions, L.P.  
Attention: General Counsel  
300 Crescent Court  
Suite 700  
Dallas, TX 75201**

2.75. State what the contract or lease is for and the nature of the debtor's interest **Second Amended And Restated Shared Service Agreement**

State the term remaining **60 Day Termination Provision; Annual Autoextend Following Initial Term 2/8/2014**

List the contract number of any government contract

**Highland Capital Management Fund Advisor LP  
Attention: General Counsel  
300 Crescent Court  
Suite 700  
Dallas, TX 75201**

2.76. State what the contract or lease is for and the nature of the debtor's interest **Investment Management Agreement**

State the term remaining **60 Day Termination Provision; Annual Autoextend Following Initial Term 7/31/2007**

List the contract number of any government contract

**Highland Capital Multi-Strategy Fund, L.P.  
PO Box 309 Ugland House  
Grand Cayman  
KY1-1104, Cayman Islands**



Debtor 1 **Highland Capital Management, L.P.**

First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ****Additional Page if You Have More Contracts or Leases****2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.77.	State what the contract or lease is for and the nature of the debtor's interest	<b>Collateral Management Agreement</b>	
	State the term remaining	<b>Termination Contingent</b>	<b>Highland Credit Opportunities CDO Ltd. 190 Elgin Avenue George Town, Grand Cayman KY1-9005, Cayman Islands</b>
	List the contract number of any government contract		
2.78.	State what the contract or lease is for and the nature of the debtor's interest	<b>Management Agreement</b>	
	State the term remaining	<b>90 Days With Additional Contingencies</b>	<b>Highland Credit Opportunities Japanese Feeder Sub-Trust 190 Elgin Avenue George Town Grand Cayman KY1-9005, Cayman Islands</b>
	List the contract number of any government contract		
2.79.	State what the contract or lease is for and the nature of the debtor's interest	<b>Service Agreement</b>	
	State the term remaining	<b>30 day termination notice</b>	<b>Paxstone Capital LLP Attn: Kasper Kemp Hansen 483 Green Lane London N13 4BS UK</b>
	List the contract number of any government contract		
2.80.	State what the contract or lease is for and the nature of the debtor's interest	<b>Sub-Advisory Agreement</b>	
	State the term remaining	<b>Termination Contingent</b>	<b>Highland HCF Advisor, Ltd. Attention: General Counsel 300 Crescent Court Suite 700 Dallas, TX 75201</b>
	List the contract number of any government contract		
2.81.	State what the contract or lease is for and the nature of the debtor's interest	<b>Shared Services Agreement</b>	
	State the term remaining	<b>30 Days</b>	<b>Highland HCF Advisor, Ltd. Attention: General Counsel 300 Crescent Court Suite 700 Dallas, TX 75201</b>
	List the contract number of any government contract		
2.82.	State what the contract or lease is for and the nature of the debtor's interest	<b>Collateral Management Agreement</b>	
	State the term remaining	<b>Termination Contingent</b>	<b>Highland Legacy Limited c/o Maples and Calder, PO Box 309 Ugland House, South Church Street, Georg Grand Cayman, Cayman Islands</b>



Debtor 1 **Highland Capital Management, L.P.**

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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract \_\_\_\_\_

2.83. State what the contract or lease is for and the nature of the debtor's interest

**Investment Management Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract \_\_\_\_\_

**Highland Loan Fund, Ltd., et al  
PO Box 309 Ugland House  
Grand Cayman  
KY1-1104, Cayman Islands**

2.84. State what the contract or lease is for and the nature of the debtor's interest

**Collateral Management Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract \_\_\_\_\_

**Highland Loan Funding V Ltd.  
P.O. Box 1093GT, Queensgate House  
South Church Street, George Town  
Grand Cayman, Cayman Islands**

2.85. State what the contract or lease is for and the nature of the debtor's interest

**Third Amended And Restated Investment Management Agreement**

State the term remaining

**75 Day Termination;  
Annual Auto Renewal  
Following Initial Term  
12/31/2014**

List the contract number of any government contract \_\_\_\_\_

**Highland Multi Strategy Credit Fund, Ltd  
PO Box 309 Ugland House  
Grand Cayman  
KY1-1104, Cayman Islands**

2.86. State what the contract or lease is for and the nature of the debtor's interest

**Investment Management Agreement**

State the term remaining

**60 Day Termination;  
Annual Auto Renewal  
Following Initial Term  
7/31/2007**

List the contract number of any government contract \_\_\_\_\_

**Highland Multi Strategy Credit Fund, Ltd  
PO Box 309 Ugland House  
Grand Cayman  
KY1-1104, Cayman Islands**

2.87. State what the contract or lease is for and the nature of the debtor's interest

**Collateral Servicing Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract \_\_\_\_\_

**Highland Park CDO I, Ltd.  
P.O. Box 1093GT, Queensgate House  
South Church Street, George Town  
Grand Cayman, Cayman Islands**



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.88.	State what the contract or lease is for and the nature of the debtor's interest	<b>Amended And Restated Investment Management Agreement</b>	
	State the term remaining	<b>90 Days With Additional Contingencies</b>	<b>Highland Prometheus Master Fund, L.P. c/o Maples and Calder, PO Box 309 Ugland House, South Church Street, Georg Grand Cayman, Cayman Islands</b>
	List the contract number of any government contract		
2.89.	State what the contract or lease is for and the nature of the debtor's interest	<b>Management Agreement</b>	
	State the term remaining	<b>Termination Contingent</b>	<b>Highland Restoration Capital Partners Offshore, L.P. PO Box 309 Ugland House Grand Cayman KY1-1104, Cayman Islands</b>
	List the contract number of any government contract		
2.90.	State what the contract or lease is for and the nature of the debtor's interest	<b>Investment Management Agreement</b>	
	State the term remaining	<b>75 Days With Additional Contingencies</b>	<b>Highland Select Equity Master Fund, L.P. 31 Victoria Street Victoria House Hamilton HM10, Bermuda</b>
	List the contract number of any government contract		
2.91.	State what the contract or lease is for and the nature of the debtor's interest	<b>Oms Software</b>	
	State the term remaining	<b>Annual</b>	<b>IBM Websphere 1 New Orchard Road Armonk, NY 10504</b>
	List the contract number of any government contract		
2.92.	State what the contract or lease is for and the nature of the debtor's interest	<b>Discovery Assistant</b>	
	State the term remaining	<b>111 Days</b>	<b>ImageMAKER Development Inc Ste 102,416 - 6th Street New Westminster, BC, Canada V3L3B2</b>
	List the contract number of any government contract		
2.93.	State what the contract or lease is for and the nature of the debtor's interest	<b>Software License Xto Zephyr</b>	
			<b>Informa Investment Solutions 4 Westchester Park Drive White Plain, NY 10604</b>



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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **288 Days**

List the contract number of any government contract

2.94. State what the contract or lease is for and the nature of the debtor's interest **Style Advisor Software**

State the term remaining **76 Days**

List the contract number of any government contract

**Informa Investment Solutions  
4 Westchester Park Drive  
White Plain, NY 10604**

2.95. State what the contract or lease is for and the nature of the debtor's interest **Research Vendor**

State the term remaining **228 Days**

List the contract number of any government contract

**InsiderScore, LLC  
100 Thanet Circle  
Suite 300  
Princeton, NJ 08540**

2.96. State what the contract or lease is for and the nature of the debtor's interest **Data Warehouse Services**

State the term remaining **Variable based on schedule**

List the contract number of any government contract

**Interactive Data Pricing and Reference D  
32 Crosby Drive  
Bedford, MA 01730**

2.97. State what the contract or lease is for and the nature of the debtor's interest **License Deal Model Libraries**

State the term remaining **350 Days**

List the contract number of any government contract

**Intex Solutions, Inc.  
110 A Street  
Needham, MA 02494**

2.98. State what the contract or lease is for and the nature of the debtor's interest **Data Site**

State the term remaining **Variable based on schedule**

List the contract number of any government contract

**Intralinks Inc.  
150 East 42nd St  
8th floor  
New York, NY 10017**



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First Name

Middle Name

Last Name

Case number (if known) **19-34054-SGJ****Additional Page if You Have More Contracts or Leases****2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.99. State what the contract or lease is for and the nature of the debtor's interest **Desktop Usb Monitoring**State the term remaining **Annual**

List the contract number of any government contract

**Ivanti Security  
698 West 10000 South  
Jordan, UT 84095**2.100. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Portfolio Management Agreement**State the term remaining **Termination Contingent**

List the contract number of any government contract

**Jasper CLO Ltd.  
190 Elgin Avenue  
George Town, Grand Cayman  
KY1-9005, Cayman Islands**2.101. State what the contract or lease is for and the nature of the debtor's interest **Portfolio Management Agreement**State the term remaining **Termination Contingent**

List the contract number of any government contract

**Liberty CLO Ltd.  
190 Elgin Avenue  
George Town, Grand Cayman  
KY1-9005, Cayman Islands**2.102. State what the contract or lease is for and the nature of the debtor's interest **Group Life Insurance**State the term remaining **406 Days**

List the contract number of any government contract

**Liberty Life Assurance Company of Boston  
100 Liberty Way  
Dover, NH 03821**2.103. State what the contract or lease is for and the nature of the debtor's interest **Financial Institution Bond**State the term remaining **199 Days**

List the contract number of any government contract

**Liberty Mutual Insurance Company  
175 Berkley St  
Boston, MA 02116**2.104. State what the contract or lease is for and the nature of the debtor's interest **Linkedin - Recruiting/Job Posting**State the term remaining **269 Days**

List the contract number of any government contract

**LinkedIn Corporation  
1000 West Maude Avenue  
Sunnyvale, CA 94085**



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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.105. State what the contract or lease is for and the nature of the debtor's interest

**Investment Management Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract

**Longhorn Credit Funding, LLC  
874 Walker Rd, Ste C  
Dover, DE 19904**

2.106. State what the contract or lease is for and the nature of the debtor's interest

**Amendment No. 1 To Investment Management Agreement  
N/A**

State the term remaining

List the contract number of any government contract

**Longhorn Credit Funding, LLC  
874 Walker Rd, Ste C  
Dover, DE 19904**

2.107. State what the contract or lease is for and the nature of the debtor's interest

**Macroeconomic Research Services**

State the term remaining

**15 Days**

List the contract number of any government contract

**MacroMavens  
180 W 20th Street  
Suite 1700  
New York, NY 10011**

2.108. State what the contract or lease is for and the nature of the debtor's interest

**Compliance Services**

State the term remaining

**One month termination**

List the contract number of any government contract

**Maples Compliance Services (Cayman) Limit  
PO Box 1093, Queensgate House  
Grand Cayman, Cayman Islands  
KY1-1102**

2.109. State what the contract or lease is for and the nature of the debtor's interest

**Nav Calc And Distribution**

State the term remaining

**223 Days**

List the contract number of any government contract

**Markit Equities Limited  
c.o Market Group Limited, Level 4  
Ropemaker Place, 25 Ropemaker Street  
London EC2Y9LY**

2.110. State what the contract or lease is for and the nature of the debtor's interest

**Data Services**

**Markit Group Limited / Markit North America  
2 More London Riverside  
London SE12AP**



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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **60 day termination after initial term of 11/01/2021; variable based on schedules**

List the contract number of any government contract

2.111. State what the contract or lease is for and the nature of the debtor's interest **Software License**

State the term remaining **746 Days**

List the contract number of any government contract

**MarkitWSO Corporation  
Three Lincoln Centre  
5430 LBJ Freeway  
Ste 800  
Dallas, TX 75240**

2.112. State what the contract or lease is for and the nature of the debtor's interest **Wso Software**

State the term remaining **746 Days**

List the contract number of any government contract

**MarkitWSO Corporation  
Three Lincoln Centre  
5430 LBJ Freeway Ste 800  
Dallas, TX 75240**

2.113. State what the contract or lease is for and the nature of the debtor's interest **401K Plan Admin**

State the term remaining **47 Days**

List the contract number of any government contract

**MBM Advisors, Inc.  
440 Louisiana St  
Suite 2500  
Houston, TX 77002**

2.114. State what the contract or lease is for and the nature of the debtor's interest **Comp Survey**

State the term remaining **30 day termination**

List the contract number of any government contract

**McLagan Partners Inc (Aon McLagan)  
1600 Summer Street  
Ste 601  
Stamford, CT 06905**

2.115. State what the contract or lease is for and the nature of the debtor's interest **Subscription To Creditflux News & Clo I-Data Services**

State the term remaining **350 Days**

List the contract number of any government contract

**Mergermarket (US) Limited  
1501 Broadway  
8th Floor  
New York, NY 10036**



Debtor 1 **Highland Capital Management, L.P.**

First Name

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Last Name

Case number (if known) **19-34054-SGJ****Additional Page if You Have More Contracts or Leases****2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.116. State what the contract or lease is for and the nature of the debtor's interest **Subscription To Xtract Research**State the term remaining **45 Days**

List the contract number of any government contract

**Mergermarket (US) Limited  
1501 Broadway  
Suite 801  
New York, NY 10036**2.117. State what the contract or lease is for and the nature of the debtor's interest **Term Life Insurance**State the term remaining **188 Days**

List the contract number of any government contract

**Metlife Investors USA Insurance Company  
PO Box 13863  
Philadelphia, PA 19101**2.118. State what the contract or lease is for and the nature of the debtor's interest **Ms Software Assurance**State the term remaining **3 Years**

List the contract number of any government contract

**Microsoft  
One Microsoft Way  
Redmond, WA 98052**2.119. State what the contract or lease is for and the nature of the debtor's interest **Creditview Corporate - Leveraged Finance (12 Users)**State the term remaining **74 Days**

List the contract number of any government contract

**Moody's Analytics, Inc.  
7 World Trade Center  
New York, NY 10007**2.120. State what the contract or lease is for and the nature of the debtor's interest **Software License**State the term remaining **259 Days**

List the contract number of any government contract

**Morningstar Inc.  
22 W Washington St  
Chicago, IL 60602**2.121. State what the contract or lease is for and the nature of the debtor's interest **Data License**State the term remaining **50 Days****MSCI Inc.  
7 World Trade Center  
250 Greenwich St, 49th floor  
New York, NY 10007**



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**Additional Page if You Have More Contracts or Leases**

**2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract \_\_\_\_\_

2.122. State what the contract or lease is for and the nature of the debtor's interest **Mailflow Monitoring**

State the term remaining **Monthly**

List the contract number of any government contract \_\_\_\_\_

**Mxtoolbox  
12710 Research Blvd  
Ste 225  
Austin, TX 00225**

2.123. State what the contract or lease is for and the nature of the debtor's interest **San Maintenance**

State the term remaining **3 Years**

List the contract number of any government contract \_\_\_\_\_

**Netapp  
1395 Crossman Ave  
Sunnyvale, CA 94089**

2.124. State what the contract or lease is for and the nature of the debtor's interest **Third Amended And Restated Investment Advisory Agreement**

State the term remaining **30 Day Termination; One Year Autoextend After Initial Term Of 8/31/2018**

List the contract number of any government contract \_\_\_\_\_

**NexBank SSB  
2515 McKinney Avenue  
Suite 1100  
Dallas, TX 75201**

2.125. State what the contract or lease is for and the nature of the debtor's interest **Sub-Servicing Agreement; Shared National Credit Program**

State the term remaining **30 day termination; one year autorenewal after initial term of 1/1/2015, additional termination contingencies**

List the contract number of any government contract \_\_\_\_\_

**NexBank, SSB  
2515 McKinney Avenue  
Suite 1100  
Dallas, TX 75201**

2.126. State what the contract or lease is for and the nature of the debtor's interest **Sub-Advisory Agreement**

State the term remaining **30 Days With Additional Contingencies**

List the contract number of any government contract \_\_\_\_\_

**NexPoint Advisors, LP  
200 Crescent Court  
Ste. 700  
Dallas, TX 75201**



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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.127. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Shared Services Agreement**

State the term remaining **30 Days**

List the contract number of any government contract

**NexPoint Advisors, LP  
200 Crescent Court  
Ste. 700  
Dallas, TX 75201**

2.128. State what the contract or lease is for and the nature of the debtor's interest **Cloud Single Sign On**

State the term remaining **Monthly**

List the contract number of any government contract

**Onelogin  
848 Battery Street  
San Francisco, CA 94111**

2.129. State what the contract or lease is for and the nature of the debtor's interest **Rightfax Maintenance**

State the term remaining **Annual**

List the contract number of any government contract

**Opentext  
275 Frank Tompa Drive  
Waterloo, ON N2L 0A1  
Canada**

2.130. State what the contract or lease is for and the nature of the debtor's interest **Oracle Owns Taleo Our Ats**

State the term remaining **80 Days**

List the contract number of any government contract

**Oracle America, Inc.  
500 Oracle Parkway  
Redwood Shores, CA 94065**

2.131. State what the contract or lease is for and the nature of the debtor's interest **Network Monitoring**

State the term remaining **Annual**

List the contract number of any government contract

**Paessler  
Thurn-und-Taxis-Str. 14  
90411 Nuremberg  
Germany**

2.132. State what the contract or lease is for and the nature of the debtor's interest **Collateral Management Agreement**

**PAM Capital Funding, LP / Ranger Asset Management LP  
c/o Maples and Calder, PO Box 309  
Ugland House, South Church Street, Georg  
Grand Cayman, Cayman Islands**



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First Name Middle Name Last Name

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**Additional Page if You Have More Contracts or Leases**

**2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **Termination Contingent**

List the contract number of any government contract

2.133. State what the contract or lease is for and the nature of the debtor's interest **Collateral Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**PamCo Cayman Ltd. / Ranger Asset Management LP**  
c/o Maples and Calder, PO Box 309  
Ugland House, South Church Street, Georg  
Grand Cayman, Cayman Islands

2.134. State what the contract or lease is for and the nature of the debtor's interest **Payroll Services**

State the term remaining **N/A**

List the contract number of any government contract

**Paylocity Corporation**  
3850 N. Wilke Rd.  
Arlington Heights, IL 60004

2.135. State what the contract or lease is for and the nature of the debtor's interest **401Kplan Auditor Erisa Cpa**

State the term remaining **Perpetuity**

List the contract number of any government contract

**Payne & Smith, LLC**  
5952 Royal Lane  
Ste 158  
Dallas, TX 75230

2.136. State what the contract or lease is for and the nature of the debtor's interest **Investment Management Agreement**

State the term remaining **75 Days With Additional Contingencies**

List the contract number of any government contract

**PCMG Trading Partners XXIII, L.P.**  
1209 Orange Street  
Wilmington, DE 19801

2.137. State what the contract or lease is for and the nature of the debtor's interest **Investment Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**PensionDanmark Pensionsforsikringsakties**  
Langelinie Alle 43  
2100 Copenhagen  
Attention: Head of Legal  
Denmark



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**Additional Page if You Have More Contracts or Leases**

**2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.138.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Amendment No. 1 To Investment Management Agreement</b> <b>N/A</b>	<b>PensionDanmark Pensionsforsikringsakties</b> <b>Langelinie Alle 43</b> <b>2100 Copenhagen</b> <b>Attention: Head of Legal</b> <b>Denmark</b>
2.139.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Amended And Restated Administrative Services Agreement</b> <b>Termination Contingent</b>	<b>PetroCap Partners II GP, LLC</b> <b>Attention: William L. Britain</b> <b>2602 McKinney Avenue</b> <b>Suite 400</b> <b>Dallas, TX 75204</b>
2.140.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Mail Meter</b>  <b>60 day termination; one year autorenewal after initial term of 09/09/14</b>	<b>Pitney Bowes Global Financial Services</b> <b>PO Box 371874</b> <b>Pittsburgh, PA 15250</b>
2.141.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Media Services</b>  <b>106 Days</b>	<b>PR Newswire Association, LLC</b> <b>602 Plaza</b> <b>Three Harborside Financial Center</b> <b>Jersey City, NJ 07311</b>
2.142.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Actuarial Valuation Retirement Plan</b>  <b>Project Based</b>	<b>PricewaterhouseCoopers LLP</b> <b>One North Wacker</b> <b>Chicago, IL 60606</b>
2.143.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining	<b>Second Amended And Restated Back Office Shared Services And Administration Agreement</b> <b>30 Day Termination;</b>	<b>Rand Advisors, LLC / Atlas IDF LP, et al</b> <b>Attn John Honis</b> <b>87 Railroad Place</b> <b>Ste 403</b> <b>Saratoga Springs, NY 12866</b>



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First Name

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Last Name

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**19-34054-SGJ****Additional Page if You Have More Contracts or Leases****2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

**One Year Autorenewal  
After Initial Term Of  
12/24/2016, Additional  
Termination  
Contingencies**

List the contract number of any government contract \_\_\_\_\_

2.144. State what the contract or lease is for and the nature of the debtor's interest **Linux Maintenance**

State the term remaining

**Annual**

List the contract number of any government contract \_\_\_\_\_

**Red Hat  
100 East Davie Street  
Raleigh, NC 27601**2.145. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract \_\_\_\_\_

**Red River CLO Ltd.  
190 Elgin Avenue  
George Town Grand Cayman  
KY1-9005, Cayman Islands**2.146. State what the contract or lease is for and the nature of the debtor's interest **Amendment No. 1 To Servicing Agreement**

State the term remaining

**N/A**

List the contract number of any government contract \_\_\_\_\_

**Red River CLO Ltd., et al  
190 Elgin Avenue  
George Town, Grand Cayman  
KY1-9005, Cayman Islands**2.147. State what the contract or lease is for and the nature of the debtor's interest **Subscription Services, Reorg Americas**

State the term remaining

**289 Days**

List the contract number of any government contract \_\_\_\_\_

**Reorg Research, Inc.  
11 East 26th Street  
12th Floor  
New York, NY 10010**2.148. State what the contract or lease is for and the nature of the debtor's interest **Servicing Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract \_\_\_\_\_

**Rockwall CDO II Ltd.  
P.O. Box 1093GT, Queensgate House  
South Church Street, George Town  
Grand Cayman, Cayman Islands**



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First Name

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State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.149.	State what the contract or lease is for and the nature of the debtor's interest	<b>Interim Collateral Management Agreement</b>	Rockwall CDO Ltd. P.O. Box 1093GT, Queensgate House South Church Street, George Town Grand Cayman, Cayman Islands
	State the term remaining	<b>Termination Contingent</b>	
	List the contract number of any government contract		
2.150.	State what the contract or lease is for and the nature of the debtor's interest	<b>Servicing Agreement</b>	Rockwall CDO Ltd. P.O. Box 1093GT, Queensgate House South Church Street, George Town Grand Cayman, Cayman Islands
	State the term remaining	<b>Termination Contingent</b>	
	List the contract number of any government contract		
2.151.	State what the contract or lease is for and the nature of the debtor's interest	<b>Amendment No. 1 To Servicing Agreement</b>	Rockwall CDO Ltd., et al P.O. Box 1093GT, Queensgate House South Church Street, George Town Grand Cayman, Cayman Islands
	State the term remaining	<b>N/A</b>	
	List the contract number of any government contract		
2.152.	State what the contract or lease is for and the nature of the debtor's interest	<b>Advisory Services Agreement</b>	Romacorp, Inc. 1700 Alma Drive Ste. 400 Plano, TX 75075
	State the term remaining	<b>Termination Contingent</b>	
	List the contract number of any government contract		
2.153.	State what the contract or lease is for and the nature of the debtor's interest	<b>Research Services</b>	S&P Global Market Intelligence LLC 55 Water Street New York, NY 10041
	State the term remaining	<b>442 Days</b>	
	List the contract number of any government contract		
2.154.	State what the contract or lease is for and the nature of the debtor's interest	<b>Subadvisor Agreement</b>	SALI Fund Management, LLC 6836 Austin Center Blvd Ste. 320 Austin, TX 78731
	State the term remaining	<b>Termination Contingent</b>	



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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract \_\_\_\_\_

2.155. State what the contract or lease is for and the nature of the debtor's interest **It Services**

State the term remaining **717 Days**

List the contract number of any government contract \_\_\_\_\_

**Siepe Services, LLC  
2200 Ross Ave, Ste 4700E  
Dallas, TX 75201**

2.156. State what the contract or lease is for and the nature of the debtor's interest **Ftp Server Maintenance**

State the term remaining **Annual**

List the contract number of any government contract \_\_\_\_\_

**Solarwinds  
7171 Southwest Parkway  
Bldg 400  
Austin, TX 78735**

2.157. State what the contract or lease is for and the nature of the debtor's interest **Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract \_\_\_\_\_

**Southfork CLO Ltd.  
P.O. Box 1093GT, Queensgate House  
South Church Street, George Town  
Grand Cayman, Cayman Islands**

2.158. State what the contract or lease is for and the nature of the debtor's interest **Research Services**

State the term remaining **320 Days**

List the contract number of any government contract \_\_\_\_\_

**Spin-off Advisors, LLC  
1327 W. Washington Blvd  
Suite 4-G  
Chicago, IL 60607**

2.159. State what the contract or lease is for and the nature of the debtor's interest **Finders Fee For Acquisitions/Investments**

State the term remaining **Perpetuity**

List the contract number of any government contract \_\_\_\_\_

**Springboard Network LLC  
9900 Spectrum Drive  
Austin, TX 78717**



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## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.160.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Fourth Admended And Restated Agreement Of Limited Partnership Of Highland Capital Management, L.P.</b> <b>Perpetuity</b>	<b>Strand Advisors Inc.</b> <b>1209 Orange Street</b> <b>Wilmington, DE 19801</b>
2.161.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Research Service</b>  <b>442 Days</b>	<b>Strategas Securities, LLC</b> <b>52 Vanderbilt Ave</b> <b>8th Floor</b> <b>New York, NY 10017</b>
2.162.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Servicing Agreement</b>  <b>Termination Contingent</b>	<b>Stratford CLO Ltd.</b> <b>P.O. Box 1093GT, Queensgate House</b> <b>South Church Street, George Town</b> <b>Grand Cayman, Cayman Islands</b>
2.163.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Management Services Agreement</b>  <b>Contingent</b>	<b>Structural and Steel Products, Inc</b> <b>3001 W Pafford Street</b> <b>Fort Worth, TX 76110</b>
2.164.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining  List the contract number of any government contract	<b>Electronic Trading Services</b>  <b>30 day termination</b>	<b>SunTrust Robinson Humphrey Inc.</b> <b>SunTrust Robinson Humphrey</b> <b>Attn: Documentation</b> <b>711 5th Avenue 14th Fl.</b> <b>New York, NY 10022</b>
2.165.	State what the contract or lease is for and the nature of the debtor's interest  State the term remaining	<b>Symphony License</b>  <b>205 Days</b>	<b>Symphony Communication Services LLC</b> <b>1117 S California Ave</b> <b>Palo Alto, CA 94304</b>



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

List the contract number of any government contract \_\_\_\_\_

2.166. State what the contract or lease is for and the nature of the debtor's interest **Electronic Access**

State the term remaining **Perpetuity**

List the contract number of any government contract \_\_\_\_\_

**The Bank of New York Mellon Trust Company  
601 Travis, 16th floor  
Houston, TX 77002**

2.167. State what the contract or lease is for and the nature of the debtor's interest **Tax Research Software**

State the term remaining **139 Days**

List the contract number of any government contract \_\_\_\_\_

**The Bureau of National Affairs, Inc  
1801 South Bell Street  
Arlington, VA 22202**

2.168. State what the contract or lease is for and the nature of the debtor's interest **Disability Income Insurance**

State the term remaining **258 Days**

List the contract number of any government contract \_\_\_\_\_

**The Standard  
1100 SW Sixth Ave  
Portland, OR 97204**

2.169. State what the contract or lease is for and the nature of the debtor's interest **Westlaw Services**

State the term remaining **60 day termination and one year autorenewal; after initial term of 11/29/2021**

List the contract number of any government contract \_\_\_\_\_

**Thompson Reuters  
610 Opperman Drive  
PO Box 64833  
Eagan, MN 55123**

2.170. State what the contract or lease is for and the nature of the debtor's interest **Tax Research Software**

State the term remaining **224 Days**

List the contract number of any government contract \_\_\_\_\_

**Thomson Reuters  
PO Box 71687  
Chicago, IL 60694**



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

2.171. State what the contract or lease is for and the nature of the debtor's interest **Dns Server Backup**

State the term remaining **Monthly**

List the contract number of any government contract

**Total Uptime Tech  
Post Office Box 2228  
Skyland, NC 28776**

2.172. State what the contract or lease is for and the nature of the debtor's interest **Amended And Restated Advisory Services Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Trussway Holdings, Inc.  
9411 Alcorn  
Houston, TX 77093**

2.173. State what the contract or lease is for and the nature of the debtor's interest **Mail Gateway**

State the term remaining **Annual**

List the contract number of any government contract

**Trustwave  
70 W Madison St  
Ste. 1050  
Chicago, IL 01050**

2.174. State what the contract or lease is for and the nature of the debtor's interest **Mailing**

State the term remaining **1007 Days**

List the contract number of any government contract

**United Parcel Service, Inc  
55 Glenlake Parkway  
Atlanta, GA 30328**

2.175. State what the contract or lease is for and the nature of the debtor's interest **Reference Portfolio Management Agreement**

State the term remaining **Termination Contingent**

List the contract number of any government contract

**Valhalla CLO, Ltd.  
c/o Intertrust SPV Cayman Limited  
190 Elgin Ave, George Town Grand Cayman  
Cayman Islands**

2.176. State what the contract or lease is for and the nature of the debtor's interest **Server Backups, Tape**

State the term remaining **Annual**

List the contract number of any government contract

**Veritas Backup Exec  
2625 Augustine Drive  
Santa Clara, CA 95054**



Debtor 1 **Highland Capital Management, L.P.**

First Name Middle Name Last Name

Case number (if known) **19-34054-SGJ**

## Additional Page if You Have More Contracts or Leases

### 2. List all contracts and unexpired leases

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

government contract

2.177. State what the contract or lease is for and the nature of the debtor's interest

**Mail Archive Software**

State the term remaining

**Annual**

List the contract number of any government contract

**Veritas Enterprise Vault  
2625 Augustine Drive  
Santa Clara, CA 95054**

2.178. State what the contract or lease is for and the nature of the debtor's interest

**Print Services**

State the term remaining

**Monthly**

List the contract number of any government contract

**Verity Group  
885 E Collins Blvd  
Ste. 102  
Richardson, TX 75081**

2.179. State what the contract or lease is for and the nature of the debtor's interest

**Servicing Agreement**

State the term remaining

**Termination Contingent**

List the contract number of any government contract

**Westchester CLO Ltd.  
P.O. Box 1093GT, Queensgate House  
South Church Street, George Town  
Grand Cayman, Cayman Islands**

2.180. State what the contract or lease is for and the nature of the debtor's interest

**Tax Return Software;  
File Document Storage  
Software**

State the term remaining

**37 Days**

List the contract number of any government contract

**Wolters Kluwer  
1999 Bryan Street  
Ste 900  
Dallas, TX 75201**

2.181. State what the contract or lease is for and the nature of the debtor's interest

**Public Website Hosting**

State the term remaining

**Monthly**

List the contract number of any government contract

**WP Engine  
504 Lavaca Street  
Suite 1000  
Austin, TX 78701**

2.182. State what the contract or lease is for and the nature of the debtor's interest

**Print Services**

**Xerox  
45 Glover Ave  
Norwalk, CT 06856**



Debtor 1 **Highland Capital Management, L.P.** Case number (if known) **19-34054-SGJ**  
 First Name Middle Name Last Name

**Additional Page if You Have More Contracts or Leases**

**2. List all contracts and unexpired leases**

State the name and mailing address for all other parties with whom the debtor has an executory contract or unexpired lease

State the term remaining **Monthly**

List the contract number of any government contract \_\_\_\_\_

2.183. State what the contract or lease is for and the nature of the debtor's interest **Wan Line**

State the term remaining **2 Years**

List the contract number of any government contract \_\_\_\_\_

**Zayo Group  
1821 30th Street  
Unit A  
Boulder, CO 80301**

2.184. State what the contract or lease is for and the nature of the debtor's interest **Helpdesk Platform**

State the term remaining **Monthly**

List the contract number of any government contract \_\_\_\_\_

**Zendesk  
1019 Market St  
San Francisco, CA 94103**

2.185. State what the contract or lease is for and the nature of the debtor's interest **Web Proxy**

State the term remaining **Annual**

List the contract number of any government contract \_\_\_\_\_

**Zscaler  
110 Rose Orchard Way  
San Jose, CA 95134**



**Fill in this information to identify the case:**

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

## Official Form 206H Schedule H: Your Codebtors

12/15

Be as complete and accurate as possible. If more space is needed, copy the Additional Page, numbering the entries consecutively. Attach the Additional Page to this page.

### 1. Do you have any codebtors?

- ☐ No. Check this box and submit this form to the court with the debtor's other schedules. Nothing else needs to be reported on this form.
- ☒ Yes

2. In Column 1, list as codebtors all of the people or entities who are also liable for any debts listed by the debtor in the schedules of creditors, Schedules D-G. Include all guarantors and co-obligors. In Column 2, identify the creditor to whom the debt is owed and each schedule on which the creditor is listed. If the codebtor is liable on a debt to more than one creditor, list each creditor separately in Column 2.

Column 1: Codebtor

Column 2: Creditor

	Name	Mailing Address	Name	Check all schedules that apply:
2.1	Acis CLO 2014-3 Ltd.	P.O. Box 1093, Boundary Hall, Cricket Sq George Town, Grand Cayman KY1-1102 Cayman Islands	Lynn Pinker Cox & Hurst, LLP	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.82</u> <input type="checkbox"/> G _____
2.2	Acis CLO 2014-3 Ltd.	P.O. Box 1093, Boundary Hall, Cricket Sq George Town, Grand Cayman KY1-1102 Cayman Islands	Foley Gardere	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.56</u> <input type="checkbox"/> G _____
2.3	Highland CLO 2014-3R LLC	300 Crescent Ct Suite 700 Dallas, TX 75201	Cole Schotz	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.35</u> <input type="checkbox"/> G _____
2.4	Highland CLO 2014-3R Ltd.	300 Crescent Ct. Suite 700 Dallas, TX 75201	Cole Schotz	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.35</u> <input type="checkbox"/> G _____



Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

**Additional Page to List More Codebtors**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

- |       |  |  |                              |   |
|-------|--|--|------------------------------|---|
| 2.5   | Highland CLO Funding, Ltd.             | First Floor, Dorey Court, Admiral Park<br>St. Peter Port, Guernsey<br>GY1 6HJ Channel Islands  | Foley Gardere                | <input type="checkbox"/> D _____<br><input checked="" type="checkbox"/> E/F <u>3.56</u><br><input type="checkbox"/> G _____ |
| <hr/> |  |  |                              |   |
| 2.6   | Highland CLO Holding, Ltd.             | PO Box 309 Ugland House S. Church St.<br>George Town, Grand Cayman<br>KY1-1004 Cayman Island   | Foley Gardere                | <input type="checkbox"/> D _____<br><input checked="" type="checkbox"/> E/F <u>3.56</u><br><input type="checkbox"/> G _____ |
| <hr/> |  |  |                              |   |
| 2.7   | Highland CLO Holding, Ltd.             | PO Box 309 Ugland House S. Church St.<br>George Town, Grand Cayman<br>KY1-1004 Cayman Island   | Lynn Pinker Cox & Hurst, LLP | <input type="checkbox"/> D _____<br><input checked="" type="checkbox"/> E/F <u>3.82</u><br><input type="checkbox"/> G _____ |
| <hr/> |  |  |                              |   |
| 2.8   | Highland CLO Management GP, LLC        | 1209 Orange St<br>Wilmington, DE 19801   | Cole Schotz                  | <input type="checkbox"/> D _____<br><input checked="" type="checkbox"/> E/F <u>3.35</u><br><input type="checkbox"/> G _____ |
| <hr/> |  |  |                              |   |
| 2.9   | Highland CLO Management Holdings, L.P. | PO Box 309 Ugland House<br>Grand Cayman<br>KY1-1104 Cayman Islands                             | Cole Schotz                  | <input type="checkbox"/> D _____<br><input checked="" type="checkbox"/> E/F <u>3.35</u><br><input type="checkbox"/> G _____ |
| <hr/> |  |  |                              |   |
| 2.10  | Highland CLO Management, LLC           | 1209 Orange St.<br>Wilmington, DE 19801  | Cole Schotz                  | <input type="checkbox"/> D _____<br><input checked="" type="checkbox"/> E/F <u>3.35</u><br><input type="checkbox"/> G _____ |
| <hr/> |  |  |                              |   |
| 2.11  | Highland CLO Management, Ltd.          | PO Box 309 Ugland House, S. Church St.<br>George Town, Grand Cayman<br>KY1-1004 Cayman Islands | Foley Gardere                | <input type="checkbox"/> D _____<br><input checked="" type="checkbox"/> E/F <u>3.56</u><br><input type="checkbox"/> G _____ |



Debtor **Highland Capital Management, L.P.**

Case number (if known) **19-34054-SGJ**

**Additional Page to List More Codebtors**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

2.12	<b>Highland CLO Management, Ltd.</b>	<b>PO Box 309 Ugland House, S. Church St. George Town, Grand Cayman KY1-1004 Cayman Islands</b>	<b>Lynn Pinker Cox &amp; Hurst, LLP</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.82</u> <input type="checkbox"/> G _____
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2.13	<b>Highland CLO Trust</b>	<b>PO Box 309 Ugland House George Town, Grand Cayman KY1-1104 Cayman Islands</b>	<b>Cole Schotz</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.35</u> <input type="checkbox"/> G _____
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2.14	<b>Highland Credit Opportunities CDO, LP</b>	<b>1209 Orange St Wilmington, DE 19801</b>	<b>Reid Collins &amp; Tsai</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.96</u> <input type="checkbox"/> G _____
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2.15	<b>Highland Credit Strategies Master FundLP</b>	<b>31 Victoria St Hamilton HM10</b>	<b>Reid Collins &amp; Tsai</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.96</u> <input type="checkbox"/> G _____
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2.16	<b>Highland Crusader Offshore Partners, L.P</b>	<b>Magnolia House Building, 1st Floor 119 Front Street Hamilton HM 12</b>	<b>Reid Collins &amp; Tsai</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.96</u> <input type="checkbox"/> G _____
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2.17	<b>Highland Employee Retention Assets, LLC</b>	<b>1209 Orange St Wilmington, DE 19801</b>	<b>DLA Piper LLP (US)</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.48</u> <input type="checkbox"/> G _____
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2.18	<b>Highland ERA Management, LLC</b>	<b>1209 Orange St. Wilmington, DE 19801</b>	<b>DLA Piper LLP (US)</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.48</u> <input type="checkbox"/> G _____
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Debtor Highland Capital Management, L.P. Case number (if known) 19-34054-SGJ

**Additional Page to List More Codebtors**

Copy this page only if more space is needed. Continue numbering the lines sequentially from the previous page.

Column 1: Codebtor

Column 2: Creditor

2.19	<b>Highland HCF Advisor, Ltd.</b>	PO Box 309 Ugland House S. Church St. George Town, Grand Cayman KY1-1004 Cayman Island	<b>Cole Schotz</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.35</u> <input type="checkbox"/> G _____
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2.20	<b>Highland HCF Advisor, Ltd.</b>	PO Box 309 Ugland House S. Church St. George Town, Grand Cayman KY1-1004 Cayman Island	<b>Foley Gardere</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.56</u> <input type="checkbox"/> G _____
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2.21	<b>Highland HCF Advisor, Ltd.</b>	PO Box 309 Ugland House S. Church St. George Town, Grand Cayman KY1-1004 Cayman Island	<b>Lynn Pinker Cox &amp; Hurst, LLP</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.82</u> <input type="checkbox"/> G _____
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2.22	<b>James Dondero</b>	300 Crescent Ct. Suite 700 Dallas, TX 75201	<b>DLA Piper LLP (US)</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.48</u> <input type="checkbox"/> G _____
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2.23	<b>NexBank, SSB</b>	2515 McKinney Ave #1100 Dallas, TX 75201	<b>Stinson Leonard Street LLP</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.105</u> <input type="checkbox"/> G _____
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2.24	<b>Strand Advisors, Inc.</b>	1209 Orange St. Wilmington, DE 19801	<b>Reid Collins &amp; Tsai</b>	<input type="checkbox"/> D _____ <input checked="" type="checkbox"/> E/F <u>3.96</u> <input type="checkbox"/> G _____
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Fill in this information to identify the case:

Debtor name Highland Capital Management, L.P.

United States Bankruptcy Court for the: NORTHERN DISTRICT OF TEXAS

Case number (if known) 19-34054-SGJ

☐ Check if this is an amended filing

Official Form 202

**Declaration Under Penalty of Perjury for Non-Individual Debtors**

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

**WARNING** – Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

**Declaration and signature**

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

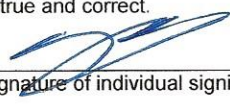
I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☒ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☒ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☒ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☒ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☒ *Schedule H: Codebtors* (Official Form 206H)
- ☒ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☐ *Amended Schedule*
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ Other document that requires a declaration \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 13, 2019

X

  
Signature of individual signing on behalf of debtor

Bradley Sharp

Printed name

Chief Restructuring Officer

Position or relationship to debtor



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
HIGHLAND CAPITAL MANAGEMENT, L.P., <sup>1</sup>	§	Case No. 19-34054-sgj11
	§	
Debtor.	§	
	§	

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**GLOBAL NOTES AND STATEMENT OF LIMITATIONS, METHODS, AND  
DISCLAIMER REGARDING DEBTOR’S SCHEDULES OF ASSETS AND  
LIABILITIES AND STATEMENT OF FINANCIAL AFFAIRS**

Highland Capital Management, L.P. (the “Debtor”) submits its Schedules of Assets and Liabilities (the “Schedules”) and Statement of Financial Affairs (the “SoFA”) in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”). The Debtor, with the assistance of its advisors and management, prepared the Schedules and SoFA in accordance with section 521 title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

These Global Notes and Statement of Limitations, Methods, and Disclaimer Regarding the Debtor’s Schedules and SoFA (collectively, the “Global Notes”) pertain to, are incorporated by reference in, and comprise an integral part of the Schedules and SoFA. These Global Notes should be referred to, and reviewed in connection with any review of the Schedules and SoFA.<sup>2</sup>

The Schedules and SoFA have been prepared by the Debtor with the assistance and under the direction of the Debtor’s proposed Chief Restructuring Officer and additional personnel at Development Specialists, Inc. (collectively, the “CRO”) and are unaudited and subject to further review and potential adjustment and amendment. In preparing the Schedules and SoFA, the CRO relied on financial data derived from the Debtor’s books and records that was available at the time of preparation. The CRO has made reasonable efforts to ensure the accuracy and completeness of such financial information, however, subsequent information or discovery of other relevant facts may result in material changes to the Schedules and SoFA and inadvertent errors, omissions, or inaccuracies may exist. The Debtor reserves all rights to amend or supplement its Schedules and SoFA.

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<sup>1</sup> The Debtor’s last four digits of its taxpayer identification number are (6725). The headquarters and service address for the above-captioned Debtor is 300 Crescent Court, Suite 700, Dallas, TX 75201.

<sup>2</sup> These Global Notes are in addition to any specific notes contained in the Debtor’s Schedules or SoFA. The fact that the Debtor has prepared a “general note” with respect to any of the Schedules and SoFA and not to others should not be interpreted as a decision by the Debtor to exclude the applicability of such general note to any of the Debtor’s remaining Schedules and SoFA, as appropriate.



**Reservation of Rights.** The Debtor reserves all rights to amend the SoFA and Schedules in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the SoFA and Schedules as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the SoFA and Schedules shall constitute a waiver of rights by the Debtor involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other applicable non-bankruptcy laws.

**Description of the Case and “As Is” Information Date.** On October 16, 2019 (the “Petition Date”), the Debtor filed a voluntary petition for relief with the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”) under Chapter 11 of the Bankruptcy Code. The Debtor is managing its assets as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On December 4, 2019, the Delaware Bankruptcy Court entered an Order transferring this case to the Bankruptcy Court [Docket No. 1].

Asset information in the Schedules reflects the Debtor’s best estimate of asset values as of the Petition Date, unless otherwise noted. No independent valuation has been obtained.

**Basis of Presentation.** The Schedules and SoFA do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles (“GAAP”), nor are they intended to fully reconcile to any financial statements otherwise prepared and/or distributed by the Debtor.

Although these Schedules and SoFA may, at times, incorporate information prepared in accordance with GAAP, the Schedules and SoFA neither purport to represent nor reconcile to financial statements prepared and/or distributed by the Debtor in accordance with GAAP or otherwise. Moreover, given, among other things, the valuation and nature of certain liabilities, to the extent that the Debtor shows more assets than liabilities, this is not a conclusion that the Debtor was solvent at the Petition Date. Likewise, to the extent that the Debtor shows more liabilities than assets, this is not a conclusion that the Debtor was insolvent at the Petition Date or any time prior to the Petition Date.

**Estimates.** To timely close the books and records of the Debtor, the CRO must make certain estimates and assumptions that affect the reported amounts of assets and liabilities and reported revenue and expenses. The Debtor reserves all rights to amend the reported amounts of assets, liabilities, revenue, and expenses to reflect changes in those estimates and assumptions.

**Confidentiality.** There may be instances within the Schedules and SoFA where names, addresses, or amounts have been left blank. Due to the nature of an agreement between the Debtor and the third party, concerns of confidentiality, or concerns for the privacy of an individual, the Debtor may have deemed it appropriate and necessary to avoid listing such names, addresses, and amounts.



**Intercompany Claims.** Any receivables and payables between the Debtor and affiliated or related entities in this case (each an “Intercompany Receivable” or “Intercompany Payable” and, collectively, the “Intercompany Claims”) are reported as assets on Schedule B or liabilities on Schedule E and Schedule F. These Intercompany Claims include the following components, among others: 1) loans to affiliates or related entities, 2) accounts payable and payroll disbursements made out of an affiliate’s or related entity’s bank accounts on behalf of the Debtor, 3) centrally billed expenses, 4) corporate expense allocations, and 5) accounting for trade and other intercompany transactions. These Intercompany Claims may or may not result in allowed or enforceable claims by or against the Debtor, and by listing these claims the Debtor is not indicating a conclusion that the Intercompany Claims are enforceable. Intercompany Claims may also be subject to set off, recoupment, and netting not reflected in the Schedules. In situations where there is not an enforceable claim, the assets and/or liabilities of the Debtor may be greater or lesser than the amounts stated herein. All rights to amend intercompany Claims in the Schedules and SoFA are reserved.

The Debtor has listed the intercompany payables as unsecured claims on Schedule F. The Debtor reserves its rights to later change the characterization, classification, categorization, or designation of such items.

**Insiders.** For purposes of the Schedules and SoFA, the Debtor defines “insider” pursuant to section 101(31) of the Bankruptcy Code. Payments to insiders are set forth on Question 3.c. of the SoFA.

Persons listed as “insiders” have been included for informational purposes only. The Debtor did not take any position with respect to whether such individual could successfully argue that he or she is not an “insider” under applicable law, including without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose. Inclusion of any party in the Schedules and SoFA as an insider does not constitute an admission that such party is an insider or a waiver of such party’s right to dispute insider status.

**Excluded Accruals and GAAP Entries.** The Debtor’s balance sheet reflects liabilities recognized in accordance with GAAP; however, not all such liabilities would result in a claim against the Debtor. Certain liabilities (including but not limited to certain reserves, deferred charges, and future contractual obligations) have not been included in the Debtor’s Schedules. Other immaterial assets and liabilities may also have been excluded.

**Classification and Claim Descriptions.** Any failure to designate a claim on the Schedules as “disputed,” “contingent” or “unliquidated” does not constitute an admission by the Debtor that such amount is not “disputed,” “contingent” or “unliquidated.” The Debtor reserves the right to dispute, or to assert offsets or defenses to, any claim reflected on its Schedules as to amount, liability or classification or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.”

Listing a claim (i) in Schedule D as “secured,” (ii) in Schedule E as “priority” or (iii) in Schedule F as “unsecured nonpriority,” or listing a contract in Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtor of the legal rights of the claimant or a waiver of the Debtor’s right to recharacterize or reclassify such claim or contract.



Moreover, the Debtor reserves all rights to amend the SoFA and Schedules, in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or to assert offsets or defenses to any claim reflected on the SoFA and Schedules as to amount, liability or classification of the claim, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Furthermore, nothing contained in the SoFA and Schedules shall constitute a waiver of rights by the Debtor involving any present or future causes of action, contested matters or other issues under the provisions of the Bankruptcy Code or other relevant non-bankruptcy laws.

**Credits and Adjustments.** The claims of individual creditors for, among other things, goods, products, services or taxes are listed as the amounts entered on the Debtor’s books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Debtor. The Debtor reserves all of its rights respecting such credits, allowances or other adjustments.

**Setoffs.** The Debtor may incur setoffs from third parties in its business. Setoffs in the ordinary course can result from various routine transactions, including intercompany transactions, pricing discrepancies, warranty claims and other disputes between the Debtor and third parties. Certain of these constitute normal setoffs consistent with the ordinary course of business in the Debtor’s industry. In such instances, such ordinary course setoffs are excluded from the Debtor’s responses to Question 13 of the SoFA. The Debtor reserves all rights to enforce or challenge, as the case may be, any setoffs that have been or may be asserted.

**Specific Notes.** These general notes are in addition to the specific notes set forth below or in the related Statement and Schedules hereinafter.

### **General Disclaimer**

The Debtor has prepared the Schedules and the SoFA based on the information reflected in the Debtor’s books and records. However, inasmuch as the Debtor’s books and records have not been audited or formally closed and evaluated for proper cut-off on the Petition Date, the Debtor cannot warrant the absolute accuracy of these documents. The Debtor has made a diligent effort to complete these documents accurately and completely. To the extent additional information becomes available, the Debtor will amend and supplement the Schedules and SoFA.

### **Specific Schedules Disclosures**

- a. **Schedule A/B, Part 4 - Investments; Non-Publicly Traded Stock and Interests in Incorporated and Unincorporated Businesses, including any Interest in an LLC, Partnership, or Joint Venture.** Certain ownership interests in subsidiaries have been listed in Schedule A/B, Part 4, at their book value on account of the fact that the fair market value of such ownership is dependent on numerous variables and factors. Fair value of such interests may differ significantly from their net book value. Further, for investments listed at fair value, many of the Debtor’s assets are not exchange traded and are fair valued utilizing unobservable



inputs, historical information, and significant and/or subjective estimates. As a result the liquidity and ultimately realized value of such investments may differ materially from the fair value listed on the schedule.

- b. **Schedule A/B, Part 7 - Office Furniture, Fixtures, and Equipment; and Collectibles.** Dollar amounts are presented net of accumulated depreciation and other adjustments.
- c. **Schedule A/B, Part 11 - All Other Assets.** Dollar amounts are presented net of impairments and other adjustments. Debtor has reflected “unknown” for value of its interests in various other assets. While the face value of the notes receivable is included, the current value of these as well as the other assets has not been determined and may differ materially.

Additionally, the Debtor may receive refunds, income tax refunds or other sales tax refunds at various times throughout its fiscal year. As of the Petition Date, however, certain of these amounts are unknown to the Debtor, and accordingly, may not be listed in Schedule A/B.

***Other Contingent and Unliquidated Claims or Causes of Action of Every Nature, including Counterclaims of the Debtor and Rights to Setoff Claims.*** In the ordinary course of its business, the Debtor may have accrued, or may subsequently accrue, certain rights to counter-claims, cross-claims, setoffs, or refunds with its customers and suppliers. Additionally, the Debtor may be party to pending litigation in which the Debtor has asserted, or may assert, claims as a plaintiff or counter-claims and/or cross-claims as a defendant. Because certain of these claims are unknown to the Debtor and not quantifiable as of the Petition Date, they may not be listed on Schedule A/B, Part 11.

- d. **Schedule D - Creditors Who Have Claims Secured by Property.** The Debtor reserves its rights to dispute or challenge the validity, perfection, or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D. Moreover, although the Debtor has scheduled claims of various creditors as secured claims, the Debtor reserves all rights to dispute or challenge the secured nature of any such creditor’s claim or the characterization of the structure of any such transaction or any document or instrument related to such creditor’s claim.

The descriptions provided in Schedule D are intended only to be a summary. Reference to the applicable agreements and other related relevant documents is necessary for a complete description of the collateral and the nature, extent, and priority of any liens.

The Debtor has not included on Schedule D parties that may believe their claims are secured through setoff rights or inchoate statutory lien rights. Although there are multiple parties that hold a portion of the debt included in the secured



facilities, only the administrative agents have been listed for purposes of Schedule D.

e. **Schedule E/F - Creditors Who Have Unsecured Claims.**

***Part 1 - Creditors with Priority Unsecured Claims.*** Pursuant to the *Order (I) Authorizing the Debtor to (A) Pay and Honor Prepetition Compensation, Reimbursable Business Expenses, and Employee Benefit Obligations, and (B) Maintain and Continue Certain Compensation and Benefit Programs Postpetition; and (11) Granting Related Relief* [Docket No. 39] (the “Wage Order”), the Debtor received authority to pay certain prepetition obligations, including to pay employee wages and other employee benefits, in the ordinary course of business. The Debtor believes that any non-insider employee claims for prepetition amounts related to ongoing payroll and benefits, whether allowable as a priority or nonpriority claim, which were due and payable at the time of the Petition Date have been or will be satisfied as permitted pursuant to the Wage Order. The Debtor filed the *Motion of the Debtor for Entry of an Order Authorizing the Debtor to Pay and Honor Ordinary Course Obligations under Employee Bonus Plans and Granting Related Relief* [Docket No. 177] pursuant to which the Debtor seeks authority to pay and honor certain prepetition bonus programs. Employee claims related to these programs are shown in the aggregate amounts in Schedule E/F for privacy reasons. Additional information is available by appropriate request to the Debtor. The listing of a claim on Schedule E/F, Part 1, does not constitute an admission by the Debtor that such claim or any portion thereof is entitled to priority status.

***Part 2 - Creditors with Nonpriority Unsecured Claims.*** The liabilities identified in Schedule E/F, Part 2, are derived from the Debtor’s books and records. The Debtor made a reasonable attempt to set forth its unsecured obligations, although the actual amount of claims against the Debtor may vary from those liabilities represented on Schedule E/F, Part 2. The listed liabilities may not reflect the correct amount of any unsecured creditor’s allowed claims or the correct amount of all unsecured claims.

Schedule E/F, Part 2 reflects liabilities based on the Debtor’s books and records.

Schedule E/F, Part 2, contains information regarding threatened or pending litigation involving the Debtor. The amounts for these potential claims are listed as “unknown” and are marked as contingent, unliquidated, and disputed in the Schedules and Statements. Additionally, the amounts of certain litigation claims may be estimates based on the allegations asserted by the litigation counterparty, and do not constitute an admission by the Debtor with respect to either liability for, or the amount of, such claims.

Schedule E/F, Part 2, reflects certain prepetition amounts owing to counterparties to executory contracts and unexpired leases. Such prepetition amounts, however,



may be paid in connection with the assumption or assumption and assignment of an executory contract or unexpired lease. In addition, Schedule E/F, Part 2, does not include claims that may arise in connection with the rejection of any executory contracts and unexpired leases, if any, that may be or have been rejected.

As of the time of filing of the Schedules and Statements, the Debtor had not received all invoices for payables, expenses, and other liabilities that may have accrued prior to the Petition Date. Accordingly, the information contained in Schedules D and E/F may be incomplete. The Debtor reserves its rights to amend Schedules D and E/F if and as it receive such invoices.

- f. **Schedule G - Executory Contracts and Unexpired Leases.** While reasonable efforts have been made to ensure the accuracy of Schedule G, inadvertent errors or omissions may have occurred.

Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease or that such contract or agreement was in effect on the Petition Date or is valid or enforceable. The Debtor hereby reserves all of its rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth in Schedule G and to amend or supplement such Schedule as necessary. Certain of the leases and contracts listed on Schedule G may contain renewal options, guarantees of payment, indemnifications, options to purchase, rights of first refusal and other miscellaneous rights. Such rights, powers, duties and obligations are not set forth separately on Schedule G. In addition, the Debtor may have entered into various other types of agreements in the ordinary course of its business, such as supplemental agreements, amendments, and letter agreement, which documents may not be set forth in Schedule G.

Certain of the agreements listed on Schedule G may have expired or terminated pursuant to their terms, but are listed on Schedule G in an abundance of caution.

The Debtor reserves all rights to dispute or challenge the characterization of any transaction or any document or instrument related to a creditor's claim.

In some cases, the same supplier or provider may appear multiple times in Schedule G. Multiple listings, if any, reflect distinct agreements between the Debtor and such supplier or provider.

The listing of any contract on Schedule G does not constitute an admission by the Debtor as to the validity of any such contract. The Debtor reserves the right to dispute the effectiveness of any such contract listed on Schedule G or to amend Schedule G at any time to remove any contract.

Omission of a contract or agreement from Schedule G does not constitute an admission that such omitted contract or agreement is not an executory contract or



unexpired lease. The Debtor's rights under the Bankruptcy Code with respect to any such omitted contracts or agreements are not impaired by the omission.





## **ACIS CLO 2014-3, Ltd.**

Monthly Report

As of February 21, 2019





**ACIS CLO 2014-3 LTD**  
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 As of Date: 02/21/2019  
 Payment Date: 05/01/2019



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## Notice

As of Date: 02/21/2019  
Payment Date: 05/01/2019



The Notes may be held or beneficially owned, as applicable, only by Persons that (a)(i) are not U.S. persons (within the meaning of Regulation S under the United States Securities Act of 1933, as amended) and are purchasing their beneficial interest in an offshore transaction or (ii) are either (A) Qualified Purchasers (as defined for purposes of Section 3(c)(7) of the Investment Company Act) ("Qualified Purchasers") or (B) (in the case of the Subordinated Notes only) Knowledgeable Employees (as defined in Rule 3c-5 under the Investment Company Act) ("Knowledgeable Employees") with respect to the Issuer or corporations, partnerships, limited liability companies or other entities (other than trusts) each shareholder, partner, member or other equity owner of which is either (x) a Knowledgeable Employee with respect to the Issuer or (y) a Qualified Purchaser that in the case of (A) and (B) are either (1) "institutional" accredited investors ("Accredited Investors") (in the case of the Class E Notes, the Class F Notes and the Subordinated Notes only) meeting the requirements of Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who, in the case of Subordinated Notes only, if "individual" Accredited Investors, are also Knowledgeable Employees with respect to the Issuer or (2) qualified institutional buyers ("Qualified Institutional Buyers") within the meaning of Rule 144A under the Securities Act and (b) can make the representations set forth in Section 2.6 (Registration, Registration of Transfer and Exchange) of the Indenture or the appropriate Exhibit to the Indenture. Beneficial ownership interests in the Rule 144A Global Notes may be transferred only to a Person that is both a Qualified Institutional Buyer and a Qualified Purchaser and that can make the representations referred to in clause (b) of the preceding sentence. The Issuer has the right to compel any beneficial owner of an interest in Rule 144A Global Notes that does not meet the qualifications set forth in such clauses to sell its interest in such Notes, or may sell such interest on behalf of such owner, pursuant to Section 2.12 (Notes Beneficially Owned by Persons Not QIB/QPs or in Violation of ERISA Representations) of the Indenture.

Each Holder or beneficial owner receiving this report agrees to keep all nonpublic information herein confidential and not to use such information for any purpose other than its evaluation of its investment in the Offered Securities, provided, that any Holder or beneficial owner may provide such information on a confidential basis to any prospective purchaser of such Holder or beneficial owner's Offered Securities that is permitted by the terms of the Indenture to acquire such Holder or beneficial owner's Offered Securities and that agrees to keep such information confidential in accordance with the terms of the Indenture.





**Executive Summary**  
As of Date: 02/21/2019  
Payment Date: 05/01/2019

Contact Information	Electronic Reports	Relevant Dates
Issuer: ACIS CLO 2014-3, Ltd. Co-Issuer: ACIS CLO 2014-3, LLC Investment Advisor: ACIS Capital Management LP Rated By: S&P Global Ratings Account Manager: Taylor Potts taylor.potts@usbank.com 312-332-7830	Issue ID: ..... ACIS1403 Monthly Data File Name: ACIS1403_02/21/19_D_3.CSV Test History Standard ACIS1403_02/21/19_D_4.CSV Holdings Standard ACIS1403_02/21/19_D_2.CSV Transaction Details Standard ACIS1403_02/21/19_D_12.CSV Amortization ACIS1403_02/21/19_D_13.CSV Cash Account Summary ACIS1403_02/21/19_D_14.CSV Liability Details	Closing Date: 25-Feb-14 First Payment Date: 01-Aug-14 Reinvestment Period End Date: 01-Feb-19

Asset Positions			Account Balances			Note Information						
Position	Current Count	Current	Account	Currency	Balance	Note	Original Coupon	Original Balance	Current Balance	Expected Interest Payment	Index	Coupon
Term Loan	168	384,889,880.75	Collection Account - Interest	USD	1,513,024.24	Class A1A	1.72620 %	205,000,000.00	195,125,163.10	2,048,360.28	2.73625 %	4.24625 %
Revolving Loan	-	-	Collection Account - Principal	USD	-3,580,179.16	Class A1F	3.70000 %	25,000,000.00	23,795,751.60	220,110.70	N/A	3.70000 %
Delayed Drawdown Loan	-	-	Expense Reserve Account	USD	0.00	Class A2A	1.75324 %	15,000,000.00	14,181,111.09	150,271.03	2.73625 %	4.28625 %
Synthetic	-	-	Interest Reserve Account	USD	0.00	Class A2B	2.20324 %	2,000,000.00	2,000,000.00	23,418.13	2.73625 %	4.73625 %
Letter of Credit	-	-	Payment Account	USD	0.01	Class B	2.43324 %	56,000,000.00	56,000,000.00	687,549.72	2.73625 %	4.96625 %
High Yield Bond	-	-	Ramp-Up Account	USD	0.00	Class C	2.70324 %	29,000,000.00	29,000,000.00	375,410.03	2.73625 %	5.23625 %
Structured Finance Obligation	-	-	Revolver Funding Account	USD	3,800,000.00	Class D	3.32324 %	19,000,000.00	19,000,000.00	275,081.08	2.73625 %	5.85625 %
Settle Date Asset Balance	-	373,139,880.69	Total:		1,732,845.09	Class E	4.95324 %	17,500,000.00	17,500,000.00	323,884.29	2.73625 %	7.48625 %
						Class F	5.80324 %	5,000,000.00	5,000,000.00	103,045.31	2.73625 %	8.33625 %
						Class SUB	N/A	39,750,000.00	39,750,000.00	N/A	N/A	N/A
						Totals:		413,250,000.00	401,352,025.79	4,207,130.57		

**Coverage and Quality Tests**

Coverage				
Test Name	Current Threshold	02/21/2019 Current	Result	01/22/2019 Prior
Class A/B Overcollateralization Test	122.00%	129.89%	Pass	129.66%
Class C Overcollateralization Test	112.50%	118.12%	Pass	117.91%
Class D Overcollateralization Test	108.00%	111.51%	Pass	111.31%
Class E Overcollateralization Test	104.50%	106.03%	Pass	105.84%
Interest Diversion Test	104.10%	104.57%	Pass	104.35%
Class A/B Interest Coverage Test	120.00%	158.90%	Pass	141.03%
Class C Interest Coverage Test	115.00%	141.88%	Pass	125.84%
Class D Interest Coverage Test	110.00%	131.56%	Pass	116.60%
Class E Interest Coverage Test	105.00%	121.18%	Pass	107.25%

Quality				
Test Name	Current Threshold	02/21/2019 Current	Result	01/22/2019 Prior
Weighted Average Coupon Test	6.50%	4.82%	Fail	4.81%
Weighted Average Spread Test	3.10%	3.19%	Pass	3.18%
S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	41.38%	42.03%	Pass	41.30%
S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	47.65%	51.60%	Pass	50.89%
S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	51.20%	57.36%	Pass	56.69%
S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	57.75%	63.76%	Pass	63.12%
S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	65.00%	69.48%	Pass	68.79%
S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	69.13%	74.91%	Pass	74.23%
Weighted Average Life Test	2.95	3.66	Fail	3.77
Diversity Score	-	57	N/A	56
Weighted Average Rating Factor	-	2,679.00	N/A	2,582.00





## Note Summary Information

As of Date: 02/21/2019  
Payment Date: 05/01/2019



### Note Information

Note	Original Commitment	Current Balance	Expected Interest Payment	Index	Coupon	Moody's		S&P	
						Orig	Curr	Orig	Curr
Class A1A	205,000,000.00	195,125,163.10	2,048,360.28	2.73625%	4.24625%	N/R	N/R	AAA	AAA
Class A1F	25,000,000.00	23,795,751.60	220,110.70	N/A	3.70000%	N/R	N/R	AAA	AAA
Class A2A	15,000,000.00	14,181,111.09	150,271.03	2.73625%	4.28625%	N/R	N/R	AAA	AAA
Class A2B	2,000,000.00	2,000,000.00	23,418.13	2.73625%	4.73625%	N/R	N/R	AAA	AAA
Class B	56,000,000.00	56,000,000.00	687,549.72	2.73625%	4.96625%	N/R	N/R	AA	AA
Class C	29,000,000.00	29,000,000.00	375,410.03	2.73625%	5.23625%	N/R	N/R	A	A
Class D	19,000,000.00	19,000,000.00	275,081.08	2.73625%	5.85625%	N/R	N/R	BBB	BBB
Class E	17,500,000.00	17,500,000.00	323,884.29	2.73625%	7.48625%	N/R	N/R	BB	BB
Class F	5,000,000.00	5,000,000.00	103,045.31	2.73625%	8.33625%	N/R	N/R	B+	B+
Class SUB	39,750,000.00	39,750,000.00	N/A	N/A	N/A	N/R	N/R	NR	NR
<b>Totals:</b>	<b>413,250,000.00</b>	<b>401,352,025.79</b>	<b>4,207,130.57</b>						

### Asset Positions

Position	Curr Count	Current	Prior Count	Prior
Term Loan	168	384,889,880.75	159	351,830,364.67
Revolving Loan	-	-	-	-
Delayed Drawdown Loan	-	-	-	-
Synthetic	-	-	-	-
Letter of Credit	-	-	-	-
High Yield Bond	-	-	-	-
Structured Finance Obligation	-	-	-	-
Settle Date Asset Balance	-	373,139,880.69	-	319,592,362.19

### Test Summary

Test Type	Pass	Fail	N/A
Coverage	9	0	0
Quality	7	2	2
Portfolio Profile	47	0	0
<b>Totals:</b>	<b>63</b>	<b>2</b>	<b>2</b>





## Coverage and Quality Tests

As of Date: 02/21/2019  
Payment Date: 05/01/2019



### Coverage

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Overcollateralization Test	129.66%	129.89%	122.00%	Minimum	Pass
2	Class C Overcollateralization Test	117.91%	118.12%	112.50%	Minimum	Pass
3	Class D Overcollateralization Test	111.31%	111.51%	108.00%	Minimum	Pass
4	Class E Overcollateralization Test	105.84%	106.03%	104.50%	Minimum	Pass
5	Interest Diversion Test	104.35%	104.57%	104.10%	Minimum	Pass
6	Class A/B Interest Coverage Test	141.03%	158.90%	120.00%	Minimum	Pass
7	Class C Interest Coverage Test	125.84%	141.88%	115.00%	Minimum	Pass
8	Class D Interest Coverage Test	116.60%	131.56%	110.00%	Minimum	Pass
9	Class E Interest Coverage Test	107.25%	121.18%	105.00%	Minimum	Pass

### Quality

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Weighted Average Coupon Test	4.81%	4.82%	6.50%	Minimum	Fail
2	Weighted Average Spread Test	3.18%	3.19%	3.10%	Minimum	Pass
3	S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	41.30%	42.03%	41.38%	Minimum	Pass
4	S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	50.89%	51.60%	47.65%	Minimum	Pass
5	S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	56.69%	57.36%	51.20%	Minimum	Pass
6	S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	63.12%	63.76%	57.75%	Minimum	Pass
7	S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	68.79%	69.48%	65.00%	Minimum	Pass
8	S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	74.23%	74.91%	69.13%	Minimum	Pass
9	Weighted Average Life Test	3.77	3.66	2.95	Maximum	Fail
10	Diversity Score	56	57	-	Minimum	N/A
11	Weighted Average Rating Factor	2,582.00	2,679.00	-	Minimum	N/A

N/A - Not Applicable for the Current Measurement Date





## Portfolio Profile Test Summary

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
1	(i) Senior Secured Loans, Cash and Eligible Investments	99.10% / 372,385,028.75	98.60% / 371,059,097.04	90.00%	Minimum	Pass
2	(ii)(a) Second Lien Loans, First Lien Last Out Loans and Unsecured Loans	0.90% / 3,214,306.29	1.40% / 5,214,306.29	10.00%	Maximum	Pass
3	(ii)(b) Unsecured Bonds, Senior Secured Bonds and Senior Secured Floating Rate Notes	-	-	0.00%	Maximum	Pass
4	(ii)(c) Single obligor - Not Senior Secured Loans 1%	0.50% / 1,830,542.02	0.50% / 1,830,542.02	1.00%	Maximum	Pass
5	(iii)(a) Single Obligor - max 2%, w/ three up to 2.5%	2.00% / 7,576,252.51	2.00% / 7,576,252.51	2.00%	Maximum	Pass
6	(iii)(b) Single Obligor - max 2.5%, largest	2.30% / 8,772,009.18	2.30% / 8,772,009.18	2.50%	Maximum	Pass
7	(iv)(a) Moody's Rating of "Caa1" or below	3.40% / 12,886,475.05	3.90% / 14,609,462.76	7.50%	Maximum	Pass
8	(iv)(b) S&P Rating of "CCC+" or below	6.40% / 24,061,158.56	6.40% / 24,045,540.84	7.50%	Maximum	Pass
9	(v) Collateral Obligations that pay less frequently than quarterly	-	-	5.00%	Maximum	Pass
10	(vi) Fixed Rate Obligations	1.30% / 4,798,928.62	1.30% / 4,798,928.62	5.00%	Maximum	Pass
11	(vii) Current Pay Obligations	0.70% / 2,452,223.19	0.70% / 2,452,223.19	2.50%	Maximum	Pass
12	(vii) Current Pay Obligations Obligor limit	-	-	1.00%	Maximum	Pass
13	(viii)(a) DIP Loans	-	1.00% / 3,800,000.00	5.00%	Maximum	Pass
14	(viii)(b) Single obligor - zero above 1% (DIP Loans)	-	1.00% / 3,800,000.00	1.00%	Maximum	Pass
15	(ix) Delayed Drawdown Loans and Revolving Loans	-	-	10.00%	Maximum	Pass
16	(x) Participation Interests	-	-	20.00%	Maximum	Pass
17	S&P Third Party Credit Exposure Limit - Aggregate Percentage - AAA	-	-	20.00%	Maximum	Pass
18	S&P Third Party Credit Exposure Limit - Aggregate Percentage - AA+	-	-	10.00%	Maximum	Pass
19	S&P Third Party Credit Exposure Limit - Aggregate Percentage - AA	-	-	10.00%	Maximum	Pass
20	S&P Third Party Credit Exposure Limit - Aggregate Percentage - AA-	-	-	10.00%	Maximum	Pass
21	S&P Third Party Credit Exposure Limit - Aggregate Percentage - A+	-	-	5.00%	Maximum	Pass
22	S&P Third Party Credit Exposure Limit - Aggregate Percentage - A and A-1	-	-	5.00%	Maximum	Pass
23	S&P Third Party Credit Exposure Limit - Aggregate Percentage - A and not A-1	-	-	0.00%	Maximum	Pass
24	S&P Third Party Credit Exposure Limit - Aggregate Percentage - below A	-	-	0.00%	Maximum	Pass
25	S&P Third Party Credit Exposure Limits - Individual Percentage - AAA	-	-	20.00%	Maximum	Pass
26	S&P Third Party Credit Exposure Limits - Individual Percentage - AA+	-	-	10.00%	Maximum	Pass
27	S&P Third Party Credit Exposure Limits - Individual Percentage - AA	-	-	10.00%	Maximum	Pass
28	S&P Third Party Credit Exposure Limits - Individual Percentage - AA-	-	-	10.00%	Maximum	Pass
29	S&P Third Party Credit Exposure Limits - Individual Percentage - A+	-	-	5.00%	Maximum	Pass
30	S&P Third Party Credit Exposure Limits - Individual Percentage - A and A-1	-	-	5.00%	Maximum	Pass
31	S&P Third Party Credit Exposure Limits - Individual Percentage - A and not A-1	-	-	0.00%	Maximum	Pass

N/A - Not applicable for the Current Measurement Date





## Portfolio Profile Test Summary

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
32	S&P Third Party Credit Exposure Limits - Individual Percentage - below A	-	-	0.00%	Maximum	Pass
33	(xii) S&P Rating derived from Moody's Rating in clause (iii)(a) of definition of "S&P Rating"	-	-	10.00%	Maximum	Pass
34	(xiii) Collateral Obligations issued by Non-Emerging Market Obligor	100.00% / 346,794,066.41	100.00% / 379,853,582.49	100.00%	Minimum	Pass
35	(xiii) Obligor Domiciled outside the United States	1.50% / 5,486,474.42	1.50% / 5,486,474.42	20.00%	Maximum	Pass
36	(xiii) Obligor Domiciled outside the United States, Canada and the United Kingdom	0.90% / 3,505,439.99	0.90% / 3,505,439.99	10.00%	Maximum	Pass
37	(xiii) Obligor Domiciled outside the United States and Canada	1.50% / 5,486,474.42	1.50% / 5,486,474.42	10.00%	Maximum	Pass
38	(xiv) Largest S&P Industry Classification - one up to 15%	10.80% / 40,380,562.55	11.30% / 42,380,562.55	15.00%	Maximum	Pass
39	(xiv) Largest S&P Industry Classification - two up to 12%	8.40% / 31,640,092.78	10.00% / 37,440,092.78	12.00%	Maximum	Pass
40	(xiv) Largest S&P Industry Classification - max 10%, fourth largest	7.50% / 28,323,807.09	7.70% / 28,987,235.73	10.00%	Maximum	Pass
41	(xv) LC Commitment Amount under Letter of Credit Reimbursement Obligations	-	-	0.00%	Maximum	Pass
42	(xvi)(a) Cov-Lite Loans, Second Lien Loans, Unsecured Loans, Unsecured Bonds, Senior Secured Bonds and Senior Secured Floating Rate Notes	16.80% / 63,282,674.81	17.90% / 67,262,677.47	60.00%	Maximum	Pass
43	(xvi)(b) Cov-Lite Loans	16.00% / 60,068,368.52	16.50% / 62,048,371.18	60.00%	Maximum	Pass
44	(xvii)(a) Deferrable Securities	-	-	5.00%	Maximum	Pass
45	(xvii)(b) Deferrable Securities and Deferring Securities	-	-	0.00%	Maximum	Pass
46	(xviii) Stated Maturity	-	-	0.00%	Maximum	Pass
47	(xix) No Zero Coupon Bonds, Step-Up Obligations, Structured Finance Obligations, Asset-backed Commercial Paper, Bridge Loans, Synthetic Securities or Equity Security	-	-	0.00%	Maximum	Pass

N/A - Not applicable for the Current Measurement Date





# Standard & Poor's CDO Monitor

As of Date: 02/21/2019  
Payment Date: 05/01/2019



## Portfolio Statistics (1)

Number of Assets:	167
Number of Obligors:	150
Total Principal Balance of Collateral Debt Securities:	379,853,582.48
Weighted Average Maturity (in years):	3.74
Weighted Average Rating:	B
S&P Default Measure (Annualized Expected Portfolio Default Rate):	6.055%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	4.473%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	2.31

## Class Statistics (1)

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Test Results
Class AX	3,500,000.00	AAA		55.778%	97.426%	PASS
Class A1A	205,000,000.00	AAA		55.778%	60.378%	PASS
Class A1F	25,000,000.00	AAA		55.778%	60.378%	PASS
Class A2A	15,000,000.00	AAA		55.778%	66.882%	PASS
Class A2B	2,000,000.00	AAA		55.778%	60.378%	PASS

Not Applicable until on or after the Effective Date report.





# Interest Coverage Ratio Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



	Calculation	Ratio	Minimum	Result
Class A/B	A/ (B+C)	158.90%	120.00%	Pass
Class C	A/ (B+C+D)	141.88%	115.00%	Pass
Class D	A/ (B+C+D+E)	131.56%	110.00%	Pass
Class E	A/ (B+C+D+E+F)	121.18%	105.00%	Pass

## Received:

Scheduled Interest Proceeds and Fees Received:	1,389,384.47	
Interest on Eligible Investments:	123,639.77	
Amendment and waiver fees, late payment fees and other fees:	0.00	
Commitment fees and other similar fees:	0.00	
Amounts deposited in Collection Account from Expense Reserve Account:	0.00	
Principal Proceeds that have been designated by the Collateral Manager as Designated P	0.00	
Any other amounts deemed Interest Proceeds:	0.00	
		1,513,024.24

## Projected:

Scheduled Interest:	3,619,397.27	
Reinvestment Income:	0.00	
Reinvestment Income on Eligible Investments:	0.00	
		3,619,397.27

## Less:

Taxes and registration and filing fees owed by the Issuer, the Co-Issuer or any Blocker Su	0.00	
Capital contribution to pay any taxes or governmental fees owing by such Blocker Subsid	0.00	
Amounts due and payable to the Trustee:	16,482.36	
Amounts due and payable to the Bank as Collateral Administrator:	0.00	
Fees and Expenses to any Independent accountants, agents, and counsel of the Issuer:	0.00	
Fees and expenses to Rating Agencies:	0.00	
Fees and expenses to the Collateral Manager:	0.00	
Fees and expenses to the Administrator:	0.00	
Amounts due and payable to any other person in respect of any other fees or expenses p	0.00	
Indemnities payable to any Person pursuant to any Transaction Document:	0.00	
Accrued and Unpaid Senior Management Fee:	142,738.36	
		159,220.72
		<b>4,973,200.79 (A)</b>

## Denominator:

Class A Notes Interest Distribution Amount:	2,442,160.14 (B)
Class B Notes Interest Distribution Amount:	687,549.72 (C)
Class C Notes Interest Distribution Amount:	375,410.03 (D)
Class D Notes Interest Distribution Amount:	275,081.08 (E)
Class E Notes Interest Distribution Amount:	323,884.29 (F)





**ACIS CLO 2014-3 LTD.**  
**Overcollateralization Ratio Detail**

As of Date: 02/21/2019  
 Payment Date: 05/01/2019



	Calculation	Ratio	Minimum	Result
Class A/B	A/(B+C)	129.89%	122.00%	Pass
Class C	A/(B+C+D)	118.12%	112.50%	Pass
Class D	A/(B+C+D+E)	111.51%	108.00%	Pass
Class E	A/(B+C+D+E+F)	106.03%	104.50%	Pass
Interest Diversion	A/(B+C+D+E+F+G)	104.57%	104.10%	Pass

**Collateral:**

Aggregate Principle Balance of the Collateral Obligations:	384,889,880.75	
Eligible Investments and balance of Principal Proceeds in the Collection and Ramp-Up Accounts:	(3,580,179.16)	
		381,309,701.59

**Less:**

Aggregate Principal Balance of Defaulted Obligations:	5,036,298.27	
Aggregate Principal Balance of Discounted Obligations:	85,298.22	
Aggregate Principal Balance of Deferring Securities:	0.00	
CCC/Caa Par Reduction Amount:	0.00	
		5,121,596.49

**Plus:**

S&P Collateral Value of Defaulted Obligations:	1,863,430.36	
S&P Collateral Value of Deferring Securities:	0.00	
Purchase Price of Discount Obligations:	67,385.59	
		1,930,815.95
Adjusted Collateral Principal Amount:		<b>378,118,921.05 (A)</b>

**Notes:**

Aggregate Principal Amount of the Class A Notes:	235,102,025.79 (B)
Aggregate Principal Amount of the Class B Notes:	56,000,000.00 (C)
Aggregate Principal Amount of the Class C Notes:	29,000,000.00 (D)
Aggregate Principal Amount of the Class D Notes:	19,000,000.00 (E)
Aggregate Principal Amount of the Class E Notes:	17,500,000.00 (F)
Aggregate Principal Balance of the Class F Notes:	5,000,000.00 (G)





**ACIS CLO 2014-3 LTD**  
**Caa/CCC Excess Haircut Detail**

As of Date: 02/21/2019  
 Payment Date: 05/01/2019



**Caa Excess Calculation:**

Balance of Caa Obligations	14,609,462.76
Less: Threshold	28,220,505.25
Caa Excess	-
Market Value of Excess	-
Caa Excess Adjustment Amount	-

**CCC Excess Calculation:**

Balance of CCC Obligations	24,045,540.84
Less: Threshold	28,220,505.25
CCC Excess	-
Market Value of Excess	-
CCC Excess Adjustment Amount	-

The greater of the Caa and CCC  
 Excess Adjustment Amounts: -

Caa Excess Obligation	Principal Balance	Caa Excess	Market Price	Market Value	CCC Excess Obligation	Principal Balance	CCC Excess	Market Price	Market Value
<b>Total:</b>									





# Assets: Purchased

As of Date: 02/21/2019

Payment Date: 05/01/2019

Security I.D.	Security Description	Primary Asset Type	Par Amount	Purchase Price	Cost	Accrued Interest Amount	Trade Date
LX157682	Prime Security Services Refi T/L B-1 (Protection One)	Term Loan	2,000,000.00	98.75	1,975,000.00	-	25-Jan-19
LX165158	American Airlines T/L B (06/17)	Term Loan	2,000,000.00	99.00	1,980,000.00	-	25-Jan-19
LX159257	Sprint Communications T/L	Term Loan	2,250,000.00	98.50	2,216,250.00	-	25-Jan-19
LX164174	ION Media T/L (05/17)	Term Loan	2,000,000.00	99.75	1,995,000.00	-	25-Jan-19
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Term Loan	2,000,000.00	98.75	1,975,000.00	-	25-Jan-19
LX145376	Tribune Media T/L B	Term Loan	2,000,000.00	100.25	2,005,000.00	-	25-Jan-19
LX162200	UOS (Utility One Source) T/L B	Term Loan	2,000,000.00	100.75	2,015,000.00	-	25-Jan-19
LX170057	Deck Chassis 2nd Lien T/L (Direct ChassisLink)	Term Loan	2,000,000.00	97.75	1,955,000.00	-	25-Jan-19
LX173457	Transdigm 2018 New T/L F	Term Loan	1,000,000.00	97.50	975,000.00	-	25-Jan-19
LX167639	Canyon Valor Companies (GTCR) T/L B	Term Loan	2,000,000.00	98.25	1,965,000.00	-	25-Jan-19
LX177791	Carestream Health T/L (12/18)	Term Loan	2,000,000.00	98.00	1,960,000.00	-	25-Jan-19
LX169594	Rackspace T/L B (11/17)	Term Loan	3,000,000.00	93.00	2,790,000.00	-	25-Jan-19
LX165396	WideOpenWest T/L B (6/17)	Term Loan	2,000,000.00	96.00	1,920,000.00	-	28-Jan-19
LX168581	Tronox T/L B (09/17)	Term Loan	1,918,604.65	99.25	1,904,215.12	-	29-Jan-19
LX168798	Tronox Blocked Borrower T/L B2	Term Loan	831,395.35	99.25	825,159.88	-	29-Jan-19
LX169275	Navistar T/L B (10/17)	Term Loan	1,994,962.22	98.88	1,972,518.90	-	29-Jan-19
LX178350	Pacific Gas & Electric T/L DIP	Term Loan	2,850,000.00	99.50	2,835,750.00	-	29-Jan-19
LX178352	Pacific Gas & Electric DD T/L DIP	Term Loan	950,000.00	99.50	945,250.00	-	29-Jan-19
LX159841	Freedom Mortgage T/L B	Term Loan	2,000,000.00	100.50	2,010,000.00	-	31-Jan-19
LX164174	ION Media T/L (05/17)	Term Loan	2,000,000.00	99.88	1,997,500.00	-	31-Jan-19
LX142450	Chief Power Finance T/L B	Term Loan	2,000,000.00	93.88	1,877,500.00	-	31-Jan-19

Totals:

21

40,794,962.22

40,094,143.90

-





Assets: Sold

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Primary Asset Type	Par Amount	Sale Price	Cost	Reason For Sale	Trade Date
LX145044	StandardAero (DAE Aviation/VCSA) T/L	Term Loan	4,978,322.64	99.95	4,975,833.48	Credit Improved	31-Jan-19
Total:			4,978,322.64		4,975,833.48		





# ACIS CLO 2014-3 LTD. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	-	5,429.58	5,429.58	-	-	-	5,429.58
LX169636	84 Lumber T/L B-1	-	13,711.51	13,711.51	-	-	-	13,711.51
LX144914	Academy T/L B	-	37,406.05	37,406.05	-	-	-	37,406.05
LX172091	Acadia Healthcare T/L B3	-	20,436.15	20,436.15	-	-	-	20,436.15
LX172092	Acadia Healthcare T/L B4	-	7,274.63	7,274.63	-	-	-	7,274.63
LX155961	Advanced Disposal T/L B	-	1,191.11	1,191.11	-	-	-	1,191.11
LX138509	Advantage Sales 2nd lien T/L (Karman)	-	9,030.40	9,030.40	-	-	-	9,030.40
LX138508	Advantage Sales T/L 1st Lien (Karman)	-	32,007.32	32,007.32	-	-	-	32,007.32
LX163240	Advantage Sales T/L B Incremental	-	5,817.85	5,817.85	-	-	-	5,817.85
LX159618	Al Mistral T/L (V. Group)	-	2,336.08	2,336.08	-	-	-	2,336.08
LX171691	Air Medical T/L B	-	35,605.42	35,605.42	-	-	-	35,605.42
LX132200	Akorn T/L B	-	2,160.79	2,160.79	-	-	-	2,160.79
LX176679	Albertson's T/L B7	-	14,344.07	14,344.07	-	-	-	14,344.07
LX155973	American Airlines Replacement T/L B (AMR)	-	9,804.82	9,804.82	-	-	-	9,804.82
LX165158	American Airlines T/L B (06/17)	-	7,016.85	7,016.85	-	-	-	7,016.85
LX172603	American Builders & Contractors T/L B-2	-	1,717.73	1,717.73	-	-	-	1,717.73
LX170974	AMG Advanced Metallurgical T/L	-	13,826.80	13,826.80	-	-	-	13,826.80
LX171458	Apex Tool Group T/L B (02/18)	-	10,733.63	10,733.63	-	-	-	10,733.63
LX151102	Armstrong World Industries T/L B	-	1,427.65	1,427.65	-	-	-	1,427.65
LX146680	Ascena Retail T/L B	-	21,987.91	21,987.91	-	-	-	21,987.91
LX171370	Berry Global (Berry Plastics) T/L Q	-	5,308.35	5,308.35	-	-	-	5,308.35
LX171678	Booz Allen T/L B	-	3,800.80	3,800.80	-	-	-	3,800.80
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	982.01	982.01	-	-	-	982.01
LX159606	Calpine T/L B8	-	15,283.18	15,283.18	-	-	-	15,283.18
LX177791	Carestream Health T/L (12/18)	-	13,293.93	13,293.93	-	-	-	13,293.93
LX152766	Cengage Learning T/L B	-	17,519.75	17,519.75	-	-	-	17,519.75
LX161598	CenturyLink T/L B	-	9,040.67	9,040.67	-	-	-	9,040.67
LX159695	Change Healthcare T/L	-	13,510.87	13,510.87	-	-	-	13,510.87
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	2,109.58	2,109.58	-	-	-	2,109.58
LX148894	Commscope T/L Tranche 5	-	7,868.60	7,868.60	-	-	-	7,868.60
LX174067	Cumulus Media T/L	-	24,112.21	24,112.21	-	-	-	24,112.21
LX154380	Dayton Power T/L B	-	1,815.84	1,815.84	-	-	-	1,815.84
LX170057	Deck Chassis 2nd Lien T/L (Direct ChassisLink)	-	3,777.28	3,777.28	-	-	-	3,777.28
LX169099	Dell International T/L B	-	10,582.70	10,582.70	-	6,850.84	6,850.84	17,433.54





# **Intra-Period Collection Account Detail**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX134289	Ditech Holding (Walter Investment) 1st Lien T/L	-	3,009.52	3,009.52	-	-	-	3,009.52
LX153086	EFS Cogen Holdings T/L B	-	1,495.64	1,495.64	-	-	-	1,495.64
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	-	1,525.32	1,525.32	-	-	-	1,525.32
LX136501	Evergreen Skills T/L (First Lien)	-	37,458.66	37,458.66	-	15,617.72	15,617.72	53,076.38
LX159615	ExamWorks T/L B1	-	3,764.27	3,764.27	-	-	-	3,764.27
LX165177	First Data T/L 2022D	-	19,223.64	19,223.64	-	-	-	19,223.64
LX173110	Fitness International (LA Fitness) T/L A (4/18)	-	13,279.81	13,279.81	-	-	-	13,279.81
LX170988	Flexera Software T/L B	-	12,349.73	12,349.73	-	-	-	12,349.73
LX155300	Fort Dearborn 1st Lien T/L	-	218.53	218.53	-	-	-	218.53
LX162521	Forterra Finance T/L (04/17)	-	5,878.09	5,878.09	-	-	-	5,878.09
LX148220	Frontier Communications T/L 2	-	8,837.18	8,837.18	-	-	-	8,837.18
LX155134	G-III Apparel Group T/L B (10/16)	-	4,440.83	4,440.83	-	-	-	4,440.83
LX173608	Generac Power T/L B (6/2018)	-	9,765.43	9,765.43	-	-	-	9,765.43
LX171577	Genworth Holdings T/L	-	9,563.05	9,563.05	-	-	-	9,563.05
LX175013	GIP III Stetson T/L B	-	5,971.75	5,971.75	-	33,012.58	33,012.58	38,984.33
LX172106	Global Payments T/L B (03/18)	-	6,465.85	6,465.85	-	-	-	6,465.85
LX168592	Golden Nugget T/L B (09/17)	-	5,889.88	5,889.88	-	-	-	5,889.88
LX159621	Gray Television T/L B	-	3,342.04	3,342.04	-	-	-	3,342.04
LX158207	Grifols Worldwide Operations T/L B	-	2,672.01	2,672.01	-	-	-	2,672.01
LX170998	Harbor Freight Tools T/L B (1/18)	-	18,112.57	18,112.57	-	-	-	18,112.57
LX144819	HCA Inc T/L A5	-	6,723.68	6,723.68	-	-	-	6,723.68
LX171927	HCA Inc T/L B11	-	8,599.46	8,599.46	-	-	-	8,599.46
LX176498	HD Supply T/L B-5	-	22,170.34	22,170.34	-	-	-	22,170.34
LX159959	Infor US (Lawson) T/L B-6	-	17,410.68	17,410.68	-	-	-	17,410.68
LX144340	IPC Corp T/L B-1	-	25,704.01	25,704.01	-	-	-	25,704.01
LX155217	Jo-Ann Stores T/L	-	37,455.56	37,455.56	-	5,092.71	5,092.71	42,548.27
LX146975	Kenan Advantage T/L B (Canadian)	-	1,155.21	1,155.21	-	-	-	1,155.21
LX146807	Kenan Advantage T/L B (U.S.)	-	3,809.17	3,809.17	-	-	-	3,809.17
LX171689	Kraton Polymers T/L B	-	3,612.89	3,612.89	-	-	-	3,612.89
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	5,616.50	5,616.50	-	-	-	5,616.50
LX163804	Kronos T/L B	-	51,687.24	51,687.24	-	-	-	51,687.24
LX154098	Leslie's Poolmart T/L B	-	2,488.74	2,488.74	-	-	-	2,488.74
LX160334	Level 3 Financing T/L	-	13,675.17	13,675.17	-	-	-	13,675.17
LX136370	Libbey Glass T/L	-	10,045.61	10,045.61	-	-	-	10,045.61





# ACIS CLO 2014-3 LTD. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX138016	Liberty Cablevision T/L B (San Juan Cable)	-	12,351.71	12,351.71	-	-	-	12,351.71
LX171260	Lightstone Holdco T/L B	-	32,516.96	32,516.96	-	-	-	32,516.96
LX171261	Lightstone T/L C	-	1,792.68	1,792.68	-	-	-	1,792.68
LX162914	MA FinanceCo T/L B2	-	8,687.72	8,687.72	-	10,037.78	10,037.78	18,725.50
LX162202	MacDermid T/L B6	-	12,441.33	12,441.33	-	2,616,262.52	2,616,262.52	2,628,703.85
LX168182	Match Group T/L B	-	15,437.89	15,437.89	-	-	-	15,437.89
LX152400	McGraw-Hill Global Education Holdings T/L	-	24,907.85	24,907.85	-	-	-	24,907.85
LX172427	Mediacom T/L N	-	3,192.96	3,192.96	-	-	-	3,192.96
LX173656	Michaels Stores T/L B	-	2,644.51	2,644.51	-	2,904.19	2,904.19	5,548.70
LX166195	MKS Instruments T/L B4	-	2,650.94	2,650.94	-	-	-	2,650.94
LX155231	Mohegan Tribal T/L A	-	10,987.13	10,987.13	-	-	-	10,987.13
LX165715	MTS Systems Corporation T/L B (06/17)	-	3,219.84	3,219.84	-	-	-	3,219.84
LX157681	National Financial Partners (NFP) T/L B	-	9,905.91	9,905.91	-	-	-	9,905.91
LX171716	NeuStar T/L B-3	-	12,149.67	12,149.67	-	-	-	12,149.67
LX162460	Nielsen Finance T/L B4	-	1,660.40	1,660.40	-	-	-	1,660.40
LX155280	NN, Inc T/L B (9/16)	-	15,392.28	15,392.28	-	-	-	15,392.28
LX162054	NN, Inc. Incremental T/L B	-	15,961.11	15,961.11	-	-	-	15,961.11
LX153092	NRG Energy T/L B 6/16	-	714.61	714.61	-	-	-	714.61
LX157136	Ocwen T/L B	-	1,505.38	1,505.38	-	-	-	1,505.38
LX171402	Party City T/L	-	5,707.17	5,707.17	-	-	-	5,707.17
LX159002	Prestige Brands T/L B4	-	1,678.11	1,678.11	-	11,034.14	11,034.14	12,712.25
LX155959	Quikrete T/L B	-	13,346.93	13,346.93	-	-	-	13,346.93
LX152098	Quorum Health T/L	-	33,771.21	33,771.21	-	-	-	33,771.21
LX152765	Riverbed Technology T/L 1st Lien	-	7,465.83	7,465.83	-	-	-	7,465.83
LX155106	RP Crown Parent (JDA Software) T/L B	-	6,828.78	6,828.78	-	-	-	6,828.78
LX176102	RR Donnelley & Sons T/L B	-	1,667.92	1,667.92	-	-	-	1,667.92
LX152375	Russell Investments T/L B	-	31,532.05	31,532.05	-	-	-	31,532.05
LX161101	SeaWorld T/L B5 (02/17)	-	9,095.68	9,095.68	-	-	-	9,095.68
LX156211	ServiceMaster T/L C	-	950.57	950.57	-	-	-	950.57
LX158094	Sinclair Television T/L B2	-	5,090.54	5,090.54	-	-	-	5,090.54
LX145736	Six Flags T/L B	-	5,063.52	5,063.52	-	-	-	5,063.52
LX151194	Solera T/L B	-	8,995.75	8,995.75	-	-	-	8,995.75
LX141908	Southeast PowerGen T/L B	-	959.96	959.96	-	-	-	959.96
LX169358	Springer Science T/L B13	-	8,611.73	8,611.73	-	-	-	8,611.73





# ACIS CLO 2014-3 LTD. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX159257	Sprint Communications T/L	-	6,424.63	6,424.63	-	-	-	6,424.63
LX160837	SS&C Technologies T/L B1 (03/17)	-	8,339.76	8,339.76	-	-	-	8,339.76
LX145044	StandardAero (DAE Aviation/VCSA) T/L	-	17,996.29	17,996.29	-	-	-	17,996.29
LX152816	Station Casinos T/L B (6/16)	-	4,055.94	4,055.94	-	-	-	4,055.94
LX165294	Surgery Center Holdings T/L B (06/17)	-	14,781.98	14,781.98	-	-	-	14,781.98
LX171276	Syniverse Holdings T/L (01/18)	-	12,899.57	12,899.57	-	-	-	12,899.57
LX156377	Team Health Holdings T/L	-	8,921.31	8,921.31	-	-	-	8,921.31
LX173457	Transdigm 2018 New T/L F	-	12,928.49	12,928.49	-	-	-	12,928.49
LX145376	Tribune Media T/L B	-	8,903.34	8,903.34	-	-	-	8,903.34
LX159214	Tribune Media T/L C (01/17)	-	1,771.98	1,771.98	-	-	-	1,771.98
LX172243	Uber Technologies T/L (3/18)	-	5,777.04	5,777.04	-	-	-	5,777.04
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	-	3,363.07	3,363.07	-	-	-	3,363.07
LX161197	Univision Communications T/L C5	-	8,535.21	8,535.21	-	51,161.42	51,161.42	59,696.63
LX162476	Urban One T/L	-	6,320.22	6,320.22	-	-	-	6,320.22
LX153134	US Foods Second Incremental T/L	-	8,257.30	8,257.30	-	-	-	8,257.30
LX169239	VC GB Holdings T/L (Generation Brands)	-	9,349.95	9,349.95	-	-	-	9,349.95
LX156640	Vertellus T/L 2nd Lien	-	3,103.64	3,103.64	-	-	-	3,103.64
LX155779	Vistra Operations (Tex Operations) Exit T/L B	-	13,724.32	13,724.32	-	-	-	13,724.32
LX157720	Vistra Operations Company T/L B (12/16)	-	12,225.54	12,225.54	-	-	-	12,225.54
LX144232	Wash Multifamily T/L (1st Lien)	-	16,766.38	16,766.38	-	-	-	16,766.38
LX135383	Wesco Aircraft T/L B	-	8,662.78	8,662.78	-	-	-	8,662.78
LX173578	Western Digital Corporation T/L B-4	-	4,209.49	4,209.49	-	-	-	4,209.49
LX165665	WEX T/L B-2 (Wright Express)	-	14,875.18	14,875.18	-	-	-	14,875.18
LX153816	WireCo WorldGroup T/L B	-	4,748.89	4,748.89	-	-	-	4,748.89
LX166414	Zayo Group T/L B2	-	2,123.08	2,123.08	-	-	-	2,123.08
<b>Totals:</b>	<b>127</b>	<b>0.00</b>	<b>1,313,642.19</b>	<b>1,313,642.19</b>	<b>0.00</b>	<b>2,751,973.90</b>	<b>2,751,973.90</b>	<b>4,065,616.09</b>



**Proceeds Account Summary**As of Date: 02/21/2019  
Payment Date: 05/01/2019**Interest Proceeds**

Interest Received:	1,313,642.19
Interest on Eligible Investments:	123,639.77
Commitment Fees:	0.00
Other Fees:	75,742.28
Pursuant to any Hedge Agreement	0.00
Pursuant to any Cashflow Swap Payments	0.00
Amendment & Waiver Fees	0.00
Prepayment/Call Premium:	0.00
Dividends:	0.00
Purchased Accrued Interest:	0.00
Interest Accrued on Purchase/Sale of Asset	0.00
Pursuant to any Asset Swap Hedge Investments	0.00
Adjustment for Defaulted Collateral Obligations	0.00
<b>Total:</b>	<b>1,513,024.24</b>

**Principal Proceeds**

Redemptions:	2,751,973.90
Maturity:	0.00
Prepayment/Call Premiums:	0.00
Principal on Sale of Asset:	4,975,833.48
Recoveries on Defaults:	0.00
Other Fees:	0.00
Other Amounts:	0.00
Adjustment for Defaulted Collateral Obligations	0.00
<b>Total:</b>	<b>7,727,807.38</b>

**Total Collection of Interest & Principal Proceeds: 9,240,831.62****Accounts Summary (1)**

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Collection Account - Interest	4,594,760.42	1,573,844.78	4,655,580.96	1,513,024.24
Collection Account - Principal	60,345,800.01	36,533,245.07	88,854,849.24	8,024,195.84
Custodial Account	0.00	0.00	0.00	0.00
Expense Reserve Account	0.00	0.00	0.00	0.00
Interest Reserve Account	0.00	0.00	0.00	0.00
Payment Account	0.01	33,400,029.05	33,400,029.05	0.01
Ramp-Up Account	0.00	0.00	0.00	0.00
Reinvestment Amount Account	0.00	0.00	0.00	0.00
Revolver Funding Account	0.00	3,800,000.00	0.00	3,800,000.00
<b>Totals:</b>	<b>64,940,560.44</b>	<b>75,307,118.90</b>	<b>126,910,459.25</b>	<b>13,337,220.09</b>

**Asset Summary (2)**

Agg. Principal Amount of Securities:	384,889,880.75
Balance of Collection Account:	(2,067,154.92)
Balance of Custodial Account:	0.00
Balance of Expense Reserve Account:	0.00
Balance of Interest Reserve Account:	0.00
Balance of Payment Account:	0.01
Balance of Ramp-Up Account:	0.00
Balance of Reinvestment Amount Account:	0.00
Balance of Revolver Funding Account:	3,800,000.00
<b>Total of All Proceeds:</b>	<b>386,622,725.84</b>

(1) Based on Settlement Date (2) Based on Trade Date





# Current Asset Characteristics - Part I

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	1011778 B.C. Unlimited Liability Company	16-Feb-24	-	4.74888%	2,482,500.00	2,482,500.00	0.65000%
LX169636	84 Lumber T/L B-1	84 Lumber Company	25-Oct-23	-	7.76000%	2,190,428.89	2,190,428.89	0.58000%
LX144914	Academy T/L B	Academy, Ltd.	01-Jul-22	-	6.51061%	6,746,346.41	6,746,346.41	1.77000%
LX172091	Acadia Healthcare T/L B3	Acadia Healthcare Company, Inc.	11-Feb-22	-	4.99888%	4,725,309.38	4,725,309.38	1.25000%
LX172092	Acadia Healthcare T/L B4	Acadia Healthcare Company, Inc.	16-Feb-23	-	4.99888%	1,682,062.45	1,682,062.45	0.44000%
LX155961	Advanced Disposal T/L B	Advanced Disposal Services, Inc.	10-Nov-23	-	4.66863%	328,481.09	328,481.09	0.08000%
LX138509	Advantage Sales 2nd lien T/L (Karman)	Advantage Sales & Marketing Inc.	25-Jul-22	-	8.99888%	1,162,323.24	1,162,323.24	0.30000%
LX138508	Advantage Sales T/L 1st Lien (Karman)	Advantage Sales & Marketing Inc.	23-Jul-21	-	5.74888%	6,439,248.53	6,439,248.53	1.70000%
LX163240	Advantage Sales T/L B Incremental	Advantage Sales & Marketing Inc.	23-Jul-21	-	5.74888%	1,170,437.41	1,170,437.41	0.31000%
LX172523	AES Corporation T/L B (03/18)	AES Corporation, The	31-May-22	-	4.45600%	1,055,849.57	1,055,849.57	0.28000%
LX159618	AI Mistral T/L (V. Group)	AI Mistral (Luxembourg) Subco Sarl	11-Mar-24	-	5.49888%	491,250.00	491,250.00	0.13000%
LX171691	Air Medical T/L B	Air Medical Group Holdings, Inc.	28-Apr-22	-	5.74375%	7,576,252.51	7,576,252.51	2.01000%
LX132200	Akorn T/L B	Akorn, Inc.	16-Apr-21	-	8.00000%	311,230.93	311,230.93	0.08000%
LX164597	Albertson's T/L B5 (05/17)	Albertson's LLC	21-Dec-22	-	5.82163%	4,273,806.25	4,273,806.25	1.13000%
LX176679	Albertson's T/L B7	Albertson's LLC	17-Nov-25	-	5.49888%	3,016,385.22	3,016,385.22	0.80000%
LX155973	American Airlines Replacement T/L B (AMR)	American Airlines, Inc.	28-Apr-23	-	4.50000%	2,691,391.91	2,691,391.91	0.71000%
LX165158	American Airlines T/L B (06/17)	American Airlines, Inc.	11-Oct-21	-	4.51688%	4,268,413.16	4,268,413.16	1.13000%
LX172603	American Builders & Contractors T/L B-2	American Builders & Contractors Supply Co., Inc.	31-Oct-23	-	4.49888%	441,090.33	441,090.33	0.11000%
LX170974	AMG Advanced Metallurgical T/L	AMG Advanced Metallurgical Group N.V.	03-Feb-25	-	5.50175%	1,485,000.00	1,485,000.00	0.39000%
LX171458	Apex Tool Group T/L B (02/18)	Apex Tool Group, LLC	01-Feb-22	-	6.24888%	1,987,261.16	1,987,261.16	0.52000%
LX151102	Armstrong World Industries T/L B	Armstrong World Industries, Inc.	31-Mar-23	-	5.37397%	534,158.90	534,158.90	0.13000%
LX146680	Ascena Retail T/L B	Ascena Retail Group, Inc.	22-Aug-22	-	7.00000%	3,615,482.98	3,615,482.98	0.96000%
LX171370	Berry Global (Berry Plastics) T/L Q	Berry Global Group, Inc.	01-Oct-22	-	4.61013%	1,322,532.36	1,322,532.36	0.35000%
LX171678	Booz Allen T/L B	Booz Allen Hamilton Inc.	30-Jun-23	-	4.49888%	975,997.73	975,997.73	0.25000%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Bright Bidco B.V.	28-Jun-24	-	6.20448%	1,989,881.60	1,989,881.60	0.51000%
LX159595	Builders Firstsource T/L	Builders FirstSource, Inc.	29-Feb-24	-	5.80300%	2,421,892.05	2,421,892.05	0.64000%
LX144710	Calpine Corporation T/L B-5	Calpine Corporation	15-Jan-24	-	5.31000%	426,377.53	426,377.53	0.11000%
LX149099	Calpine Corporation T/L B-6	Calpine Corporation	15-Jan-23	-	5.31000%	744,245.52	744,245.52	0.19000%
LX159606	Calpine T/L B8	Calpine Corporation	31-Dec-19	-	4.25000%	4,794,131.15	4,794,131.15	1.27000%





# ACIS CLO 2014-3 LTD. Current Asset Characteristics - Part I

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX167639	Canyon Valor Companies (GTCR) T/L B	Canyon Valor Companies, Inc.	16-Jun-23	-	5.55300%	2,000,000.00	2,000,000.00	0.53000%
LX177791	Carestream Health T/L (12/18)	Onex Carestream Finance LP	28-Feb-21	-	8.24888%	3,866,219.38	3,866,219.38	1.02000%
LX152766	Cengage Learning T/L B	Cengage Learning, Inc.	07-Jun-23	-	6.76900%	3,012,475.99	3,012,475.99	0.80000%
LX161598	CenturyLink T/L B	CenturyLink, Inc.	31-Jan-25	-	5.24888%	1,991,291.56	1,991,291.56	0.52000%
LX159695	Change Healthcare T/L	Change Healthcare Holdings, Inc.	01-Mar-24	-	5.24888%	2,975,892.91	2,975,892.91	0.77000%
LX142450	Chief Power Finance T/L B	Chief Power Finance, LLC	31-Dec-20	-	7.25000%	4,000,000.00	4,000,000.00	1.06000%
LX144540	CHS/Community Health T/L H	CHS/Community Health Systems, Inc.	27-Jan-21	-	5.95663%	2,452,223.19	2,452,223.19	0.65000%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Coinamatic Canada Inc.	16-May-22	-	5.74888%	424,405.67	424,405.67	0.11000%
LX148894	Commscope T/L Tranche 5	CommScope, Inc.	29-Dec-22	-	4.49888%	2,020,557.17	2,020,557.17	0.53000%
LX174067	Cumulus Media T/L	Cumulus Media New Holdings Inc.	13-May-22	-	7.00000%	3,983,111.52	3,983,111.52	1.05000%
LX154380	Dayton Power T/L B	Dayton Power And Light Company (The)	22-Aug-22	-	4.50000%	465,500.00	465,500.00	0.12000%
LX170057	Deck Chassis 2nd Lien T/L (Direct ChassisLink)	Deck Chassis Acquisition Inc.	15-Jun-23	-	8.69288%	2,000,000.00	2,000,000.00	0.53000%
LX169099	Dell International T/L B	Dell International L.L.C.	07-Sep-23	-	4.50000%	2,706,081.83	2,706,081.83	0.71000%
LX128948	Doncasters T/L	Doncasters Group Limited	09-Apr-20	-	6.30300%	1,981,034.43	1,981,034.43	0.52000%
LX153086	EFS Cogen Holdings T/L B	EFS Cogen Holdings I LLC	28-Jun-23	-	5.98022%	1,167,598.21	1,167,598.21	0.30000%
LX173582	Epic Y-Grade T/L B	Epic Y-Grade Services LP	13-Jun-24	-	7.99888%	2,000,000.00	2,000,000.00	0.53000%
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	ESH Hospitality, Inc.	30-Aug-23	-	4.49888%	391,682.60	391,682.60	0.10000%
LX136501	Evergreen Skills T/L (First Lien)	Evergreen Skills Lux Sarl	28-Apr-21	-	7.24888%	5,965,970.27	5,965,970.27	1.58000%
LX159615	ExamWorks T/L B1	Examworks Group Inc	27-Jul-23	-	5.74888%	757,298.12	757,298.12	0.20000%
LX173032	Ferro T/L B-1	Ferro Corporation	14-Feb-24	-	5.05300%	2,491,287.50	2,491,287.50	0.66000%
LX165177	First Data T/L 2022D	First Data Corporation	08-Jul-22	-	4.51900%	4,956,810.01	4,956,810.01	1.31000%
LX173110	Fitness International (LA Fitness) T/L A (4/18)	Fitness International, LLC	18-Apr-23	-	5.24888%	2,925,000.00	2,925,000.00	0.77000%
LX167187	Flexential Intermediate T/L B (Peak 10)	Flexential Intermediate Corporation	01-Aug-24	-	6.30300%	1,989,924.44	1,989,924.44	0.52000%
LX170988	Flexera Software T/L B	Flexera Software LLC	26-Feb-25	-	5.75000%	2,481,250.00	2,481,250.00	0.65000%
LX155300	Fort Dearborn 1st Lien T/L	Fort Dearborn Company	19-Oct-23	-	6.78408%	1,114,667.42	1,114,667.42	0.29000%
LX162521	Forterra Finance T/L (04/17)	Forterra Finance, LLC	25-Oct-23	-	5.49888%	1,236,091.93	1,236,091.93	0.32000%
LX159841	Freedom Mortgage T/L B	Freedom Mortgage Corp.	23-Feb-22	-	7.24888%	4,000,000.00	4,000,000.00	1.06000%
LX148220	Frontier Communications T/L 2	Frontier Communications Corporation	31-Mar-21	-	5.25000%	1,943,661.98	1,943,661.98	0.51000%
LX155134	G-III Apparel Group T/L B (10/16)	G-III Apparel Group, Ltd.	01-Dec-22	-	7.76563%	880,143.11	880,143.11	0.22000%





**Current Asset Characteristics - Part I**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX173608	Generac Power T/L B (6/2018)	Generac Power Systems, Inc.	31-May-23	-	4.25913%	2,744,460.65	2,744,460.65	0.72000%
LX171577	Genworth Holdings T/L	Genworth Holdings Inc	07-Mar-23	-	6.98138%	1,488,750.00	1,488,750.00	0.39000%
LX175013	GIP III Stetson T/L B	GIP III STETSON I, L.P.	18-Jul-25	-	6.73138%	1,197,756.66	1,197,756.66	0.31000%
LX172106	Global Payments T/L B (03/18)	Global Payments Inc.	21-Apr-23	-	4.24888%	1,757,504.06	1,757,504.06	0.46000%
LX168592	Golden Nugget T/L B (09/17)	Golden Nugget, Inc.	04-Oct-23	-	5.24440%	618,622.42	618,622.42	0.16000%
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	Granite Acquisition, Inc.	19-Dec-22	-	10.05300%	1,830,542.02	1,830,542.02	0.48000%
LX141384	Granite Acq T/L B (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	-	6.30300%	4,963,214.90	4,963,214.90	1.31000%
LX141385	Granite Acq T/L C (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	-	6.30300%	962,169.39	962,169.39	0.25000%
LX159621	Gray Television T/L B	Gray Television, Inc.	07-Feb-24	-	4.76400%	741,868.97	741,868.97	0.19000%
LX158207	Grifols Worldwide Operations T/L B	Grifols Worldwide Operations USA Inc	31-Jan-25	-	4.66863%	736,875.00	736,875.00	0.19000%
LX165794	Gruden Acquisition T/L	Gruden Acquisition, Inc.	18-Aug-22	-	8.30300%	3,191,904.89	3,191,904.89	0.84000%
LX170998	Harbor Freight Tools T/L B (1/18)	Harbor Freight Tools USA, Inc.	18-Aug-23	-	4.99888%	4,188,043.99	4,188,043.99	1.11000%
LX144819	HCA Inc T/L A5	HCA Inc.	10-Jun-20	-	3.99888%	4,206,848.12	4,206,848.12	1.11000%
LX171927	HCA Inc T/L B11	HCA Inc.	17-Mar-23	-	4.24888%	2,337,448.39	2,337,448.39	0.62000%
LX176498	HD Supply T/L B-5	HD Supply, Inc.	17-Oct-23	-	4.24888%	6,026,195.95	6,026,195.95	1.60000%
LX159959	Infor US (Lawson) T/L B-6	Infor (US), Inc.	01-Feb-22	-	5.24888%	3,834,862.80	3,834,862.80	1.01000%
LX164174	ION Media T/L (05/17)	ION Media Networks, Inc.	18-Dec-20	-	5.25000%	4,000,000.00	4,000,000.00	1.06000%
LX144340	IPC Corp T/L B-1	IPC Corp.	06-Aug-21	-	7.25000%	1,722,987.71	1,722,987.71	0.45000%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	IQVIA Inc.	07-Mar-24	-	4.80300%	474,551.55	474,551.55	0.12000%
LX153006	J.C. Penney T/L B	J.C. Penney Corporation, Inc.	23-Jun-23	-	6.95600%	961,836.40	961,836.40	0.25000%
LX155217	Jo-Ann Stores T/L	Jo-Ann Stores, LLC	20-Oct-23	-	7.76100%	1,954,629.16	1,954,629.16	0.51000%
LX164714	KAR Auction Services T/L B-4	KAR Auction Services, Inc.	11-Mar-21	-	5.06250%	671,503.90	671,503.90	0.17000%
LX164715	KAR Auction Services T/L B-5	KAR Auction Services, Inc.	09-Mar-23	-	5.31250%	4,616,586.43	4,616,586.43	1.22000%
LX146975	Kenan Advantage T/L B (Canadian)	Kenan Advantage Group, Inc.	01-Aug-22	-	5.49888%	242,926.35	242,926.35	0.06000%
LX146807	Kenan Advantage T/L B (U.S.)	Kenan Advantage Group, Inc.	01-Aug-22	-	5.49888%	801,021.98	801,021.98	0.21000%
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	Kinetic Concepts, Inc.	02-Feb-24	-	6.05300%	394,000.00	394,000.00	0.10000%
LX171689	Kraton Polymers T/L B	Kraton Polymers, LLC	05-Mar-25	-	4.99888%	835,384.61	835,384.61	0.22000%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Kronos Acquisition Holdings Inc.	15-May-23	-	6.49888%	1,000,000.00	1,000,000.00	0.25000%
LX163804	Kronos T/L B	Kronos Incorporated	01-Nov-23	-	5.73625%	3,618,351.96	3,618,351.96	0.96000%





**Current Asset Characteristics - Part I**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Lanai Holdings III, Inc.	29-Aug-22	-	7.49409%	2,000,000.00	2,000,000.00	0.53000%
LX154098	Leslie's Poolmart T/L B	Leslie's Poolmart, Inc.	16-Aug-23	-	5.99888%	479,902.46	479,902.46	0.12000%
LX160334	Level 3 Financing T/L	Level 3 Financing Inc	22-Feb-24	-	4.75600%	3,500,000.00	3,500,000.00	0.93000%
LX136370	Libbey Glass T/L	Libbey Glass Inc.	09-Apr-21	-	5.51688%	4,988,493.70	4,988,493.70	1.32000%
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Liberty Cablevision of Puerto Rico LLC	07-Jan-22	-	5.98875%	4,000,000.00	4,000,000.00	1.06000%
LX159083	Life Time Fitness 2017 Refinancing T/L B	Life Time Fitness, Inc.	10-Jun-22	-	5.45663%	6,104,298.15	6,104,298.15	1.62000%
LX171260	Lightstone Holdco T/L B	Lightstone Holdco LLC	30-Jan-24	-	6.24888%	6,020,302.28	6,020,302.28	1.59000%
LX171261	Lightstone T/L C	Lightstone Holdco LLC	30-Jan-24	-	6.24888%	331,902.82	331,902.82	0.08000%
LX162914	MA FinanceCo T/L B2	MA FinanceCo., LLC	19-Nov-21	-	4.74888%	3,974,962.22	3,974,962.22	1.05000%
LX168182	Match Group T/L B	Match Group, Inc.	16-Nov-22	-	5.07813%	1,761,239.63	1,761,239.63	0.46000%
LX152400	McGraw-Hill Global Education Holdings T/L	McGraw-Hill Global Education Holdings, LLC	04-May-22	-	6.49888%	5,983,155.68	5,983,155.68	1.59000%
LX172427	Mediacom T/L N	Mediacom Illinois LLC	15-Feb-24	-	4.17000%	985,056.25	985,056.25	0.26000%
LX173656	Michaels Stores T/L B	Michaels Stores, Inc.	30-Jan-23	-	5.00208%	849,753.03	849,753.03	0.21000%
LX145695	Minerals Technologies T/L B2 (Fixed)	Minerals Technologies Inc.	09-May-21	-	4.75000%	4,798,928.62	4,798,928.62	1.27000%
LX166195	MKS Instruments T/L B4	MKS Instruments, Inc.	01-May-23	-	4.49888%	720,561.81	720,561.81	0.19000%
LX155231	Mohegan Tribal T/L A	Mohegan Tribal Gaming Authority	13-Oct-21	-	6.24888%	2,034,195.90	2,034,195.90	0.54000%
LX152711	MPH Acquisition (Multiplan) T/L B	MPH Acquisition Holdings LLC	07-Jun-23	-	5.55300%	1,450,309.31	1,450,309.31	0.38000%
LX165715	MTS Systems Corporation T/L B (06/17)	MTS Systems Corporation	05-Jul-23	-	5.74000%	609,819.07	609,819.07	0.16000%
LX157681	National Financial Partners (NFP) T/L B	National Financial Partners Corporation	08-Jan-24	-	5.49888%	2,083,093.72	2,083,093.72	0.55000%
LX169275	Navistar T/L B (10/17)	Navistar, Inc.	06-Nov-24	-	6.02000%	1,994,962.22	1,994,962.22	0.53000%
LX171716	NeuStar T/L B-3	NeuStar, Inc.	08-Jan-20	-	4.99888%	2,809,285.40	2,809,285.40	0.74000%
LX162460	Nielsen Finance T/L B4	Nielsen Finance LLC	04-Oct-23	-	4.51688%	401,527.89	401,527.89	0.10000%
LX155280	NN, Inc T/L B (9/16)	NN, Inc.	19-Oct-22	-	6.24888%	2,849,780.41	2,849,780.41	0.75000%
LX162054	NN, Inc. Incremental T/L B	NN, Inc.	02-Apr-21	-	5.74888%	3,210,761.89	3,210,761.89	0.85000%
LX153092	NRG Energy T/L B 6/16	NRG Energy, Inc.	30-Jun-23	-	4.24888%	194,240.58	194,240.58	0.05000%
LX157595	Oberthur Technologies T/L B (USD)	Oberthur Technologies Group S.A.S.	10-Jan-24	-	6.55300%	393,000.00	393,000.00	0.10000%
LX157136	Ocwen T/L B	Ocwen Loan Servicing, LLC	07-Dec-20	-	7.51900%	232,976.45	232,976.45	0.06000%
LX178352	Pacific Gas & Electric DD T/L DIP	Pacific Gas & Electric	31-Dec-20	-	1.12500%	-	950,000.00	0.25000%
LX178350	Pacific Gas & Electric T/L DIP	Pacific Gas & Electric	31-Dec-20	-	1.12500%	-	2,850,000.00	0.75000%





# ACIS CLO 2014-3 LTD. Current Asset Characteristics - Part I

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX171402	Party City T/L	Party City Holdings Inc.	19-Aug-22	-	5.00000%	2,014,956.49	2,014,956.49	0.51000%
LX159002	Prestige Brands T/L B4	Prestige Brands, Inc.	26-Jan-24	-	4.49888%	420,952.34	420,952.34	0.11000%
LX157682	Prime Security Services Refi T/L B-1 (Protection One)	Prime Security Services Borrower, LLC	02-May-22	-	5.24888%	2,000,000.00	2,000,000.00	0.52000%
LX155959	Quikrete T/L B	QUIKRETE Holdings, Inc.	15-Nov-23	-	5.24888%	2,939,783.88	2,939,783.88	0.78000%
LX152098	Quorum Health T/L	Quorum Health Corp	29-Apr-22	-	9.24888%	4,229,569.44	4,229,569.44	1.12000%
LX169594	Rackspace T/L B (11/17)	Rackspace Hosting, Inc.	03-Nov-23	-	5.73722%	3,000,000.00	3,000,000.00	0.79000%
LX157714	Radiate Holdco (RCN Cable) T/L	Radiate Holdco, LLC	01-Feb-24	-	5.49888%	3,000,000.00	3,000,000.00	0.79000%
LX159617	RadNet Management T/L B (01/17)	RadNet Management, Inc.	30-Jun-23	-	6.55423%	1,545,777.99	1,545,777.99	0.40000%
LX152765	Riverbed Technology T/L 1st Lien	Riverbed Technology, Inc.	25-Apr-22	-	5.75000%	1,500,000.00	1,500,000.00	0.39000%
LX155106	RP Crown Parent (JDA Software) T/L B	RP Crown Parent, LLC	12-Oct-23	-	5.24888%	1,504,102.32	1,504,102.32	0.39000%
LX176102	RR Donnelley & Sons T/L B	R.R. Donnelley & Sons Company	04-Jan-24	-	7.51000%	1,000,000.00	1,000,000.00	0.26000%
LX152375	Russell Investments T/L B	Russell Investments US Institutional Holdco, Inc.	01-Jun-23	-	5.74888%	8,346,826.49	8,346,826.49	2.21000%
LX135384	Seadrill T/L B	Seadrill Operating LP	21-Feb-21	-	8.80300%	11,875.82	11,875.82	-
LX161101	SeaWorld T/L B5 (02/17)	SeaWorld Parks & Entertainment, Inc.	01-Apr-24	-	5.49888%	1,912,712.55	1,912,712.55	0.50000%
LX156211	ServiceMaster T/L C	ServiceMaster Company, LLC (The)	08-Nov-23	-	4.99888%	219,794.09	219,794.09	0.05000%
LX158094	Sinclair Television T/L B2	Sinclair Television Group, Inc.	03-Jan-24	-	4.75000%	1,236,734.64	1,236,734.64	0.32000%
LX145736	Six Flags T/L B	Six Flags Theme Parks Inc.	30-Jun-22	-	4.50000%	474,595.53	474,595.53	0.12000%
LX151194	Solera T/L B	Solera, LLC	03-Mar-23	-	5.24888%	1,981,396.82	1,981,396.82	0.52000%
LX159036	Sophia / Ellucian T/L B	Sophia, L.P.	30-Sep-22	-	6.05300%	2,088,394.81	2,088,394.81	0.55000%
LX141908	Southeast PowerGen T/L B	Southeast PowerGen, LLC	02-Dec-21	-	6.00000%	184,874.14	184,874.14	0.04000%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Spin Holdco, Inc.	14-Nov-22	-	6.02894%	4,436,203.00	4,436,203.00	1.17000%
LX169358	Springer Science T/L B13	Springer Science & Business Media S.A.	12-Aug-22	-	5.99888%	1,515,558.39	1,515,558.39	0.38000%
LX159257	Sprint Communications T/L	Sprint Communications, Inc.	02-Feb-24	-	5.00000%	3,723,750.00	3,723,750.00	0.98000%
LX160837	SS&C Technologies T/L B1 (03/17)	SS&C Technologies, Inc.	08-Jul-22	-	4.74888%	2,029,360.14	2,029,360.14	0.53000%
LX152816	Station Casinos T/L B (6/16)	Station Casinos LLC	08-Jun-23	-	5.00000%	936,405.99	936,405.99	0.24000%
LX165294	Surgery Center Holdings T/L B (06/17)	Surgery Center Holdings, Inc.	03-Sep-24	-	5.75000%	2,969,924.81	2,969,924.81	0.78000%
LX171276	Syniverse Holdings T/L (01/18)	Syniverse Holdings, Inc.	09-Mar-23	-	7.48875%	1,994,974.87	1,994,974.87	0.53000%
LX156377	Team Health Holdings T/L	Team Health Holdings, Inc.	06-Feb-24	-	5.24888%	1,965,000.00	1,965,000.00	0.52000%
LX159275	Telesat Canada T/L 2018 B-4	Telesat Canada	17-Nov-23	-	5.31000%	6,216,524.00	6,216,524.00	1.65000%





**Current Asset Characteristics - Part I**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX141526	Toys R Us T/L B4	Toys R Us-Delaware, Inc.	24-Apr-20	-	13.25000%	5,036,298.27	5,036,298.27	1.33000%
LX173457	Transdigm 2018 New T/L F	Transdigm, Inc.	09-Jun-23	-	4.99888%	3,989,365.98	3,989,365.98	1.06000%
LX145376	Tribune Media T/L B	Tribune Media Company	24-Dec-20	-	5.49888%	3,872,266.31	3,872,266.31	1.02000%
LX159214	Tribune Media T/L C (01/17)	Tribune Media Company	29-Jan-24	-	5.49888%	372,626.18	372,626.18	0.09000%
LX168798	Tronox Blocked Borrower T/L B2	Tronox Blocked Borrower LLC	23-Sep-24	-	5.49888%	831,395.35	831,395.35	0.22000%
LX168581	Tronox T/L B (09/17)	Tronox Finance LLC	23-Sep-24	-	5.49888%	1,918,604.65	1,918,604.65	0.50000%
LX172243	Uber Technologies T/L (3/18)	Uber Technologies Inc	04-Apr-25	-	6.51688%	997,493.73	997,493.73	0.26000%
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	UFC Holdings, LLC	18-Aug-23	-	5.75000%	997,448.98	997,448.98	0.26000%
LX161197	Univision Communications T/L C5	Univision Communications Inc.	15-Mar-24	-	5.24888%	1,815,655.19	1,815,655.19	0.48000%
LX162200	UOS (Utility One Source) T/L B	UOS, LLC	18-Apr-23	-	8.00067%	4,000,000.00	4,000,000.00	1.05000%
LX162476	Urban One T/L	Urban One, Inc.	18-Apr-23	-	6.50000%	1,123,982.92	1,123,982.92	0.29000%
LX153134	US Foods Second Incremental T/L	US Foods, Inc.	27-Jun-23	-	4.49888%	2,120,369.92	2,120,369.92	0.56000%
LX169239	VC GB Holdings T/L (Generation Brands)	VC GB Holdings, Inc.	28-Feb-24	-	5.49888%	1,966,182.70	1,966,182.70	0.52000%
LX156640	Vertellus T/L 2nd Lien	Vertellus Holdings LLC	29-Oct-21	-	14.41000%	221,441.03	221,441.03	0.05000%
LX155779	Vistra Operations (Tex Operations) Exit T/L B	Vistra Operations Company LLC	04-Aug-23	-	4.49888%	3,524,233.73	3,524,233.73	0.93000%
LX157720	Vistra Operations Company T/L B (12/16)	Vistra Operations Company LLC	14-Dec-23	-	4.74888%	2,974,910.94	2,974,910.94	0.79000%
LX144232	Wash Multifamily T/L (1st Lien)	Wash MultiFamily Acquisition, Inc.	16-May-22	-	5.74888%	3,373,068.32	3,373,068.32	0.89000%
LX135383	Wesco Aircraft T/L B	Wesco Aircraft Hardware Corp.	26-Feb-21	-	5.00000%	2,000,000.00	2,000,000.00	0.53000%
LX173578	Western Digital Corporation T/L B-4	Western Digital Corporation	29-Apr-23	-	4.26000%	1,271,773.32	1,271,773.32	0.33000%
LX165665	WEX T/L B-2 (Wright Express)	WEX Inc.	30-Jun-23	-	4.74888%	3,619,662.75	3,619,662.75	0.96000%
LX165396	WideOpenWest T/L B (6/17)	WideOpenWest Finance, LLC	18-Aug-23	-	5.75300%	2,000,000.00	2,000,000.00	0.53000%
LX153816	WireCo WorldGroup T/L B	WireCo WorldGroup Inc.	29-Sep-23	-	7.49888%	733,125.00	733,125.00	0.19000%
LX166414	Zayo Group T/L B2	Zayo Group, LLC	19-Jan-24	-	4.74888%	516,621.69	516,621.69	0.13000%
<b>Totals:</b>						<b>381,089,880.76</b>	<b>384,889,880.76</b>	





# Current Asset Characteristics - Part II

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	S&P Recovery Rates						Moody's Recovery Rate
		AAA	AA	A	BBB	BB	B	
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX169636	84 Lumber T/L B-1	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	40.00%
LX144914	Academy T/L B	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	40.00%
LX172091	Acadia Healthcare T/L B3	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX172092	Acadia Healthcare T/L B4	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX155961	Advanced Disposal T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX138509	Advantage Sales 2nd lien T/L (Karman)	2.00%	4.00%	6.00%	8.00%	10.00%	10.00%	5.00%
LX138508	Advantage Sales T/L 1st Lien (Karman)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX163240	Advantage Sales T/L B Incremental	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX172523	AES Corporation T/L B (03/18)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX159618	AI Mistral T/L (V. Group)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX171691	Air Medical T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX132200	Akorn T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX164597	Albertson's T/L B5 (05/17)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX176679	Albertson's T/L B7	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX155973	American Airlines Replacement T/L B (AMR)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX165158	American Airlines T/L B (06/17)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX172603	American Builders & Contractors T/L B-2	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX170974	AMG Advanced Metallurgical T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX171458	Apex Tool Group T/L B (02/18)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX151102	Armstrong World Industries T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX146680	Ascena Retail T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX171370	Berry Global (Berry Plastics) T/L Q	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX171678	Booz Allen T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX159595	Builders Firstsource T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	40.00%
LX144710	Calpine Corporation T/L B-5	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX149099	Calpine Corporation T/L B-6	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX159606	Calpine T/L B8	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX167639	Canyon Valor Companies (GTCR) T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX177791	Carestream Health T/L (12/18)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX152766	Cengage Learning T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX161598	CenturyLink T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	45.00%
LX159695	Change Healthcare T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX142450	Chief Power Finance T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX144540	CHS/Community Health T/L H	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX148894	Commscope T/L Tranche 5	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX174067	Cumulus Media T/L	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX154380	Dayton Power T/L B	75.00%	85.00%	88.00%	90.00%	92.00%	95.00%	60.00%
LX170057	Deck Chassis 2nd Lien T/L (Direct ChassisLink)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	15.00%
LX169099	Dell International T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX128948	Doncasters T/L	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	45.00%
LX153086	EFS Cogen Holdings T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX173582	Epic Y-Grade T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%





**Current Asset Characteristics - Part II**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	S&P Recovery Rates						Moody's Recovery Rate
		AAA	AA	A	BBB	BB	B	
LX136501	Evergreen Skills T/L (First Lien)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX159615	ExamWorks T/L B1	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX173032	Ferro T/L B-1	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX165177	First Data T/L 2022D	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX173110	Fitness International (LA Fitness) T/L A (4/18)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX167187	Flexential Intermediate T/L B (Peak 10)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX170988	Flexera Software T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX155300	Fort Dearborn 1st Lien T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX162521	Forterra Finance T/L (04/17)	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	45.00%
LX159841	Freedom Mortgage T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX148220	Frontier Communications T/L 2	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX155134	G-III Apparel Group T/L B (10/16)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX173608	Generac Power T/L B (6/2018)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX171577	Genworth Holdings T/L	45.00%	49.00%	53.00%	58.00%	70.00%	74.00%	60.00%
LX175013	GIP III Stetson T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX172106	Global Payments T/L B (03/18)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX168592	Golden Nugget T/L B (09/17)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	2.00%	4.00%	6.00%	8.00%	10.00%	10.00%	15.00%
LX141384	Granite Acq T/L B (Wheelabrator)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX141385	Granite Acq T/L C (Wheelabrator)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX159621	Gray Television T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX158207	Grifols Worldwide Operations T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX165794	Gruden Acquisition T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX170998	Harbor Freight Tools T/L B (1/18)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX144819	HCA Inc T/L A5	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX171927	HCA Inc T/L B11	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX176498	HD Supply T/L B-5	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	45.00%
LX159959	Infor US (Lawson) T/L B-6	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX164174	ION Media T/L (05/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX144340	IPC Corp T/L B-1	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX153006	J.C. Penney T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX155217	Jo-Ann Stores T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX164714	KAR Auction Services T/L B-4	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX164715	KAR Auction Services T/L B-5	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX146975	Kenan Advantage T/L B (Canadian)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX146807	Kenan Advantage T/L B (U.S.)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX159619	Kinetic Concepts (Acility) (1/17) T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX171689	Kraton Polymers T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX163804	Kronos T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX154098	Leslie's Poolmart T/L B	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	50.00%
LX160334	Level 3 Financing T/L	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX136370	Libbey Glass T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX138016	Liberty Cablevision T/L B (San Juan Cable)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%





# Current Asset Characteristics - Part II

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	S&P Recovery Rates						Moody's Recovery Rate
		AAA	AA	A	BBB	BB	B	
LX159083	Life Time Fitness 2017 Refinancing T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX171260	Lightstone Holdco T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX171261	Lightstone T/L C	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX162914	MA FinanceCo T/L B2	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX168182	Match Group T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	45.00%
LX152400	McGraw-Hill Global Education Holdings T/L	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX172427	Mediacom T/L N	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX173656	Michaels Stores T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	45.00%
LX145695	Minerals Technologies T/L B2 (Fixed)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX166195	MKS Instruments T/L B4	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX155231	Mohegan Tribal T/L A	45.00%	49.00%	53.00%	58.00%	70.00%	74.00%	50.00%
LX152711	MPH Acquisition (Multiplan) T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX165715	MTS Systems Corporation T/L B (06/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX157681	National Financial Partners (NFP) T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX169275	Navistar T/L B (10/17)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX171716	NeuStar T/L B-3	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX162460	Nielsen Finance T/L B4	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX155280	NN, Inc T/L B (9/16)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX162054	NN, Inc. Incremental T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX153092	NRG Energy T/L B 6/16	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX157595	Oberthur Technologies T/L B (USD)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX157136	Ocwen T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX178352	Pacific Gas & Electric DD T/L DIP	45.00%	49.00%	53.00%	58.00%	70.00%	74.00%	50.00%
LX178350	Pacific Gas & Electric T/L DIP	45.00%	49.00%	53.00%	58.00%	70.00%	74.00%	50.00%
LX171402	Party City T/L	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX159002	Prestige Brands T/L B4	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX157682	Prime Security Services Refi T/L B-1 (Protection One)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX155959	Quikrete T/L B	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	45.00%
LX152098	Quorum Health T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX169594	Rackspace T/L B (11/17)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX157714	Radiate Holdco (RCN Cable) T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX159617	RadNet Management T/L B (01/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX152765	Riverbed Technology T/L 1st Lien	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX155106	RP Crown Parent (JDA Software) T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX176102	RR Donnelley & Sons T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX152375	Russell Investments T/L B	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	45.00%
LX135384	Seadrill T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX161101	SeaWorld T/L B5 (02/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX156211	ServiceMaster T/L C	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX158094	Sinclair Television T/L B2	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX145736	Six Flags T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX151194	Solera T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX159036	Sophia / Ellucian T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX141908	Southeast PowerGen T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX169358	Springer Science T/L B13	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%





**Current Asset Characteristics - Part II**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	S&P Recovery Rates						Moody's Recovery Rate
		AAA	AA	A	BBB	BB	B	
LX159257	Sprint Communications T/L	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX160837	SS&C Technologies T/L B1 (03/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX152816	Station Casinos T/L B (6/16)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX165294	Surgery Center Holdings T/L B (06/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX171276	Syniverse Holdings T/L (01/18)	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	50.00%
LX156377	Team Health Holdings T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX159275	Telesat Canada T/L 2018 B-4	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX173457	Transdigm 2018 New T/L F	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX145376	Tribune Media T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX159214	Tribune Media T/L C (01/17)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX168798	Tronox Blocked Borrower T/L B2	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX168581	Tronox T/L B (09/17)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX172243	Uber Technologies T/L (3/18)	-	-	-	-	-	-	-
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX161197	Univision Communications T/L C5	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX162200	UOS (Utility One Source) T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX162476	Urban One T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX153134	US Foods Second Incremental T/L	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX169239	VC GB Holdings T/L (Generation Brands)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX156640	Vertellus T/L 2nd Lien	16.00%	18.00%	21.00%	24.00%	27.00%	29.00%	30.00%
LX155779	Vistra Operations (Tex Operations) Exit T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX157720	Vistra Operations Company T/L B (12/16)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX144232	Wash Multifamily T/L (1st Lien)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX135383	Wesco Aircraft T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX173578	Western Digital Corporation T/L B-4	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX165665	WEX T/L B-2 (Wright Express)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX165396	WideOpenWest T/L B (6/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX153816	WireCo WorldGroup T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	45.00%
LX166414	Zayo Group T/L B2	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%

**Total: 167**





### Current Asset Characteristics - Part III

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	Cov-Lite Loan
84 Lumber T/L B-1	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
Academy T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
Acadia Healthcare T/L B3	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
Acadia Healthcare T/L B4	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
Advanced Disposal T/L B	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	
Advantage Sales 2nd lien T/L (Karman)	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	2nd Lien Loan	
Advantage Sales T/L 1st Lien (Karman)	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	Senior Secured Loan	
Advantage Sales T/L B Incremental	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	Senior Secured Loan	
AES Corporation T/L B (03/18)	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
AI Mistral T/L (V. Group)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	
Air Medical T/L B	United States	Transportation: Consumer	Health care	Term Loan	Senior Secured Loan	
Akorn T/L B	United States	Healthcare & Pharmaceuticals	Drugs	Term Loan	Senior Secured Loan	
Albertson's T/L B5 (05/17)	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	
Albertson's T/L B7	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	
American Airlines Replacement T/L B (AMR)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	
American Airlines T/L B (06/17)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	
American Builders & Contractors T/L B-2	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
AMG Advanced Metallurgical T/L	United States	Metals & Mining	Nonferrous metals/minerals	Term Loan	Senior Secured Loan	
Apex Tool Group T/L B (02/18)	United States	Consumer goods: Non-durable	Building & Development	Term Loan	Senior Secured Loan	
Armstrong World Industries T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
Ascena Retail T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
Berry Global (Berry Plastics) T/L Q	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
Booz Allen T/L B	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	
Bright Bidco (Lumileds) T/L B (02/18)	Netherlands	Capital Equipment	Automotive	Term Loan	Senior Secured Loan	
Builders Firstsource T/L	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	
Calpine Corporation T/L B-5	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
Calpine Corporation T/L B-6	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
Calpine T/L B8	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
Canyon Valor Companies (GTCR) T/L B	United States	Media: Advertising, Printing & Publishing	Telecommunications	Term Loan	Senior Secured Loan	
Carestream Health T/L (12/18)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
Cengage Learning T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
CenturyLink T/L B	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
Change Healthcare T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	





### Current Asset Characteristics - Part III

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
Chief Power Finance T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
CHS/Community Health T/L H	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
Coinamatic Canada (Wash Multifamily) T/L 1st Lien	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
Commscope T/L Tranche 5	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
Cumulus Media T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
Dayton Power T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
Deck Chassis 2nd Lien T/L (Direct ChassisLink)	United States	Transportation: Cargo	Surface transport	Term Loan	2nd Lien Loan	
Dell International T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
Doncasters T/L	United Kingdom	Capital Equipment	Aerospace & Defense	Term Loan	Senior Secured Loan	Cov-Lite Loan
EFS Cogen Holdings T/L B	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
Epic Y-Grade T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	
ESH Hospitality (Extended Stay) T/L B (New)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	
Evergreen Skills T/L (First Lien)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	
ExamWorks T/L B1	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	
Ferro T/L B-1	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	
First Data T/L 2022D	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
Fitness International (LA Fitness) T/L A (4/18)	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
Flexential Intermediate T/L B (Peak 10)	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
Flexera Software T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	
Fort Dearborn 1st Lien T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
Forterra Finance T/L (04/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	Cov-Lite Loan
Freedom Mortgage T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
Frontier Communications T/L 2	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
G-III Apparel Group T/L B (10/16)	United States	Consumer goods: Non-durable	Clothing/textiles	Term Loan	Senior Secured Loan	
Generac Power T/L B (6/2018)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
Genworth Holdings T/L	United States	Banking, Finance, Insurance & Real Estate	Life Insurance	Term Loan	Senior Secured Loan	
GIP III Stetson T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	
Global Payments T/L B (03/18)	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
Golden Nugget T/L B (09/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	
Granite Acq 2nd Lien T/L (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	2nd Lien Loan	
Granite Acq T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	
Granite Acq T/L C (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	
Gray Television T/L B	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
Grifols Worldwide Operations T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
Gruden Acquisition T/L	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	





### Current Asset Characteristics - Part III

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
Harbor Freight Tools T/L B (1/18)	United States	Consumer goods: Durable	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
HCA Inc T/L A5	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
HCA Inc T/L B11	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
HD Supply T/L B-5	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	
Infor US (Lawson) T/L B-6	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	
ION Media T/L (05/17)	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
IPC Corp T/L B-1	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	
J.C. Penney T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
Jo-Ann Stores T/L	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
KAR Auction Services T/L B-4	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	
KAR Auction Services T/L B-5	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	
Kenan Advantage T/L B (Canadian)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	
Kenan Advantage T/L B (U.S.)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	
Kinetic Concepts (Acelity) (1/17) T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
Kraton Polymers T/L B	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	
Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	United States	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	
Kronos T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	
Lanai Holdings III T/L 1st Lien (Patterson)	United States	Capital Equipment	Surface transport	Term Loan	Senior Secured Loan	
Leslie's Poolmart T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
Level 3 Financing T/L	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	Cov-Lite Loan
Libbey Glass T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
Liberty Cablevision T/L B (San Juan Cable)	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
Life Time Fitness 2017 Refinancing T/L B	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
Lightstone Holdco T/L B	United States	Energy: Oil & Gas	Utilities	Term Loan	Senior Secured Loan	
Lightstone T/L C	United States	Energy: Oil & Gas	Utilities	Term Loan	Senior Secured Loan	
MA FinanceCo T/L B2	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	
Match Group T/L B	United States	Media: Diversified & Production	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
McGraw-Hill Global Education Holdings T/L	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
Mediacom T/L N	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	
Michaels Stores T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
Minerals Technologies T/L B2 (Fixed)	United States	Metals & Mining	Chemicals & plastics	Term Loan	Senior Secured Loan	
MKS Instruments T/L B4	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
Mohegan Tribal T/L A	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	





### Current Asset Characteristics - Part III

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
MPH Acquisition (Multiplan) T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	
MTS Systems Corporation T/L B (06/17)	United States	Aerospace & Defense	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
National Financial Partners (NFP) T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
Navistar T/L B (10/17)	United States	Transportation: Cargo	Automotive	Term Loan	Senior Secured Loan	
NeuStar T/L B-3	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
Nielsen Finance T/L B4	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	Cov-Lite Loan
NN, Inc T/L B (9/16)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
NN, Inc. Incremental T/L B	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
NRG Energy T/L B 6/16	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	
Oberthur Technologies T/L B (USD)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
Ocwen T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
Pacific Gas & Electric DD T/L DIP	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
Pacific Gas & Electric T/L DIP	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
Party City T/L	United States	Retail	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	Cov-Lite Loan
Prestige Brands T/L B4	United States	Consumer goods: Non-durable	Drugs	Term Loan	Senior Secured Loan	
Prime Security Services Refi T/L B-1 (Protection One)	United States	Services: Consumer	Telecommunications	Term Loan	Senior Secured Loan	Cov-Lite Loan
Quikrete T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
Quorum Health T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
Rackspace T/L B (11/17)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
Radiate Holdco (RCN Cable) T/L	United States	Telecommunications	Radio & Television	Term Loan	Senior Secured Loan	
RadNet Management T/L B (01/17)	United States	Services: Consumer	Health care	Term Loan	Senior Secured Loan	
Riverbed Technology T/L 1st Lien	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	
RP Crown Parent (JDA Software) T/L B	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	
RR Donnelley & Sons T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
Russell Investments T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	Cov-Lite Loan
Seadrill T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	
SeaWorld T/L B5 (02/17)	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
ServiceMaster T/L C	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	
Sinclair Television T/L B2	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
Six Flags T/L B	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
Solera T/L B	United States	Services: Business	Electronics/electrical	Term Loan	Senior Secured Loan	
Sophia / Ellucian T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	
Southeast PowerGen T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
Spin Holdco (Coinmach) T/L B (02/18)	United States	Consumer goods: Non-durable	Business equipment & services	Term Loan	Senior Secured Loan	
Springer Science T/L B13	Germany	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	





**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
Sprint Communications T/L	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
SS&C Technologies T/L B1 (03/17)	United States	Banking, Finance, Insurance & Real Estate	Electronics/electrical	Term Loan	Senior Secured Loan	
Station Casinos T/L B (6/16)	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
Surgery Center Holdings T/L B (06/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
Syniverse Holdings T/L (01/18)	United States	Telecommunications	Business equipment & services	Term Loan	Senior Secured Loan	
Team Health Holdings T/L	United States	Healthcare & Pharmaceuticals	Conglomerates	Term Loan	Senior Secured Loan	
Telesat Canada T/L 2018 B-4	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
Toys R Us T/L B4	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
Transdigm 2018 New T/L F	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	
Tribune Media T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
Tribune Media T/L C (01/17)	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
Tronox Blocked Borrower T/L B2	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	
Tronox T/L B (09/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	
Uber Technologies T/L (3/18)	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	Cov-Lite Loan
UFC Holdings (Zuffa) 1st Lien T/L	United States	Services: Business	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
Univision Communications T/L C5	United States	Media: Diversified & Production	Radio & Television	Term Loan	Senior Secured Loan	
UOS (Utility One Source) T/L B	United States	Capital Equipment	Surface transport	Term Loan	Senior Secured Loan	
Urban One T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
US Foods Second Incremental T/L	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	
VC GB Holdings T/L (Generation Brands)	United States	Consumer goods: Durable	Conglomerates	Term Loan	Senior Secured Loan	
Vertellus T/L 2nd Lien	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	2nd Lien Loan	
Vistra Operations (Tex Operations) Exit T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
Vistra Operations Company T/L B (12/16)	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
Wash Multifamily T/L (1st Lien)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
Wesco Aircraft T/L B	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	
Western Digital Corporation T/L B-4	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	
WEX T/L B-2 (Wright Express)	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
WideOpenWest T/L B (6/17)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
WireCo WorldGroup T/L B	United States	Capital Equipment	Building & Development	Term Loan	Senior Secured Loan	
Zayo Group T/L B2	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
<b>Totals:</b>	<b>168</b>					





# **Weighted Average Spread**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	Floating	1,111,523.75	LIBOR (1 month)	2.50%	2.25 %	4.75%	2.25%	1.00%	25,009.28
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	Floating	1,370,976.25	LIBOR (1 month)	2.50%	2.25 %	4.75%	2.25%	1.00%	30,846.97
LX169636	84 Lumber T/L B-1	Floating	2,190,428.89	LIBOR (1 month)	2.51%	5.25 %	7.76%	5.25%	1.00%	114,997.52
LX144914	Academy T/L B	Floating	1,196,345.05	LIBOR (1 month)	2.51%	4.00 %	6.51%	4.00%	1.00%	47,853.80
LX144914	Academy T/L B	Floating	1,320,446.41	LIBOR (1 month)	2.51%	4.00 %	6.51%	4.00%	1.00%	52,817.86
LX144914	Academy T/L B	Floating	2,166,357.40	LIBOR (1 month)	2.51%	4.00 %	6.51%	4.00%	1.00%	86,654.30
LX144914	Academy T/L B	Floating	2,063,197.55	LIBOR (1 month)	2.51%	4.00 %	6.51%	4.00%	1.00%	82,527.90
LX172091	Acadia Healthcare T/L B3	Floating	4,725,309.38	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%		118,132.73
LX172092	Acadia Healthcare T/L B4	Floating	1,682,062.45	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%		42,051.56
LX155961	Advanced Disposal T/L B	Floating	328,481.09	LIBOR (1 week)	2.42%	2.25 %	4.67%	2.25%	0.75%	7,390.82
LX138509	Advantage Sales 2nd lien T/L (Karman)	Floating	1,162,323.24	LIBOR (1 month)	2.50%	6.50 %	9.00%	6.50%	1.00%	75,551.01
LX138508	Advantage Sales T/L 1st Lien (Karman)	Floating	6,422,435.87	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	208,729.17
LX138508	Advantage Sales T/L 1st Lien (Karman)	Floating	16,812.66	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	546.41
LX163240	Advantage Sales T/L B Incremental	Floating	2,970.65	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	96.55
LX163240	Advantage Sales T/L B Incremental	Floating	1,167,466.76	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	37,942.67
LX172523	AES Corporation T/L B (03/18)	Floating	1,055,849.57	LIBOR (3 months)	2.71%	1.75 %	4.46%	1.75%		18,477.37
LX159618	AI Mistral T/L (V. Group)	Floating	491,250.00	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	1.00%	14,737.50
LX171691	Air Medical T/L B	Floating	7,576,252.51	LIBOR (1 month)	2.49%	3.25 %	5.74%	3.25%	1.00%	246,228.21
LX132200	Akorn T/L B	Floating	311,230.93	LIBOR (1 month)	2.50%	5.50 %	8.00%	5.50%	1.00%	17,117.70
LX164597	Albertson's T/L B5 (05/17)	Floating	4,273,806.25	LIBOR (3 months)	2.82%	3.00 %	5.82%	3.00%	0.75%	128,214.19
LX176679	Albertson's T/L B7	Floating	3,016,385.22	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	0.75%	90,491.56
LX155973	American Airlines Replacement T/L B (AMR)	Floating	2,691,391.91	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%		53,827.84
LX165158	American Airlines T/L B (06/17)	Floating	4,268,413.16	LIBOR (1 month)	2.52%	2.00 %	4.52%	2.00%		85,368.26
LX172603	American Builders & Contractors T/L B-2	Floating	441,090.33	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%	0.75%	8,821.81
LX170974	AMG Advanced Metallurgical T/L	Floating	424,285.71	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%		12,728.57
LX170974	AMG Advanced Metallurgical T/L	Floating	1,060,714.29	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%		31,821.43
LX171458	Apex Tool Group T/L B (02/18)	Floating	1,987,261.16	LIBOR (1 month)	2.50%	3.75 %	6.25%	3.75%	1.25%	74,522.29
LX151102	Armstrong World Industries T/L B	Floating	219,705.46	LIBOR (3 months)	2.80%	2.75 %	5.55%	2.75%	0.75%	6,041.90
LX151102	Armstrong World Industries T/L B	Floating	314,453.44	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	0.75%	8,647.47
LX146680	Ascena Retail T/L B	Floating	3,615,482.98	LIBOR (1 month)	2.50%	4.50 %	7.00%	4.50%	0.75%	162,696.73
LX171370	Berry Global (Berry Plastics) T/L Q	Floating	1,322,532.36	LIBOR (2 months)	2.61%	2.00 %	4.61%	2.00%		26,450.65
LX171678	Booz Allen T/L B	Floating	975,997.73	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%		19,519.95
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	286,502.84	LIBOR (1 month)	2.50%	3.50 %	6.00%	3.50%	1.00%	10,027.60
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	358,128.55	LIBOR (1 month)	2.50%	3.50 %	6.00%	3.50%	1.00%	12,534.50





# **Weighted Average Spread**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	1,345,250.21	LIBOR (3 months)	2.80%	3.50 %	6.30%	3.50%	1.00%	47,083.76
LX159595	Builders Firstsource T/L	Floating	2,421,892.05	LIBOR (3 months)	2.80%	3.00 %	5.80%	3.00%	1.00%	72,656.76
LX144710	Calpine Corporation T/L B-5	Floating	426,377.53	LIBOR (3 months)	2.81%	2.50 %	5.31%	2.50%		10,659.44
LX149099	Calpine Corporation T/L B-6	Floating	744,245.52	LIBOR (3 months)	2.81%	2.50 %	5.31%	2.50%		18,606.14
LX159606	Calpine T/L B8	Floating	4,794,131.15	LIBOR (1 month)	2.50%	1.75 %	4.25%	1.75%		83,897.30
LX167639	Canyon Valor Companies (GTCR) T/L B	Floating	2,000,000.00	LIBOR (3 months)	2.80%	2.75 %	5.55%	2.75%		55,000.00
LX177791	Carestream Health T/L (12/18)	Floating	3,866,219.38	LIBOR (1 month)	2.50%	5.75 %	8.25%	5.75%	1.00%	222,307.61
LX152766	Cengage Learning T/L B	Floating	3,012,475.99	LIBOR (1 month)	2.52%	4.25 %	6.77%	4.25%	1.00%	128,030.23
LX161598	CenturyLink T/L B	Floating	1,991,291.56	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%		54,760.52
LX159695	Change Healthcare T/L	Floating	733,075.64	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	20,159.58
LX159695	Change Healthcare T/L	Floating	1,377,104.07	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	37,870.36
LX159695	Change Healthcare T/L	Floating	388,501.82	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	10,683.80
LX159695	Change Healthcare T/L	Floating	477,211.38	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	13,123.31
LX142450	Chief Power Finance T/L B	Floating	4,000,000.00	LIBOR (1 month)	2.50%	4.75 %	7.25%	4.75%	1.00%	190,000.00
LX144540	CHS/Community Health T/L H	Floating	2,452,223.19	LIBOR (3 months)	2.71%	3.25 %	5.96%	3.25%	1.00%	79,697.25
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Floating	424,405.67	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	13,793.18
LX148894	Commscope T/L Tranche 5	Floating	2,020,557.17	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%		40,411.14
LX174067	Cumulus Media T/L	Floating	3,983,111.52	LIBOR (1 month)	2.50%	4.50 %	7.00%	4.50%	1.00%	179,240.02
LX154380	Dayton Power T/L B	Floating	465,500.00	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%	0.75%	9,310.00
LX170057	Deck Chassis 2nd Lien T/L (Direct ChassisLink)	Floating	2,000,000.00	LIBOR (3 months)	2.69%	6.00 %	8.69%	6.00%		120,000.00
LX169099	Dell International T/L B	Floating	2,706,081.83	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%	0.75%	54,121.64
LX128948	Doncasters T/L	Floating	346,398.12	LIBOR (3 months)	2.80%	3.50 %	6.30%	3.50%	1.00%	12,123.93
LX128948	Doncasters T/L	Floating	1,634,636.31	LIBOR (3 months)	2.80%	3.50 %	6.30%	3.50%	1.00%	57,212.27
LX153086	EFS Cogen Holdings T/L B	Floating	867,102.27	LIBOR (3 months)	2.81%	3.25 %	6.06%	3.25%	1.00%	28,180.82
LX153086	EFS Cogen Holdings T/L B	Floating	300,495.94	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	9,766.12
LX173582	Epic Y-Grade T/L B	Floating	2,000,000.00	LIBOR (1 month)	2.50%	5.50 %	8.00%	5.50%		110,000.00
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	Floating	391,682.60	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%		7,833.65
LX136501	Evergreen Skills T/L (First Lien)	Floating	3,063,586.50	LIBOR (1 month)	2.50%	4.75 %	7.25%	4.75%	1.00%	145,520.36
LX136501	Evergreen Skills T/L (First Lien)	Floating	2,902,383.77	LIBOR (1 month)	2.50%	4.75 %	7.25%	4.75%	1.00%	137,863.23
LX159615	ExamWorks T/L B1	Floating	757,298.12	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	24,612.19
LX173032	Ferro T/L B-1	Floating	2,491,287.50	LIBOR (3 months)	2.80%	2.25 %	5.05%	2.25%		56,053.97
LX165177	First Data T/L 2022D	Floating	4,956,810.01	LIBOR (1 month)	2.52%	2.00 %	4.52%	2.00%		99,136.20
LX173110	Fitness International (LA Fitness) T/L A (4/18)	Floating	2,925,000.00	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%		80,437.50
LX167187	Flexential Intermediate T/L B (Peak 10)	Floating	1,989,924.44	LIBOR (3 months)	2.80%	3.50 %	6.30%	3.50%		69,647.36
LX170988	Flexera Software T/L B	Floating	2,481,250.00	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	80,640.63





# Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX155300	Fort Dearborn 1st Lien T/L	Floating	416,993.10	LIBOR (3 months)	2.79%	4.00 %	6.79%	4.00%	1.00%	16,679.72
LX155300	Fort Dearborn 1st Lien T/L	Floating	38,999.16	LIBOR (1 month)	2.51%	4.00 %	6.51%	4.00%	1.00%	1,559.97
LX155300	Fort Dearborn 1st Lien T/L	Floating	658,675.16	LIBOR (3 months)	2.79%	4.00 %	6.79%	4.00%	1.00%	26,347.01
LX162521	Forterra Finance T/L (04/17)	Floating	1,236,091.93	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	1.00%	37,082.76
LX159841	Freedom Mortgage T/L B	Floating	2,565,665.62	LIBOR (1 month)	2.50%	4.75 %	7.25%	4.75%	1.00%	121,869.12
LX159841	Freedom Mortgage T/L B	Floating	1,434,334.38	LIBOR (1 month)	2.50%	4.75 %	7.25%	4.75%	1.00%	68,130.88
LX148220	Frontier Communications T/L 2	Floating	1,943,661.98	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%		53,450.70
LX155134	G-III Apparel Group T/L B (10/16)	Floating	660,107.33	LIBOR (1 month)	2.50%	5.25 %	7.75%	5.25%	1.00%	34,655.63
LX155134	G-III Apparel Group T/L B (10/16)	Floating	220,035.78	LIBOR (1 month)	2.56%	5.25 %	7.81%	5.25%	1.00%	11,551.88
LX173608	Generac Power T/L B (6/2018)	Floating	2,744,460.65	LIBOR (1 month)	2.51%	1.75 %	4.26%	1.75%	0.75%	48,028.06
LX171577	Genworth Holdings T/L	Floating	1,488,750.00	LIBOR (1 month)	2.48%	4.50 %	6.98%	4.50%	1.00%	66,993.75
LX175013	GIP III Stetson T/L B	Floating	1,197,756.66	LIBOR (1 month)	2.48%	4.25 %	6.73%	4.25%		50,904.66
LX172106	Global Payments T/L B (03/18)	Floating	1,757,504.06	LIBOR (1 month)	2.50%	1.75 %	4.25%	1.75%		30,756.32
LX168592	Golden Nugget T/L B (09/17)	Floating	344,837.62	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	0.75%	9,483.03
LX168592	Golden Nugget T/L B (09/17)	Floating	273,784.80	LIBOR (1 month)	2.49%	2.75 %	5.24%	2.75%	0.75%	7,529.08
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	Floating	1,830,542.02	LIBOR (3 months)	2.80%	7.25 %	10.05%	7.25%	1.00%	132,714.30
LX141384	Granite Acq T/L B (Wheelabrator)	Floating	4,963,214.90	LIBOR (3 months)	2.80%	3.50 %	6.30%	3.50%	1.00%	173,712.52
LX141385	Granite Acq T/L C (Wheelabrator)	Floating	962,169.39	LIBOR (3 months)	2.80%	3.50 %	6.30%	3.50%	1.00%	33,675.93
LX159621	Gray Television T/L B	Floating	741,868.97	LIBOR (1 month)	2.51%	2.25 %	4.76%	2.25%		16,692.05
LX158207	Grifols Worldwide Operations T/L B	Floating	736,875.00	LIBOR (1 week)	2.42%	2.25 %	4.67%	2.25%		16,579.69
LX165794	Gruden Acquisition T/L	Floating	3,191,904.89	LIBOR (3 months)	2.80%	5.50 %	8.30%	5.50%	1.00%	175,554.77
LX170998	Harbor Freight Tools T/L B (1/18)	Floating	4,188,043.99	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	104,701.10
LX144819	HCA Inc T/L A5	Floating	4,206,848.12	LIBOR (1 month)	2.50%	1.50 %	4.00%	1.50%		63,102.72
LX171927	HCA Inc T/L B11	Floating	2,337,448.39	LIBOR (1 month)	2.50%	1.75 %	4.25%	1.75%		40,905.35
LX176498	HD Supply T/L B-5	Floating	6,026,195.95	LIBOR (1 month)	2.50%	1.75 %	4.25%	1.75%		105,458.43
LX159959	Infor US (Lawson) T/L B-6	Floating	3,834,862.80	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	105,458.73
LX164174	ION Media T/L (05/17)	Floating	4,000,000.00	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	110,000.00
LX144340	IPC Corp T/L B-1	Floating	1,722,987.71	LIBOR (3 months)	2.75%	4.50 %	7.25%	4.50%	1.00%	77,534.45
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	Floating	474,551.55	LIBOR (3 months)	2.80%	2.00 %	4.80%	2.00%	0.75%	9,491.03
LX153006	J.C. Penney T/L B	Floating	961,836.40	LIBOR (3 months)	2.71%	4.25 %	6.96%	4.25%	1.00%	40,878.05
LX155217	Jo-Ann Stores T/L	Floating	1,954,629.16	LIBOR (6 months)	2.76%	5.00 %	7.76%	5.00%	1.00%	97,731.46
LX164714	KAR Auction Services T/L B-4	Floating	671,503.90	LIBOR (3 months)	2.81%	2.25 %	5.06%	2.25%		15,108.84
LX164715	KAR Auction Services T/L B-5	Floating	4,616,586.43	LIBOR (3 months)	2.81%	2.50 %	5.31%	2.50%		115,414.66
LX146975	Kenan Advantage T/L B (Canadian)	Floating	242,926.35	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	1.00%	7,287.79
LX146807	Kenan Advantage T/L B (U.S.)	Floating	801,021.98	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	1.00%	24,030.66





# ACIS CLO 2014-3 LTD. Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	Floating	394,000.00	LIBOR (3 months)	2.80%	3.25 %	6.05%	3.25%	1.00%	12,805.00
LX171689	Kraton Polymers T/L B	Floating	835,384.61	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	1.00%	20,884.62
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	269,738.18	LIBOR (1 month)	2.50%	4.00 %	6.50%	4.00%	1.00%	10,789.53
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	387,637.75	LIBOR (1 month)	2.50%	4.00 %	6.50%	4.00%	1.00%	15,505.51
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	217,539.09	LIBOR (1 month)	2.50%	4.00 %	6.50%	4.00%	1.00%	8,701.56
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	125,084.98	LIBOR (1 month)	2.50%	4.00 %	6.50%	4.00%	1.00%	5,003.40
LX163804	Kronos T/L B	Floating	3,618,351.96	LIBOR (3 months)	2.74%	3.00 %	5.74%	3.00%	1.00%	108,550.56
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	1,994,845.36	LIBOR (3 months)	2.74%	4.75 %	7.49%	4.75%	1.00%	94,755.15
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	5,154.64	LIBOR (2 months)	2.63%	4.75 %	7.38%	4.75%	1.00%	244.85
LX154098	Leslie's Poolmart T/L B	Floating	479,902.46	LIBOR (1 month)	2.50%	3.50 %	6.00%	3.50%		16,796.59
LX160334	Level 3 Financing T/L	Floating	3,500,000.00	LIBOR (1 month)	2.51%	2.25 %	4.76%	2.25%		78,750.00
LX136370	Libbey Glass T/L	Floating	4,988,493.70	LIBOR (1 month)	2.52%	3.00 %	5.52%	3.00%	0.75%	149,654.81
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Floating	4,000,000.00	LIBOR (1 month)	2.49%	3.50 %	5.99%	3.50%	1.00%	140,000.00
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	6,104,298.15	LIBOR (3 months)	2.71%	2.75 %	5.46%	2.75%	1.00%	167,868.20
LX171260	Lightstone Holdco T/L B	Floating	6,020,302.28	LIBOR (1 month)	2.50%	3.75 %	6.25%	3.75%	1.00%	225,761.34
LX171261	Lightstone T/L C	Floating	331,902.82	LIBOR (1 month)	2.50%	3.75 %	6.25%	3.75%	1.00%	12,446.36
LX162914	MA FinanceCo T/L B2	Floating	3,974,962.22	LIBOR (1 month)	2.50%	2.25 %	4.75%	2.25%		89,436.65
LX168182	Match Group T/L B	Floating	1,761,239.63	LIBOR (2 months)	2.58%	2.50 %	5.08%	2.50%		44,030.99
LX152400	McGraw-Hill Global Education Holdings T/L	Floating	5,983,155.68	LIBOR (1 month)	2.50%	4.00 %	6.50%	4.00%	1.00%	239,326.23
LX172427	Mediacom T/L N	Floating	985,056.25	LIBOR (1 week)	2.42%	1.75 %	4.17%	1.75%		17,238.48
LX173656	Michaels Stores T/L B	Floating	203,040.73	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	1.00%	5,076.02
LX173656	Michaels Stores T/L B	Floating	384,947.80	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	1.00%	9,623.70
LX173656	Michaels Stores T/L B	Floating	223,269.72	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	1.00%	5,581.74
LX173656	Michaels Stores T/L B	Floating	38,494.78	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	1.00%	962.37
LX166195	MKS Instruments T/L B4	Floating	720,561.81	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%	0.75%	14,411.24
LX155231	Mohegan Tribal T/L A	Floating	2,034,195.90	LIBOR (1 month)	2.50%	3.75 %	6.25%	3.75%		76,282.35
LX152711	MPH Acquisition (Multiplan) T/L B	Floating	1,450,309.31	LIBOR (3 months)	2.80%	2.75 %	5.55%	2.75%	1.00%	39,883.51
LX165715	MTS Systems Corporation T/L B (06/17)	Floating	609,819.07	LIBOR (1 month)	2.49%	3.25 %	5.74%	3.25%	0.75%	19,819.12
LX157681	National Financial Partners (NFP) T/L B	Floating	2,083,093.72	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%		62,492.81
LX169275	Navistar T/L B (10/17)	Floating	1,994,962.22	LIBOR (1 month)	2.52%	3.50 %	6.02%	3.50%		69,823.68
LX171716	NeuStar T/L B-3	Floating	2,809,285.40	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%		70,232.14
LX162460	Nielsen Finance T/L B4	Floating	401,527.89	LIBOR (1 month)	2.52%	2.00 %	4.52%	2.00%		8,030.56
LX155280	NN, Inc T/L B (9/16)	Floating	2,849,780.41	LIBOR (1 month)	2.50%	3.75 %	6.25%	3.75%	0.75%	106,866.77





### Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX162054	NN, Inc. Incremental T/L B	Floating	3,210,761.89	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%		104,349.76
LX153092	NRG Energy T/L B 6/16	Floating	194,240.58	LIBOR (1 month)	2.50%	1.75 %	4.25%	1.75%		3,399.21
LX157595	Oberthur Technologies T/L B (USD)	Floating	393,000.00	LIBOR (3 months)	2.80%	3.75 %	6.55%	3.75%		14,737.50
LX157136	Ocwen T/L B	Floating	232,976.45	LIBOR (1 month)	2.52%	5.00 %	7.52%	5.00%	1.00%	11,648.82
LX178352	Pacific Gas & Electric - Unfunded		950,000.00		- %	2.25 %	- %	1.13%		10,687.50
LX178350	Pacific Gas & Electric - Unfunded		2,850,000.00		- %	2.25 %	- %	1.13%		32,062.50
LX171402	Party City T/L	Floating	548,848.97	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	13,721.22
LX171402	Party City T/L	Floating	353,810.83	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	8,845.27
LX171402	Party City T/L	Floating	54,103.78	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	1,352.59
LX171402	Party City T/L	Floating	52,630.59	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	1,315.76
LX171402	Party City T/L	Floating	1,005,562.32	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	25,139.06
LX159002	Prestige Brands T/L B4	Floating	420,952.34	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%		8,419.05
LX157682	Prime Security Services Refi T/L B-1 (Protection One)	Floating	216,050.05	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	5,941.38
LX157682	Prime Security Services Refi T/L B-1 (Protection One)	Floating	1,783,949.95	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	49,058.62
LX155959	Quikrete T/L B	Floating	2,939,783.88	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%		80,844.06
LX152098	Quorum Health T/L	Floating	4,229,569.44	LIBOR (1 month)	2.50%	6.75 %	9.25%	6.75%	1.00%	285,495.94
LX169594	Rackspace T/L B (11/17)	Floating	7,614.21	LIBOR (2 months)	2.63%	3.00 %	5.63%	3.00%	1.00%	228.43
LX169594	Rackspace T/L B (11/17)	Floating	2,992,385.79	LIBOR (3 months)	2.74%	3.00 %	5.74%	3.00%	1.00%	89,771.57
LX157714	Radiate Holdco (RCN Cable) T/L	Floating	3,000,000.00	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	0.75%	90,000.00
LX159617	RadNet Management T/L B (01/17)	Floating	1,524,006.47	LIBOR (3 months)	2.78%	3.75 %	6.53%	3.75%	1.00%	57,150.24
LX159617	RadNet Management T/L B (01/17)	Floating	21,771.52	Prime	5.50%	2.75 %	8.25%	5.51%		1,200.43
LX152765	Riverbed Technology T/L 1st Lien	Floating	1,500,000.00	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	48,750.00
LX155106	RP Crown Parent (JDA Software) T/L B	Floating	1,504,102.32	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	41,362.81
LX176102	RR Donnelley & Sons T/L B	Floating	1,000,000.00	LIBOR (1 month)	2.51%	5.00 %	7.51%	5.00%		50,000.00
LX152375	Russell Investments T/L B	Floating	8,346,826.49	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	271,271.86
LX135384	Seadrill T/L B	Floating	11,875.82	LIBOR (3 months)	2.80%	6.00 %	8.80%	6.00%	1.00%	712.55
LX161101	SeaWorld T/L B5 (02/17)	Floating	1,912,712.55	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	0.75%	57,381.38
LX156211	ServiceMaster T/L C	Floating	219,794.09	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%		5,494.85
LX158094	Sinclair Television T/L B2	Floating	1,236,734.64	LIBOR (1 month)	2.50%	2.25 %	4.75%	2.25%		27,826.53
LX145736	Six Flags T/L B	Floating	474,595.53	LIBOR (3 months)	2.75%	1.75 %	4.50%	1.75%		8,305.42
LX151194	Solera T/L B	Floating	1,981,396.82	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%		54,488.41
LX159036	Sophia / Ellucian T/L B	Floating	2,088,394.81	LIBOR (3 months)	2.80%	3.25 %	6.05%	3.25%	1.00%	67,872.83
LX141908	Southeast PowerGen T/L B	Floating	184,874.14	LIBOR (1 month)	2.50%	3.50 %	6.00%	3.50%	1.00%	6,470.59
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Floating	4,436,203.00	LIBOR (3 months)	2.78%	3.25 %	6.03%	3.25%	1.00%	144,176.60
LX169358	Springer Science T/L B13	Floating	105,867.69	LIBOR (1 month)	2.50%	3.50 %	6.00%	3.50%	1.00%	3,705.37





# Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX169358	Springer Science T/L B13	Floating	1,199,916.81	LIBOR (1 month)	2.50%	3.50 %	6.00%	3.50%	1.00%	41,997.09
LX169358	Springer Science T/L B13	Floating	209,773.89	LIBOR (1 month)	2.50%	3.50 %	6.00%	3.50%	1.00%	7,342.09
LX159257	Sprint Communications T/L	Floating	3,723,750.00	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	93,093.75
LX160837	SS&C Technologies T/L B1 (03/17)	Floating	2,029,360.14	LIBOR (1 month)	2.50%	2.25 %	4.75%	2.25%		45,660.60
LX152816	Station Casinos T/L B (6/16)	Floating	936,405.99	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	23,410.15
LX165294	Surgery Center Holdings T/L B (06/17)	Floating	2,969,924.81	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	96,522.56
LX171276	Syniverse Holdings T/L (01/18)	Floating	1,994,974.87	LIBOR (1 month)	2.49%	5.00 %	7.49%	5.00%	1.00%	99,748.74
LX156377	Team Health Holdings T/L	Floating	1,965,000.00	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	54,037.50
LX159275	Telesat Canada T/L 2018 B-4	Floating	6,216,524.00	LIBOR (3 months)	2.81%	2.50 %	5.31%	2.50%	0.75%	155,413.10
LX173457	Transdigm 2018 New T/L F	Floating	3,989,365.98	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%		99,734.15
LX145376	Tribune Media T/L B	Floating	3,872,266.31	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	0.75%	116,167.99
LX159214	Tribune Media T/L C (01/17)	Floating	372,626.18	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	0.75%	11,178.79
LX168798	Tronox Blocked Borrower T/L B2	Floating	831,395.35	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%		24,941.86
LX168581	Tronox T/L B (09/17)	Floating	1,918,604.65	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%		57,558.14
LX172243	Uber Technologies T/L (3/18)	Floating	997,493.73	LIBOR (1 month)	2.52%	4.00 %	6.52%	4.00%	1.00%	39,899.75
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	Floating	997,448.98	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	32,417.09
LX161197	Univision Communications T/L C5	Floating	1,815,655.19	LIBOR (1 month)	2.50%	2.75 %	5.25%	2.75%	1.00%	49,930.52
LX162200	UOS (Utility One Source) T/L B	Floating	355,747.28	LIBOR (1 month)	2.52%	5.50 %	8.02%	5.50%	1.00%	19,566.10
LX162200	UOS (Utility One Source) T/L B	Floating	3,644,252.72	LIBOR (1 month)	2.50%	5.50 %	8.00%	5.50%	1.00%	200,433.90
LX162476	Urban One T/L	Floating	1,123,982.92	LIBOR (1 month)	2.50%	4.00 %	6.50%	4.00%	1.00%	44,959.32
LX153134	US Foods Second Incremental T/L	Floating	2,120,369.92	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%		42,407.40
LX169239	VC GB Holdings T/L (Generation Brands)	Floating	1,966,182.70	LIBOR (1 month)	2.50%	3.00 %	5.50%	3.00%	1.00%	58,985.48
LX156640	Vertellus T/L 2nd Lien	Floating	221,441.03	LIBOR (1 week)	2.41%	12.00 %	14.41%	12.00%	1.00%	26,572.92
LX155779	Vistra Operations (Tex Operations) Exit T/L B	Floating	3,524,233.73	LIBOR (1 month)	2.50%	2.00 %	4.50%	2.00%		70,484.67
LX157720	Vistra Operations Company T/L B (12/16)	Floating	2,974,910.94	LIBOR (1 month)	2.50%	2.25 %	4.75%	2.25%		66,935.50
LX144232	Wash Multifamily T/L (1st Lien)	Floating	3,373,068.32	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	109,624.72
LX135383	Wesco Aircraft T/L B	Floating	2,000,000.00	LIBOR (1 month)	2.50%	2.50 %	5.00%	2.50%	0.75%	50,000.00
LX173578	Western Digital Corporation T/L B-4	Floating	1,271,773.32	LIBOR (1 month)	2.51%	1.75 %	4.26%	1.75%		22,256.03
LX165665	WEX T/L B-2 (Wright Express)	Floating	3,619,662.75	LIBOR (1 month)	2.50%	2.25 %	4.75%	2.25%		81,442.41
LX165396	WideOpenWest T/L B (6/17)	Floating	2,000,000.00	LIBOR (1 month)	2.50%	3.25 %	5.75%	3.25%	1.00%	65,000.00
LX153816	WireCo WorldGroup T/L B	Floating	733,125.00	LIBOR (1 month)	2.50%	5.00 %	7.50%	5.00%	1.00%	36,656.25
LX166414	Zayo Group T/L B2	Floating	516,621.69	LIBOR (1 month)	2.50%	2.25 %	4.75%	2.25%	1.00%	11,623.99
<b>Totals:</b>	<b>204</b>		<b>375,054,653.87</b>							<b>11,977,745.91</b>





**ACIS CLO 2014-3 LTD.**  
**Weighted Average Coupon**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Coupon Type	Principal Balance	Cash Coupon
LX145695	Minerals Technologies T/L B2 (Fixed)	Fixed	4,798,928.62	4.75%
<b>Totals:</b>		<b>1</b>	<b>4,798,928.62</b>	<b>4.75%</b>





ACIS CLO 2014-3 LTD.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	MSI		Ba3	B1	SCC		B+
LX169636	84 Lumber T/L B-1	MSI		B3	B2	SCC		B+
LX144914	Academy T/L B	MSI		Caa2	Caa1	SCC		CCC+
LX172091	Acadia Healthcare T/L B3	MSI		Ba2	B1	SCC		B
LX172092	Acadia Healthcare T/L B4	MSI		Ba2	B1	SCC		B
LX155961	Advanced Disposal T/L B	MSI		Ba3	B1	SCC		BB-
LX138509	Advantage Sales 2nd lien T/L (Karman)	MSI	CW-	Caa3	B3	SCC		B
LX138508	Advantage Sales T/L 1st Lien (Karman)	MSI	CW-	B2	B3	SCC		B
LX163240	Advantage Sales T/L B Incremental	MSI	CW-	B2	B3	SCC		B
LX172523	AES Corporation T/L B (03/18)	MSI		Baa3	Ba1	SCC		BB+
LX159618	AI Mistral T/L (V. Group)	MSI		B2	B3	SCC		B
LX171691	Air Medical T/L B	MSI		B1	B2	SCC		B
LX132200	Akorn T/L B	MSI		Caa1	Caa1	SCC		B-
LX164597	Albertson's T/L B5 (05/17)	MSI		Ba2	B1	SCC		B
LX176679	Albertson's T/L B7	MSI		Ba2	B1	SCC		B
LX155973	American Airlines Replacement T/L B (AMR)	MSI		Ba1	Ba3	SCC		BB-
LX165158	American Airlines T/L B (06/17)	MSI		Ba1	Ba3	SCC		BB-
LX172603	American Builders & Contractors T/L B-2	MSI		B1	B1	SCC		BB
LX170974	AMG Advanced Metallurgical T/L	MSI		B1	B1	SCC		BB-
LX171458	Apex Tool Group T/L B (02/18)	MSI		B2	B3	SCC		B
LX151102	Armstrong World Industries T/L B	MSI		Ba3	Ba3	SCC		BB+
LX146680	Ascena Retail T/L B	MSI		Ba3	Ba3	SCC		B
LX171370	Berry Global (Berry Plastics) T/L Q	MSI		Ba2	Ba3	SCC		BB+
LX171678	Booz Allen T/L B	MSI		Ba1	Ba2	SCC		BB
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	MSI		B1	B1	SCC		B

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-3 LTD.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX159595	Builders Firstsource T/L	MSI		B3	B2	SCC		BB-
LX144710	Calpine Corporation T/L B-5	MSI		Ba2	Ba3	SCC		B+
LX149099	Calpine Corporation T/L B-6	MSI		Ba2	Ba3	SCC		B+
LX159606	Calpine T/L B8	MSI		Ba2	Ba3	SCC		B+
LX167639	Canyon Valor Companies (GTCR) T/L B	MSI		B2	B2	SCC		B
LX177791	Carestream Health T/L (12/18)	MSI		B1	B3	SCC		B-
LX152766	Cengage Learning T/L B	MSI		B2	B3	SCC		B-
LX161598	CenturyLink T/L B	MSI		Ba3	Ba3	SCC		BB
LX159695	Change Healthcare T/L	MSI		B1	B2	SCC		B+
LX142450	Chief Power Finance T/L B	MSI		B3	Caa1	SCC		B-
LX144540	CHS/Community Health T/L H	MSI		Caa1	Caa3	SCC		CCC+
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	MSI		B2	B3	SCC		B
LX148894	Commscope T/L Tranche 5	MSI		Baa3	Ba3	SCC		BB-
LX174067	Cumulus Media T/L	MSI		B3	B3	SCC		B-
LX154380	Dayton Power T/L B	MSI		A3	Ba1	SCC		BBB-
LX170057	Deck Chassis 2nd Lien T/L (Direct ChassisLink)	MSI		B3	B1	SCC		B+
LX169099	Dell International T/L B	MSI		Baa3	Ba1	SCC		BB+
LX128948	Doncasters T/L	MSI		Caa1	Caa1	SCC		CCC+
LX153086	EFS Cogen Holdings T/L B	MSI		Ba3	B1	SCC		B+
LX173582	Epic Y-Grade T/L B	MSI		B3	B3	SCC		B
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	MSI		Ba2	Ba3	SCC		BB-
LX136501	Evergreen Skills T/L (First Lien)	MSI		B3	Caa1	SCC		CCC+
LX159615	ExamWorks T/L B1	MSI		B1	B2	SCC		B
LX173032	Ferro T/L B-1	MSI		Ba3	Ba3	SCC		BB-
LX165177	First Data T/L 2022D	MSI	CW+	Ba1	Ba2	SCC	CW+	BB

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-3 LTD.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX173110	Fitness International (LA Fitness) T/L A (4/18)	MSI		B1	B2	SCC		B+
LX167187	Flexential Intermediate T/L B (Peak 10)	MSI		B2	B3	SCC		B-
LX170988	Flexera Software T/L B	MSI		B1	B2	SCC		B-
LX155300	Fort Dearborn 1st Lien T/L	MSI		B2	B3	SCC		B-
LX162521	Forterra Finance T/L (04/17)	MSI		B3	B3	SCC		B-
LX159841	Freedom Mortgage T/L B	MSI		Ba2	B1	SCC		B-
LX148220	Frontier Communications T/L 2	MSI		B2	B3	SCC		CCC+
LX155134	G-III Apparel Group T/L B (10/16)	MSI		Ba3	Ba3	SCC		BB-
LX173608	Generac Power T/L B (6/2018)	MSI		Ba2	Ba2	SCC		BB-
LX171577	Genworth Holdings T/L	MSI		Ba3	B2	SCC		B
LX175013	GIP III Stetson T/L B	MSI		Ba3	Ba3	SCC		B+
LX172106	Global Payments T/L B (03/18)	MSI		Ba2	Ba2	SCC		BB+
LX168592	Golden Nugget T/L B (09/17)	MSI		Ba3	B2	SCC		B
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	MSI		B3	B1	SCC		B+
LX141384	Granite Acq T/L B (Wheelabrator)	MSI		B1	B1	SCC		B+
LX141385	Granite Acq T/L C (Wheelabrator)	MSI		B1	B1	SCC		B+
LX159621	Gray Television T/L B	MSI		Ba2	B1	SCC		B+
LX158207	Grifols Worldwide Operations T/L B	MSI		Ba2	Ba3	SCC		BB
LX165794	Gruden Acquisition T/L	MSI		B2	B3	SCC		B-
LX170998	Harbor Freight Tools T/L B (1/18)	MSI		Ba3	Ba3	SCC		BB-
LX144819	HCA Inc T/L A5	MSI		Baa3	Ba1	SCC		BB+
LX171927	HCA Inc T/L B11	MSI		Baa3	Ba1	SCC		BB+
LX176498	HD Supply T/L B-5	MSI		Ba2	Ba2	SCC		BB+
LX159959	Infor US (Lawson) T/L B-6	MSI	CW+	Ba3	B2	SCC		B-
LX164174	ION Media T/L (05/17)			B1	B1			BB-

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-3 LTD.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX144340	IPC Corp T/L B-1	MSI		Caa1	Caa2	SCC		CCC+
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	MSI		Ba1	Ba2	SCC		BB+
LX153006	J.C. Penney T/L B	MSI		B1	B3	SCC		B-
LX155217	Jo-Ann Stores T/L	MSI		B1	B2	SCC		B
LX164714	KAR Auction Services T/L B-4	MSI	CW-	Ba3	B2	SCC		BB-
LX164715	KAR Auction Services T/L B-5	MSI	CW-	Ba3	B2	SCC		BB-
LX146975	Kenan Advantage T/L B (Canadian)	MSI		B1	B2	SCC		B
LX146807	Kenan Advantage T/L B (U.S.)	MSI		B1	B2	SCC		B
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	MSI		B1	B2	SCC		B
LX171689	Kraton Polymers T/L B	MSI		Ba3	B1	SCC		B+
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	MSI		B1	B3	SCC		CCC+
LX163804	Kronos T/L B	MSI		B2	B3	SCC		B-
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	MSI		B3	Caa1	SCC		CCC+
LX154098	Leslie's Poolmart T/L B	MSI		B2	B3	SCC		B
LX160334	Level 3 Financing T/L	MSI		Ba1	Ba3	SCC		BB
LX136370	Libbey Glass T/L	MSI		B2	B2	SCC		B
LX138016	Liberty Cablevision T/L B (San Juan Cable)	MSI		B2	B3	SCC		B
LX159083	Life Time Fitness 2017 Refinancing T/L B	MSI		B1	B2	SCC		B
LX171260	Lightstone Holdco T/L B	MSI		Ba3	B1	SCC		B+
LX171261	Lightstone T/L C	MSI		Ba3	B1	SCC		B+
LX162914	MA FinanceCo T/L B2	MSI		B1	B1	SCC		BB-
LX168182	Match Group T/L B	MSI		Ba2	Ba2	SCC		BB
LX152400	McGraw-Hill Global Education Holdings T/L	MSI		B1	B2	SCC		B
LX172427	Mediacom T/L N	MSI		Ba2	Ba2	SCC		BB
LX173656	Michaels Stores T/L B	MSI		Ba2	Ba2	SCC		BB-

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-3 LTD.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX145695	Minerals Technologies T/L B2 (Fixed)	MSI		Ba2	Ba2	SCC		BB
LX166195	MKS Instruments T/L B4	MSI		Ba1	Ba1	SCC		BB+
LX155231	Mohegan Tribal T/L A	MSI		B1	B2	SCC		B-
LX152711	MPH Acquisition (Multiplan) T/L B	MSI		B1	B3	SCC		B+
LX165715	MTS Systems Corporation T/L B (06/17)	MSI		B1	B1	SCC		BB-
LX157681	National Financial Partners (NFP) T/L B	MSI		B2	B3	SCC		B
LX169275	Navistar T/L B (10/17)	MSI		Ba3	B3	SCC		B
LX171716	NeuStar T/L B-3	MSI		B1	B2	SCC		B
LX162460	Nielsen Finance T/L B4	MSI		Ba1	Ba3	SCC		BB
LX155280	NN, Inc T/L B (9/16)	MSI		B2	B3	SCC		B
LX162054	NN, Inc. Incremental T/L B	MSI		B2	B3	SCC		B
LX153092	NRG Energy T/L B 6/16	MSI		Baa3	Ba2	SCC		BB
LX157595	Oberthur Technologies T/L B (USD)	MSI		B2	B2	SCC		B-
LX157136	Ocwen T/L B	MSI		B2	Caa1	SCC		B-
LX178352	Pacific Gas & Electric DD T/L DIP	MSS		Baa2	Caa3	SSS		BBB-
LX178350	Pacific Gas & Electric T/L DIP	MSS		Baa2	Caa3	SSS		BBB-
LX171402	Party City T/L	MSI		Ba2	Ba3	SCC		B+
LX159002	Prestige Brands T/L B4	MSI		Ba3	B2	SCC		B+
LX157682	Prime Security Services Refi T/L B-1 (Protection One)	MSI		Ba3	B1	SCC		B+
LX155959	Quikrete T/L B	MSI		B1	B1	SCC		BB-
LX152098	Quorum Health T/L	MSI		B1	B3	SCC		B-
LX169594	Rackspace T/L B (11/17)	MSI		B1	B2	SCC		B+
LX157714	Radiate Holdco (RCN Cable) T/L	MSI		B1	B2	SCC		B
LX159617	RadNet Management T/L B (01/17)	MSI		B1	B2	SCC		B
LX152765	Riverbed Technology T/L 1st Lien	MSI		B2	B3	SCC		B

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-3 LTD.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX155106	RP Crown Parent (JDA Software) T/L B	MSI		B1	B2	SCC		B
LX176102	RR Donnelley & Sons T/L B	MSI		B1	B2	SCC		B
LX152375	Russell Investments T/L B	MSI		Ba2	Ba2	SCC		BB-
LX135384	Seadrill T/L B	MSI		Caa2	Caa2	SCC		CCC+
LX161101	SeaWorld T/L B5 (02/17)	MSI		B2	B2	SCC		B
LX156211	ServiceMaster T/L C	MSI		Baa3	Ba3	SCC		BB-
LX158094	Sinclair Television T/L B2	MSI		Ba1	Ba3	SCC		BB-
LX145736	Six Flags T/L B	MSI		Ba1	B1	SCC		BB
LX151194	Solera T/L B	MSI		Ba3	B2	SCC		B-
LX159036	Sophia / Ellucian T/L B	MSI		B2	B3	SCC		B-
LX141908	Southeast PowerGen T/L B	MSI		Ba3	B1	SCC		B-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	MSI		B2	B3	SCC		B
LX169358	Springer Science T/L B13	MSI		B2	B2	SCC		B
LX159257	Sprint Communications T/L	MSI	CW+	Ba1	B1	SCC	CW+	B+
LX160837	SS&C Technologies T/L B1 (03/17)	MSI		Ba3	Ba3	SCC		BB
LX152816	Station Casinos T/L B (6/16)	MSI		Ba3	B1	SCC		B+
LX165294	Surgery Center Holdings T/L B (06/17)	MSI		B1	B3	SCC		B-
LX171276	Syniverse Holdings T/L (01/18)	MSI		B2	B3	SCC		B
LX156377	Team Health Holdings T/L	MSI		B2	B3	SCC		B
LX159275	Telesat Canada T/L 2018 B-4	MSI		Ba3	B1	SCC		BB-
LX141526	Toys R Us T/L B4	MSI	DEF	Caa3	Caa3	SCC	DEF	CCC-
LX173457	Transdigm 2018 New T/L F	MSI		Ba3	B1	SCC		B+
LX145376	Tribune Media T/L B	MSI		Ba3	B1	SCC		BB-
LX159214	Tribune Media T/L C (01/17)	MSI		Ba3	B1	SCC		BB-
LX168798	Tronox Blocked Borrower T/L B2			Ba3	B1			B

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-3 LTD.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX168581	Tronox T/L B (09/17)	MSI		Ba3	B1	SCC		B
LX172243	Uber Technologies T/L (3/18)	PR		-	-	PR		-
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	MSI		B1	B2	SCC		B
LX161197	Univision Communications T/L C5	MSI		B2	B2	SCC		B
LX162200	UOS (Utility One Source) T/L B	MSI		B2	B2	SCC		B
LX162476	Urban One T/L	MSI		B2	B3	SCC		B-
LX153134	US Foods Second Incremental T/L	MSI	CW-	B1	B1	SCC		BB+
LX169239	VC GB Holdings T/L (Generation Brands)	MSI		B2	B2	SCC		B
LX156640	Vertellus T/L 2nd Lien	MSI		Caa3	Caa3	SCC		CCC-
LX155779	Vistra Operations (Tex Operations) Exit T/L B	MSI		Ba1	Ba2	SCC		BB
LX157720	Vistra Operations Company T/L B (12/16)	MSI		Ba1	Ba2	SCC		BB
LX144232	Wash Multifamily T/L (1st Lien)	MSI		B2	B3	SCC		B
LX135383	Wesco Aircraft T/L B	MSI		B2	B2	SCC		B
LX173578	Western Digital Corporation T/L B-4	MSI		Baa2	Baa3	SCC		BB+
LX165665	WEX T/L B-2 (Wright Express)	MSI		Ba3	Ba3	SCC		BB-
LX165396	WideOpenWest T/L B (6/17)	MSI		B2	B2	SCC		B
LX153816	WireCo WorldGroup T/L B	MSI		B3	B3	SCC		B
LX166414	Zayo Group T/L B2	MSI	CW-	Ba3	B3	SCC		B+

Totals: 168

Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-3 LTD.

### Rating Change History

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Principal Balance	Moody's			S & P		
			Curr	Date	Action (1)	Curr	Date	Action (1)
LX144340	IPC Corp T/L B-1	1,722,987.71	Caa2	30-Jan-19	DNG			
LX144914	Academy T/L B	6,746,346.41	Caa1	29-Jan-19	DNG			
LX148894	Commscope T/L Tranche 5	2,020,557.17	Ba3	29-Jan-19	DNG			
LX148894	Commscope T/L Tranche 5	2,020,557.17	Ba3	29-Jan-19	OFF(CW-)			
LX151102	Armstrong World Industries T/L B	534,158.90	Ba3	29-Jan-19	UPG			
LX152765	Riverbed Technology T/L 1st Lien	1,500,000.00	B3	08-Feb-19	DNG			
LX154098	Leslie's Poolmart T/L B	479,902.46	B3	30-Jan-19	DNG			
LX155231	Mohegan Tribal T/L A	2,034,195.90	B2	31-Jan-19	OFF(CW-)			
LX159695	Change Healthcare T/L	2,975,892.91	B2	30-Jan-19	DNG			
LX171716	NeuStar T/L B-3	2,809,285.40	B2	14-Feb-19	DNG			
LX173457	Transdigm 2018 New T/L F	3,989,365.98				B+	29-Jan-19	OFF(CW-)

Totals: 11

Upgrades: 1      Aggregate Balance: 534,158.90

Downgrades: 7      Aggregate Balance: 18,254,972.06

**Asset Status Legend: (1)**

**DNG** - Downgrade  
**UPG** - Upgrade  
**WDR** - Withdrawn

**N** - Notched / Implied Rating  
**E** - Credit Estimate  
**S** - Shadow Rated

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications  
**DEF** - In Default





## Caa/CCC Obligations

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Moody's			S & P		
		Rating	Rating Type	Principal Balance	Rating	Rating Type	Principal Balance
LX144914	Academy T/L B	Caa2	MSI	6,746,346.41	CCC+	SCC	6,746,346.41
LX138509	Advantage Sales 2nd lien T/L (Karman)	Caa3	MSI	1,162,323.24	B	SCC	-
LX132200	Akorn T/L B	Caa1	MSI	311,230.93	B-	SCC	-
LX144540	CHS/Community Health T/L H	Caa1	MSI	2,452,223.19	CCC+	SCC	2,452,223.19
LX128948	Doncasters T/L	Caa1	MSI	1,981,034.43	CCC+	SCC	1,981,034.43
LX136501	Evergreen Skills T/L (First Lien)	B3	MSI	-	CCC+	SCC	5,965,970.27
LX148220	Frontier Communications T/L 2	B2	MSI	-	CCC+	SCC	1,943,661.98
LX144340	IPC Corp T/L B-1	Caa1	MSI	1,722,987.71	CCC+	SCC	1,722,987.71
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	B1	MSI	-	CCC+	SCC	1,000,000.00
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	B3	MSI	-	CCC+	SCC	2,000,000.00
LX135384	Seadrill T/L B	Caa2	MSI	11,875.82	CCC+	SCC	11,875.82
LX156640	Vertellus T/L 2nd Lien	Caa3	MSI	221,441.03	CCC-	SCC	221,441.03

Totals:	12	14,609,462.76	24,045,540.84
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Rating Type Legend:

**RE** - Rating Estimate  
**SH** - Shadow Rating  
**PR** - Private Rating

**MSUS** - Moody's Senior Unsecured  
**MSI** - Moody's Senior Implied  
**MSS** - Moody's Senior Secured

**SSUS** - S&P Senior Unsecured  
**SCC** - S&P Corporate Credit  
**SSS** - S&P Senior Secured

**DOR** Derived from other rating agency

Asset Status Legend:

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications





**ACIS CLO 2014-3 LTD.**

**Current Pay Obligations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Principal Balance	% of Collateral Principal Amount	Market Value
LX144540	CHS/Community Health T/L H	2,452,223.19	0.65%	2,414,998.44
Totals:		1	2,452,223.19	2,414,998.44





**ACIS CLO 2014-3 LTD.**

**Participation Information**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Participation Entity	Selling Institution's Rating				Principal Balance
			Moody's LT	S&P LT	Moody's ST	S&P ST	





Discount Obligations

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's Default Probability Rating	Original Price	Principal Balance
LX144914	Academy T/L B	Caa1	79.00	13,695.30
LX144914	Academy T/L B	Caa1	79.00	13,695.30
LX144914	Academy T/L B	Caa1	79.00	8,347.61
LX144914	Academy T/L B	Caa1	79.00	8,347.61
LX144914	Academy T/L B	Caa1	79.00	13,043.14
LX144914	Academy T/L B	Caa1	79.00	13,043.14
LX144914	Academy T/L B	Caa1	79.00	7,563.06
LX144914	Academy T/L B	Caa1	79.00	7,563.06
Totals:		8		85,298.22





**ACIS CLO 2014-3 LTD.**

**Hedge Characteristics**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Nbr	Notional Amount	Reference Security I.D.	Synthetic Asset and Hedge	Counterparty	Trade Date	Effective Date	Termination Date	Reference Index	(1) Reference Index
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Totals:

(1) Counterparty Index





**ACIS CLO 2014-3 LTD.**

**Hedge Calculations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



		Party A				Party B				
Nbr	P / I	Notional		Current	Current	Notional		Current	Current	Net
		Amount	Rate	Days	Payment	Amount	Rate	Days	Payment	Payment

Totals: 0





**ACIS CLO 2014-3 LTD.**

**ETB Subsidiary**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Blocker Subsidiary Name	Security or Obligation Held	Issuer	Asset	Amount	Collateral that has been transferred in and/or out
ACIS CLO 2014-3 Chemical Holdings, LLC		Vertellus Holdings	Common	177,153.00	In - 10/31/2016
Cash Held:				0.00	

<b>Total:</b>	<b>2</b>	<b>177,153.00</b>
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Equity Securities

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security ID	Security Description	Asset Description	# of Units/Shares
75957V104	FGI Operating Company - C/S	Equity	21,635
31660T201	Fieldwood Energy - C/S	Equity	8,641

Totals: 2





**ACIS CLO 2014-3 LTD.**  
**Defaulted/Deferring Obligations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Asset Description	Date of Action	Par Amount	S&P Recovery Amount	Market Value	Applicable Value
LX141526	Toys R Us T/L B4	Defaulted	18-Sep-17	5,036,298.27	1,863,430.36	2,543,330.63	1,863,430.36
<b>Totals:</b>				<b>5,036,298.27</b>	<b>1,863,430.36</b>	<b>2,543,330.63</b>	<b>1,863,430.36</b>









# Stratifications - Characteristics

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Principal Balances

Current Principal Balances	# of Assets	Principal Balance	% of Balance	Weighted Average			
				Avg Life	Coupon	Rating(1)	
0 to 500,000.00	24	8,331,205.38	2.19 %	4.23	5.61%	B1	
500,000.00 to 1,000,000.00	26	21,348,806.95	5.62 %	4.32	5.43%	Ba3	
1,000,000.00 to 1,500,000.00	15	18,983,806.98	5.00 %	4.19	5.86%	B1	
1,500,000.00 to 2,000,000.00	30	56,706,947.90	14.93 %	4.13	6.15%	B2	
2,000,000.00 to 2,500,000.00	14	31,247,958.17	8.23 %	4.09	5.42%	B1	
2,500,000.00 to 3,000,000.00	13	37,436,512.74	9.86 %	4.07	4.79%	Ba3	
3,000,000.00 to 3,500,000.00	6	19,304,596.31	5.08 %	4.08	6.11%	B1	
3,500,000.00 to 4,000,000.00	16	61,622,269.63	16.22 %	3.26	6.05%	B1	
4,000,000.00 to 4,500,000.00	6	25,602,883.96	6.74 %	3.19	5.77%	Ba3	
4,500,000.00 to 5,000,000.00	7	33,843,474.19	8.91 %	2.64	5.10%	Ba3	
5,000,000.00 to 5,500,000.00	1	-	-	-	-	-	
5,500,000.00 to 6,000,000.00	2	11,949,125.95	3.15 %	2.69	6.87%	B2	
6,000,000.00 to 6,500,000.00	5	30,806,568.91	8.11 %	3.94	5.41%	Ba3	
6,500,000.00 to 7,000,000.00	1	6,746,346.41	1.78 %	3.34	6.51%	Caa2	
7,000,000.00 to 7,500,000.00	-	-	-	-	-	-	
7,500,000.00 to 8,000,000.00	1	7,576,252.51	1.99 %	3.18	5.74%	B1	
8,000,000.00 to 8,500,000.00	1	8,346,826.49	2.20 %	4.27	5.75%	Ba2	
8,500,000.00 to 9,000,000.00	-	-	-	-	-	-	
9,000,000.00 to 9,500,000.00	-	-	-	-	-	-	
9,500,000.00 to 10,000,000.00	-	-	-	-	-	-	
10,000,000.00 to 10,500,000.00	-	-	-	-	-	-	
10,500,000.00 to 11,000,000.00	-	-	-	-	-	-	
11,000,000.00 to 11,050,000.00	-	-	-	-	-	-	
11,050,000.00 to 12,000,000.00	-	-	-	-	-	-	
12,000,000.00 to 99,999,999.00	-	-	-	-	-	-	
<b>Total</b>	<b>168</b>	<b>379,853,582.48</b>	<b>100.00 %</b>	<b>3.71</b>	<b>5.70%</b>	<b>B1</b>	

## Distribution of Coupon Type

Collateral Type	# of Assets	Principal Balance	% of Balance	Weighted Average			
				Avg Life	Coupon	Rating(1)	
Fixed	1	4,798,928.62	1.26 %	2.24	4.75%	Ba2	
Floating	167	375,054,653.86	98.74 %	3.72	5.72%	B1	
<b>Total</b>	<b>168</b>	<b>379,853,582.48</b>	<b>100.00 %</b>	<b>3.71</b>	<b>5.70%</b>	<b>B1</b>	

## Distribution of Fixed Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Weighted Average	
				Avg Life	Rating(1)
0.000% to 5.000%	1	4,798,928.62	100.00 %	2.24	Ba2
5.001% to 5.500%	-	-	-	-	-
5.501% to 6.000%	-	-	-	-	-
6.001% to 6.500%	-	-	-	-	-
6.501% to 7.000%	-	-	-	-	-
7.001% to 7.500%	-	-	-	-	-
7.501% to 8.000%	-	-	-	-	-
8.001% to 8.500%	-	-	-	-	-
8.501% to 9.000%	-	-	-	-	-
9.001% to 9.500%	-	-	-	-	-
9.501% to 10.000%	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>4,798,928.62</b>	<b>100.00 %</b>	<b>2.24</b>	<b>Ba2</b>

## Distribution of Spread Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Weighted Average	
				Avg Life	Rating(1)
-0.500% to 0.000%	-	-	-	-	-
0.000% to 0.500%	-	-	-	-	-
0.500% to 1.000%	-	-	-	-	-
1.000% to 1.500%	1	4,206,848.12	1.12 %	1.27	-
1.500% to 2.000%	26	49,543,509.79	13.21 %	3.73	Ba2
2.000% to 2.500%	32	70,843,853.36	18.89 %	3.91	Ba3
2.500% to 3.000%	36	82,116,137.14	21.89 %	4.04	B2
3.000% to 3.500%	29	72,456,682.98	19.32 %	3.57	B2
3.500% to 4.000%	13	32,127,866.71	8.57 %	3.78	B2
4.000% to 4.500%	7	15,982,401.26	4.26 %	3.69	B2
4.500% to 99.000%	23	47,777,354.50	12.74 %	3.32	B2
<b>Total</b>	<b>167</b>	<b>375,054,653.86</b>	<b>100.00 %</b>	<b>3.72</b>	<b>B1</b>

(1) Based on the definition of "Rating" in the Indenture





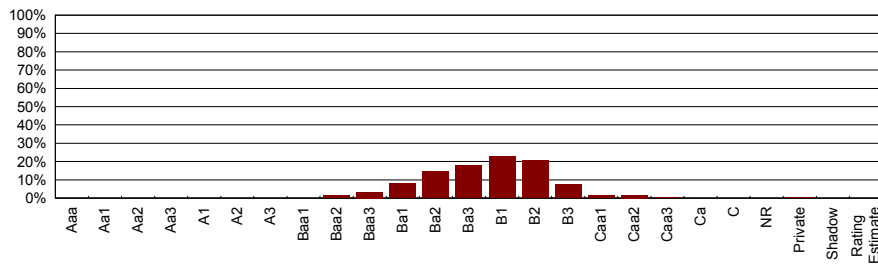
# ACIS CLO 2014-3 LTD. Stratifications - Ratings

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Ratings

Moody's (1)	# of Assets	Principal Balance	% of Balance
Aaa		0.00	-
Aa1		0.00	-
Aa2		0.00	-
Aa3		0.00	-
A1		0.00	-
A2		0.00	-
A3	1	465,500.00	0.12 %
Baa1		0.00	-
Baa2	3	5,071,773.32	1.34 %
Baa3	7	12,740,819.75	3.35 %
Ba1	13	29,923,478.90	7.88 %
Ba2	21	56,140,197.60	14.78 %
Ba3	33	68,179,677.82	17.95 %
B1	35	86,050,686.10	22.65 %
B2	34	77,313,330.82	20.35 %
B3	11	28,361,161.68	7.47 %
Caa1	4	6,467,476.26	1.70 %
Caa2	2	6,758,222.23	1.78 %
Caa3	3	1,383,764.27	0.36 %
Ca		0.00	-
C		0.00	-
NR		0.00	-
Private	1	997,493.73	0.26 %
Shadow		0.00	-
Rating Estimate		0.00	-
<b>Total</b>	<b>168</b>	<b>379,853,582.48</b>	<b>100.00 %</b>

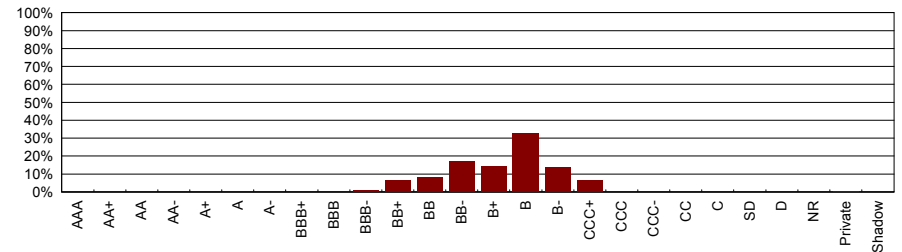


■ Current

(1) Based on the definition of "Rating" in the Indenture

## Distribution of S&P Ratings

S&P (1)	# of Assets	Principal Balance	% of Balance
AAA		0.00	-
AA+		0.00	-
AA		0.00	-
AA-		0.00	-
A+		0.00	-
A		0.00	-
A-		0.00	-
BBB+		0.00	-
BBB		0.00	-
BBB-	3	4,265,500.00	1.12 %
BB+	12	24,533,875.78	6.46 %
BB	15	29,746,157.94	7.83 %
BB-	25	65,458,196.22	17.23 %
B+	26	54,641,677.66	14.38 %
B	52	123,324,897.37	32.47 %
B-	23	52,840,242.94	13.91 %
CCC+	9	23,824,099.81	6.27 %
CCC		0.00	-
CCC-	2	221,441.03	0.06 %
CC		0.00	-
C		0.00	-
SD		0.00	-
D		0.00	-
NR		0.00	-
Private	1	997,493.73	0.26 %
Shadow		0.00	-
<b>Total</b>	<b>168</b>	<b>379,853,582.48</b>	<b>100.00 %</b>



■ Current





# Stratifications - Industries

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Aerospace & Defense	6	14,534,987.85	3.83 %	3.48	4.76%	B1
Automotive	5	12,346,126.36	3.25 %	3.48	5.73%	B2
Banking, Finance, Insurance & Real Estate	9	28,514,983.62	7.51 %	3.88	5.52%	Ba3
Beverage, Food & Tobacco	4	11,893,061.39	3.13 %	4.84	5.28%	B1
Capital Equipment	9	20,528,033.76	5.40 %	3.39	6.73%	B3
Chemicals, Plastics, & Rubber	5	6,298,113.14	1.66 %	5.26	5.57%	Ba3
Construction & Building	5	7,341,553.93	1.93 %	4.47	6.00%	B2
Consumer goods: Durable	2	6,154,226.69	1.62 %	4.63	5.16%	B1
Consumer goods: Non-durable	5	8,724,559.61	2.30 %	3.66	6.23%	B3
Containers, Packaging & Glass	3	7,425,693.47	1.95 %	2.78	5.55%	B2
Energy: Electricity	5	9,117,765.10	2.40 %	3.24	6.97%	Ba3
Energy: Oil & Gas	5	9,561,837.58	2.52 %	5.07	6.68%	Ba1
Environmental Industries	1	328,481.09	0.09 %	4.66	4.67%	B1
Healthcare & Pharmaceuticals	13	32,852,604.00	8.65 %	3.34	5.96%	B2
High Tech Industries	8	21,475,676.94	5.65 %	3.89	5.26%	B1
Hotel, Gaming & Leisure	8	15,397,513.14	4.05 %	3.57	5.44%	B2
Media: Advertising, Printing & Publishing	11	26,929,619.62	7.09 %	3.12	6.18%	B2
Media: Broadcasting & Subscription	7	16,070,754.30	4.23 %	3.17	5.83%	B1
Media: Diversified & Production	2	3,576,894.82	0.94 %	4.45	5.16%	Ba2
Metals & Mining	2	6,283,928.62	1.65 %	3.10	4.93%	Ba2
Retail	8	16,622,906.93	4.38 %	3.63	6.51%	B3
Services: Business	5	5,661,004.78	1.49 %	4.31	5.44%	Ba3
Services: Consumer	5	7,563,046.07	1.99 %	3.38	5.76%	B2
Telecommunications	15	37,933,681.14	9.99 %	4.23	5.47%	B2
Transportation: Cargo	6	8,722,065.44	2.30 %	4.25	7.38%	B1
Transportation: Consumer	1	7,576,252.51	1.99 %	3.18	5.74%	B2
Utilities: Electric	11	21,970,122.58	5.78 %	2.69	4.25%	Ba1
Wholesale	2	8,448,088.00	2.22 %	4.71	4.69%	Ba3
<b>Total</b>	<b>168</b>	<b>379,853,582.48</b>	<b>100.00 %</b>	<b>3.71</b>	<b>5.70%</b>	<b>B1</b>

## Distribution of S&P Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Aerospace & Defense	4	8,946,398.14	2.36 %	3.08	5.23%	B
Air transport	2	6,959,805.07	1.83 %	3.24	4.51%	BB-
Automotive	4	8,275,465.66	2.18 %	4.42	5.65%	B+
Building & Development	9	18,510,028.09	4.87 %	4.41	5.49%	BB-
Business equipment & services	11	28,313,769.31	7.45 %	3.28	5.90%	B
Cable & satellite television	1	985,056.25	0.26 %	4.93	4.17%	BB
Chemicals & plastics	6	11,097,041.76	2.92 %	3.96	5.22%	BB
Clothing/textiles	1	880,143.11	0.23 %	3.83	7.77%	BB-
Conglomerates	2	3,931,182.70	1.03 %	4.93	5.37%	B
Containers & glass products	3	7,425,693.47	1.95 %	2.78	5.55%	B
Cosmetics/toiletries	1	1,000,000.00	0.26 %	4.23	6.50%	CCC+
Drugs	2	732,183.27	0.19 %	3.80	5.99%	B
Ecological services & equipment	1	328,481.09	0.09 %	4.66	4.67%	BB-
Electronics/electrical	13	28,987,235.73	7.63 %	3.77	5.63%	B
Financial intermediaries	7	24,996,873.48	6.58 %	3.92	5.49%	B+
Food service	2	4,602,869.92	1.21 %	4.64	4.63%	BB-
Food/drug retailers	2	7,290,191.47	1.92 %	4.97	5.69%	B
Health care	16	42,380,562.55	11.16 %	3.34	5.93%	B
Industrial equipment	5	11,409,784.24	3.00 %	3.75	5.56%	BB-
Leisure goods/activities/movies	8	17,126,657.32	4.51 %	3.72	5.30%	B+
Life Insurance	1	1,488,750.00	0.39 %	3.99	6.98%	B
Lodging & casinos	3	3,044,500.92	0.80 %	3.07	5.82%	B
Nonferrous metals/minerals	1	1,485,000.00	0.39 %	5.86	5.50%	BB-
Oil & gas	3	3,209,632.48	0.84 %	5.40	7.53%	B
Publishing	7	16,157,610.44	4.25 %	3.28	6.25%	B
Radio & Television	8	19,901,353.24	5.24 %	3.52	5.81%	B+
Retailers (except food & drug)	8	18,795,994.43	4.95 %	3.84	6.34%	B
Surface transport	7	12,727,103.22	3.35 %	3.88	7.80%	B
Telecommunications	12	31,424,122.34	8.27 %	4.05	5.35%	B+
Utilities	18	37,440,092.78	9.86 %	3.20	5.25%	BBB-
<b>Total</b>	<b>168</b>	<b>379,853,582.48</b>	<b>100.00 %</b>	<b>3.71</b>	<b>5.70%</b>	<b>B+</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





**Disclaimer**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



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## **ACIS CLO 2014-3, Ltd.**

Monthly Report

As of September 21, 2020





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Payment Date: 11/02/2020

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**Notice**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



The Notes may be held or beneficially owned, as applicable, only by Persons that (a)(i) are not U.S. persons (within the meaning of Regulation S under the United States Securities Act of 1933, as amended) and are purchasing their beneficial interest in an offshore transaction or (ii) are either (A) Qualified Purchasers (as defined for purposes of Section 3(c)(7) of the Investment Company Act) ("Qualified Purchasers") or (B) (in the case of the Subordinated Notes only) Knowledgeable Employees (as defined in Rule 3c-5 under the Investment Company Act) ("Knowledgeable Employees") with respect to the Issuer or corporations, partnerships, limited liability companies or other entities (other than trusts) each shareholder, partner, member or other equity owner of which is either (x) a Knowledgeable Employee with respect to the Issuer or (y) a Qualified Purchaser that in the case of (A) and (B) are either (1) "institutional" accredited investors ("Accredited Investors") (in the case of the Class E Notes, the Class F Notes and the Subordinated Notes only) meeting the requirements of Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who, in the case of Subordinated Notes only, if "individual" Accredited Investors, are also Knowledgeable Employees with respect to the Issuer or (2) qualified institutional buyers ("Qualified Institutional Buyers") within the meaning of Rule 144A under the Securities Act and (b) can make the representations set forth in Section 2.6 (Registration, Registration of Transfer and Exchange) of the Indenture or the appropriate Exhibit to the Indenture. Beneficial ownership interests in the Rule 144A Global Notes may be transferred only to a Person that is both a Qualified Institutional Buyer and a Qualified Purchaser and that can make the representations referred to in clause (b) of the preceding sentence. The Issuer has the right to compel any beneficial owner of an interest in Rule 144A Global Notes that does not meet the qualifications set forth in such clauses to sell its interest in such Notes, or may sell such interest on behalf of such owner, pursuant to Section 2.12 (Notes Beneficially Owned by Persons Not QIB/QPs or in Violation of ERISA Representations) of the Indenture.

Each Holder or beneficial owner receiving this report agrees to keep all nonpublic information herein confidential and not to use such information for any purpose other than its evaluation of its investment in the Offered Securities, provided, that any Holder or beneficial owner may provide such information on a confidential basis to any prospective purchaser of such Holder or beneficial owner's Offered Securities that is permitted by the terms of the Indenture to acquire such Holder or beneficial owner's Offered Securities and that agrees to keep such information confidential in accordance with the terms of the Indenture.





**Executive Summary**  
As of Date: 09/21/2020  
Payment Date: 11/02/2020

Contact Information		Electronic Reports		Relevant Dates	
Issuer:	ACIS CLO 2014-3, Ltd.	Issue ID: .....	ACIS1403	Closing Date:	25-Feb-14
Co-Issuer:	ACIS CLO 2014-3, LLC	Monthly Data File Name:		First Payment Date:	01-Aug-14
Investment Advisor:	Acis Capital Management, LP	ACIS1403_09/21/20_D_3.CSV	Test History Standard	Reinvestment Period End Date:	01-Feb-19
Rated By:	S&P Global Ratings	ACIS1403_09/21/20_D_4.CSV	Holdings Standard		
Account Manager:	Taylor Potts	ACIS1403_09/21/20_D_2.CSV	Transaction Details Standard		
	taylor.potts@usbank.com	ACIS1403_09/21/20_D_12.CSV	Amortization		
	312/332-7830	ACIS1403_09/21/20_D_13.CSV	Cash Account Summary		
		ACIS1403_09/21/20_D_14.CSV	Liability Details		

Asset Positions			Account Balances			Note Information						
Position	Current Count	Current	Account	Currency	Balance	Note	Original Coupon	Original Balance	Current Balance	Expected Interest Payment	Index	Coupon
Term Loan	63	136,965,298.17	Collection Account - Interest	USD	797,080.99	Class A1A	1.72620 %	205,000,000.00	11,095,279.17	49,389.71	0.25100 %	1.76100 %
Revolving Loan	-	-	Collection Account - Principal	USD	8,751,156.45	Class A1F	3.70000 %	25,000,000.00	1,353,082.84	12,516.02	N/A	3.70000 %
Delayed Drawdown Loan	-	-	Expense Reserve Account	USD	0.00	Class A2B	2.20324 %	2,000,000.00	920,096.32	5,235.37	0.25100 %	2.25100 %
Synthetic	-	-	Interest Reserve Account	USD	0.00	Class B	2.43324 %	56,000,000.00	56,000,000.00	351,199.33	0.25100 %	2.48100 %
Letter of Credit	-	-	Payment Account	USD	0.00	Class C	2.70324 %	29,000,000.00	29,000,000.00	201,663.58	0.25100 %	2.75100 %
High Yield Bond	-	-	Ramp-Up Account	USD	0.00	Class D	3.32324 %	19,000,000.00	19,000,000.00	161,901.64	0.25100 %	3.37100 %
Structured Finance Obligation	-	-	Revolver Funding Account	USD	0.00	Class E	4.95324 %	17,500,000.00	17,500,000.00	221,224.79	0.25100 %	5.00100 %
Settle Date Asset Balance	-	140,013,847.87	<b>Total:</b>		9,548,237.44	Class F	5.80324 %	5,000,000.00	5,173,548.01	76,516.92	0.25100 %	5.85100 %
						Class SUB	N/A	39,750,000.00	39,750,000.00	N/A	N/A	N/A
						<b>Totals:</b>		<b>398,250,000.00</b>	<b>179,792,006.34</b>	<b>1,079,647.36</b>		

**Coverage and Quality Tests**

Coverage					Quality				
Test Name	Current Threshold	09/21/2020 Current	Result	08/21/2020 Prior	Test Name	Current Threshold	09/21/2020 Current	Result	08/21/2020 Prior
Class A/B Overcollateralization Test	122.00%	198.70%	Pass	199.33%	Weighted Average Coupon Test	6.50%	-	N/A	-
Class C Overcollateralization Test	112.50%	140.12%	Pass	140.57%	Weighted Average Spread Test	3.20%	3.80%	Pass	3.80%
Class D Overcollateralization Test	108.00%	117.44%	Pass	117.81%	S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	38.38%	37.93%	Fail	37.73%
Class E Overcollateralization Test	104.50%	102.20%	Fail	102.53%	S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	44.05%	47.30%	Pass	47.11%
Interest Diversion Test	104.10%	98.42%	N/A	98.74%	S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	46.40%	53.23%	Pass	53.04%
Class A/B Interest Coverage Test	120.00%	314.62%	Pass	321.86%	S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	51.75%	59.76%	Pass	59.58%
Class C Interest Coverage Test	115.00%	212.29%	Pass	217.17%	S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	56.75%	65.34%	Pass	65.18%
Class D Interest Coverage Test	110.00%	168.33%	Pass	172.20%	S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	60.13%	70.62%	Pass	70.47%
Class E Interest Coverage Test	105.00%	131.21%	Pass	134.23%	Weighted Average Life Test	1.36	2.52	Fail	2.63
					Diversity Score	-	30	N/A	30
					Weighted Average Rating Factor	-	3,251.00	N/A	3,283.00





## Note Summary Information

As of Date: 09/21/2020  
Payment Date: 11/02/2020



### Note Information

Note	Original Commitment	Current Balance	Expected Interest Payment	Index	Coupon	Moody's		S&P	
						Orig	Curr	Orig	Curr
Class A1A	205,000,000.00	11,095,279.17	49,389.71	0.25100%	1.76100%	N/R	N/R	AAA	AAA
Class A1F	25,000,000.00	1,353,082.84	12,516.02	N/A	3.70000%	N/R	N/R	AAA	AAA
Class A2B	2,000,000.00	920,096.32	5,235.37	0.25100%	2.25100%	N/R	N/R	AAA	AAA
Class B	56,000,000.00	56,000,000.00	351,199.33	0.25100%	2.48100%	N/R	N/R	AA	AA
Class C	29,000,000.00	29,000,000.00	201,663.58	0.25100%	2.75100%	N/R	N/R	A	A
Class D	19,000,000.00	19,000,000.00	161,901.64	0.25100%	3.37100%	N/R	N/R	BBB	BBB
Class E	17,500,000.00	17,500,000.00	221,224.79	0.25100%	5.00100%	N/R	N/R	BB	CCC+
Class F	5,000,000.00	5,173,548.01	76,516.92	0.25100%	5.85100%	N/R	N/R	B+	CCC
Class SUB	39,750,000.00	39,750,000.00	N/A	N/A	N/A	N/R	N/R	NR	NR
<b>Totals:</b>	<b>398,250,000.00</b>	<b>179,792,006.34</b>	<b>1,079,647.36</b>						

### Asset Positions

Position	Curr Count	Current	Prior Count	Prior
Term Loan	63	136,965,298.17	64	140,591,930.24
Revolving Loan	-	-	-	-
Delayed Drawdown Loan	-	-	-	-
Synthetic	-	-	-	-
Letter of Credit	-	-	-	-
High Yield Bond	-	-	-	-
Structured Finance Obligation	-	-	-	-
Settle Date Asset Balance	-	140,013,847.87	-	143,377,337.41

### Test Summary

Test Type	Pass	Fail	N/A
Coverage	7	1	1
Quality	6	2	3
Portfolio Profile	42	5	0
<b>Totals:</b>	<b>55</b>	<b>8</b>	<b>4</b>





## Coverage and Quality Tests

As of Date: 09/21/2020  
Payment Date: 11/02/2020



### Coverage

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Overcollateralization Test	199.33%	198.70%	122.00%	Minimum	Pass
2	Class C Overcollateralization Test	140.57%	140.12%	112.50%	Minimum	Pass
3	Class D Overcollateralization Test	117.81%	117.44%	108.00%	Minimum	Pass
4	Class E Overcollateralization Test	102.53%	102.20%	104.50%	Minimum	Fail
5	Interest Diversion Test	98.74%	98.42%	104.10%	Minimum	N/A
6	Class A/B Interest Coverage Test	321.86%	314.62%	120.00%	Minimum	Pass
7	Class C Interest Coverage Test	217.17%	212.29%	115.00%	Minimum	Pass
8	Class D Interest Coverage Test	172.20%	168.33%	110.00%	Minimum	Pass
9	Class E Interest Coverage Test	134.23%	131.21%	105.00%	Minimum	Pass

### Quality

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Weighted Average Coupon Test	-	-	6.50%	Minimum	N/A
2	Weighted Average Spread Test	3.80%	3.80%	3.20%	Minimum	Pass
3	S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	37.73%	37.93%	38.38%	Minimum	Fail
4	S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	47.11%	47.30%	44.05%	Minimum	Pass
5	S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	53.04%	53.23%	46.40%	Minimum	Pass
6	S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	59.58%	59.76%	51.75%	Minimum	Pass
7	S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	65.18%	65.34%	56.75%	Minimum	Pass
8	S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	70.47%	70.62%	60.13%	Minimum	Pass
9	Weighted Average Life Test	2.63	2.52	1.36	Maximum	Fail
10	Diversity Score	30	30	-	Minimum	N/A
11	Weighted Average Rating Factor	3,283.00	3,251.00	-	Minimum	N/A

N/A - Not Applicable for the Current Measurement Date





## Portfolio Profile Test Summary

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
1	(i) Senior Secured Loans, Cash and Eligible Investments	98.70% / 138,929,663.91	98.70% / 138,929,655.30	90.00%	Minimum	Pass
2	(ii)(a) Second Lien Loans, First Lien Last Out Loans and Unsecured Loans	1.30% / 1,821,306.22	1.30% / 1,821,306.22	10.00%	Maximum	Pass
3	(ii)(b) Unsecured Bonds, Senior Secured Bonds and Senior Secured Floating Rate Notes	-	-	0.00%	Maximum	Pass
4	(ii)(c) Single obligor - Not Senior Secured Loans 1%	1.30% / 1,821,306.22	1.30% / 1,821,306.22	1.00%	Maximum	Pass
5	(iii)(a) Single Obligor - max 2%, w/ three up to 2.5%	4.70% / 6,622,598.44	4.70% / 6,622,598.47	2.00%	Maximum	Fail
6	(iii)(b) Single Obligor - max 2.5%, largest	5.40% / 7,649,945.53	5.40% / 7,649,945.53	2.50%	Maximum	Fail
7	(iv)(a) Moody's Rating of "Caa1" or below	18.40% / 25,904,324.36	18.40% / 25,904,324.39	7.50%	Maximum	Fail
8	(iv)(b) S&P Rating of "CCC+" or below	20.10% / 28,350,381.63	24.30% / 34,196,423.47	7.50%	Maximum	Fail
9	(v) Collateral Obligations that pay less frequently than quarterly	-	-	5.00%	Maximum	Pass
10	(vi) Fixed Rate Obligations	-	-	5.00%	Maximum	Pass
11	(vii) Current Pay Obligations	-	-	2.50%	Maximum	Pass
12	(vii) Current Pay Obligations Obligor limit	-	-	1.00%	Maximum	Pass
13	(viii)(a) DIP Loans	-	-	5.00%	Maximum	Pass
14	(viii)(b) Single obligor - zero above 1% (DIP Loans)	-	-	1.00%	Maximum	Pass
15	(ix) Delayed Drawdown Loans and Revolving Loans	-	-	10.00%	Maximum	Pass
16	(x) Participation Interests	-	-	20.00%	Maximum	Pass
17	S&P Third Party Credit Exposure Limit - Aggregate Percentage - AAA	-	-	20.00%	Maximum	Pass
18	S&P Third Party Credit Exposure Limit - Aggregate Percentage - AA+	-	-	10.00%	Maximum	Pass
19	S&P Third Party Credit Exposure Limit - Aggregate Percentage - AA	-	-	10.00%	Maximum	Pass
20	S&P Third Party Credit Exposure Limit - Aggregate Percentage - AA-	-	-	10.00%	Maximum	Pass
21	S&P Third Party Credit Exposure Limit - Aggregate Percentage - A+	-	-	5.00%	Maximum	Pass
22	S&P Third Party Credit Exposure Limit - Aggregate Percentage - A and A-1	-	-	5.00%	Maximum	Pass
23	S&P Third Party Credit Exposure Limit - Aggregate Percentage - A and not A-1	-	-	0.00%	Maximum	Pass
24	S&P Third Party Credit Exposure Limit - Aggregate Percentage - below A	-	-	0.00%	Maximum	Pass
25	S&P Third Party Credit Exposure Limits - Individual Percentage - AAA	-	-	20.00%	Maximum	Pass
26	S&P Third Party Credit Exposure Limits - Individual Percentage - AA+	-	-	10.00%	Maximum	Pass
27	S&P Third Party Credit Exposure Limits - Individual Percentage - AA	-	-	10.00%	Maximum	Pass
28	S&P Third Party Credit Exposure Limits - Individual Percentage - AA-	-	-	10.00%	Maximum	Pass
29	S&P Third Party Credit Exposure Limits - Individual Percentage - A+	-	-	5.00%	Maximum	Pass
30	S&P Third Party Credit Exposure Limits - Individual Percentage - A and A-1	-	-	5.00%	Maximum	Pass
31	S&P Third Party Credit Exposure Limits - Individual Percentage - A and not A-1	-	-	0.00%	Maximum	Pass

N/A - Not applicable for the Current Measurement Date





## Portfolio Profile Test Summary

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
32	S&P Third Party Credit Exposure Limits - Individual Percentage - below A	-	-	0.00%	Maximum	Pass
33	(xii) S&P Rating derived from Moody's Rating in clause (iii)(a) of definition of "S&P Rating"	-	-	10.00%	Maximum	Pass
34	(xiii) Collateral Obligations issued by Non-Emerging Market Obligor	100.00% / 135,626,437.14	100.00% / 131,999,805.07	100.00%	Minimum	Pass
35	(xiii) Obligor Domiciled outside the United States	0.70% / 1,000,000.00	0.50% / 666,349.88	20.00%	Maximum	Pass
36	(xiii) Obligor Domiciled outside the United States, Canada and the United Kingdom	-	-	10.00%	Maximum	Pass
37	(xiii) Obligor Domiciled outside the United States and Canada	-	-	10.00%	Maximum	Pass
38	(xiv) Largest S&P Industry Classification - one up to 15%	18.70% / 26,275,276.73	18.70% / 26,275,276.73	15.00%	Maximum	Fail
39	(xiv) Largest S&P Industry Classification - two up to 12%	9.20% / 12,929,535.56	9.20% / 12,927,738.60	12.00%	Maximum	Pass
40	(xiv) Largest S&P Industry Classification - max 10%, fourth largest	7.10% / 10,057,927.76	7.10% / 10,057,927.76	10.00%	Maximum	Pass
41	(xv) LC Commitment Amount under Letter of Credit Reimbursement Obligations	-	-	0.00%	Maximum	Pass
42	(xvi)(a) Cov-Lite Loans, Second Lien Loans, Unsecured Loans, Unsecured Bonds, Senior Secured Bonds and Senior Secured Floating Rate Notes	6.40% / 9,043,330.66	6.40% / 9,041,533.70	60.00%	Maximum	Pass
43	(xvi)(b) Cov-Lite Loans	5.10% / 7,222,024.44	5.10% / 7,220,227.48	60.00%	Maximum	Pass
44	(xvii)(a) Deferrable Securities	-	-	5.00%	Maximum	Pass
45	(xvii)(b) Deferrable Securities and Deferring Securities	-	-	0.00%	Maximum	Pass
46	(xviii) Stated Maturity	-	-	0.00%	Maximum	Pass
47	(xix) No Zero Coupon Bonds, Step-Up Obligations, Structured Finance Obligations, Asset-backed Commercial Paper, Bridge Loans, Synthetic Securities or Equity Security	-	-	0.00%	Maximum	Pass

N/A - Not applicable for the Current Measurement Date





# **Standard & Poor's CDO Monitor**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



## Portfolio Statistics (1)

Number of Assets:	88
Number of Obligors:	59
Total Principal Balance of Collateral Debt Securities:	131,999,805.07
Weighted Average Maturity (in years):	2.56
Weighted Average Rating:	B
S&P Default Measure (Annualized Expected Portfolio Default Rate):	8.525%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	6.148%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	1.68

## Class Statistics (1)

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Test Results
Class A1A	205,000,000.00	AAA		23.058%	54.147%	PASS
Class A1F	25,000,000.00	AAA		23.058%	54.147%	PASS
Class A2A	15,000,000.00	AAA		23.058%	60.585%	PASS
Class A2B	2,000,000.00	AAA		23.058%	54.147%	PASS

Not Applicable until on or after the Effective Date report.





# Interest Coverage Ratio Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



	Calculation	Ratio	Minimum	Result
Class A/B	A/ (B+C)	314.62%	120.00%	Pass
Class C	A/ (B+C+D)	212.29%	115.00%	Pass
Class D	A/ (B+C+D+E)	168.33%	110.00%	Pass
Class E	A/ (B+C+D+E+F)	131.21%	105.00%	Pass

## Received:

Scheduled Interest Proceeds and Fees Received:	795,852.33	
Interest on Eligible Investments:	1,228.66	
Amendment and waiver fees, late payment fees and other fees:	0.00	
Commitment fees and other similar fees:	0.00	
Amounts deposited in Collection Account from Expense Reserve Account:	0.00	
Principal Proceeds that have been designated by the Collateral Manager as Designated P	0.00	
Any other amounts deemed Interest Proceeds:	0.00	
		797,080.99

## Projected:

Scheduled Interest:	590,389.73	
Reinvestment Income:	0.00	
Reinvestment Income on Eligible Investments:	0.00	
		590,389.73

## Less:

Taxes and registration and filing fees owed by the Issuer, the Co-Issuer or any Blocker Su	0.00	
Capital contribution to pay any taxes or governmental fees owing by such Blocker Subsid	0.00	
Amounts due and payable to the Trustee:	7,053.28	
Amounts due and payable to the Bank as Collateral Administrator:	0.00	
Fees and Expenses to any Independent accountants, agents, and counsel of the Issuer:	0.00	
Fees and expenses to Rating Agencies:	0.00	
Fees and expenses to the Collateral Manager:	0.00	
Fees and expenses to the Administrator:	0.00	
Amounts due and payable to any other person in respect of any other fees or expenses p	0.00	
Indemnities payable to any Person pursuant to any Transaction Document:	0.00	
Accrued and Unpaid Senior Management Fee:	64,219.38	
		71,272.66
		1,316,198.06 (A)

## Denominator:

Class A Notes Interest Distribution Amount:	67,141.10 (B)
Class B Notes Interest Distribution Amount:	351,199.33 (C)
Class C Notes Interest Distribution Amount:	201,663.58 (D)
Class D Notes Interest Distribution Amount:	161,901.64 (E)
Class E Notes Interest Distribution Amount:	221,224.79 (F)





**ACIS CLO 2014-3 LTD.**  
**Overcollateralization Ratio Detail**

As of Date: 09/21/2020  
 Payment Date: 11/02/2020



	Calculation	Ratio	Minimum	Result
Class A/B	A/(B+C)	198.70%	122.00%	Pass
Class C	A/(B+C+D)	140.12%	112.50%	Pass
Class D	A/(B+C+D+E)	117.44%	108.00%	Pass
Class E	A/(B+C+D+E+F)	102.20%	104.50%	Fail
Interest Diversion	A/(B+C+D+E+F+G)	98.42%	104.10%	N/A

**Collateral:**

Aggregate Principle Balance of the Collateral Obligations:	136,965,298.17	
Eligible Investments and balance of Principal Proceeds in the Collection and Ramp-Up Accounts:	8,751,156.45	
		145,716,454.62

**Less:**

Aggregate Principal Balance of Defaulted Obligations:	4,965,493.10	
Aggregate Principal Balance of Discounted Obligations:	0.00	
Aggregate Principal Balance of Deferring Securities:	0.00	
CCC/Caa Par Reduction Amount:	3,679,222.67	
		8,644,715.77

**Plus:**

S&P Collateral Value of Defaulted Obligations:	763,444.56	
S&P Collateral Value of Deferring Securities:	0.00	
Purchase Price of Discount Obligations:	0.00	
		763,444.56
Adjusted Collateral Principal Amount:		<b>137,835,183.41 (A)</b>

**Notes:**

Aggregate Principal Amount of the Class A Notes:	13,368,458.33 (B)
Aggregate Principal Amount of the Class B Notes:	56,000,000.00 (C)
Aggregate Principal Amount of the Class C Notes:	29,000,000.00 (D)
Aggregate Principal Amount of the Class D Notes:	19,000,000.00 (E)
Aggregate Principal Amount of the Class E Notes:	17,500,000.00 (F)
Aggregate Principal Balance of the Class F Notes:	5,173,548.01 (G)





**Caa/CCC Excess Haircut Detail**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

**Caa Excess Calculation:**

Balance of Caa Obligations	25,904,324.39
Less: Threshold	10,556,322.11
Caa Excess	15,348,002.28
Market Value of Excess	12,305,206.65
Caa Excess Adjustment Amount	3,042,795.62

**CCC Excess Calculation:**

Balance of CCC Obligations	34,196,423.47
Less: Threshold	10,556,322.11
CCC Excess	23,640,101.36
Market Value of Excess	19,960,878.68
CCC Excess Adjustment Amount	3,679,222.67

The greater of the Caa and CCC Excess Adjustment Amounts: 3,679,222.67

Caa Excess Obligation	Principal Balance	Caa Excess	Market Price	Market Value	CCC Excess Obligation	Principal Balance	CCC Excess	Market Price	Market Value
Lanai Holdings III T/L 1st Lien (Patterson)	1,963,917.52	838,932.57	94.30	791,113.41	Surgery Center Holdings T/L B (06/17)	1,103,702.67	18,864.24	94.77	17,877.07
McGraw-Hill Global Education Holdings T/L	1,899,832.14	1,899,832.14	85.68	1,627,814.17	Lanai Holdings III T/L 1st Lien (Patterson)	5,154.64	5,154.64	94.30	4,860.83
McGraw-Hill Global Education Holdings T/L	947,486.41	947,486.41	85.68	811,825.31	Lanai Holdings III T/L 1st Lien (Patterson)	1,963,917.52	1,963,917.52	94.30	1,851,974.22
McGraw-Hill Global Education Holdings T/L	2,836,177.12	2,836,177.12	85.68	2,430,093.28	Life Time Fitness 2017 Refinancing T/L B	396.96	396.96	92.88	368.67
Cengage Learning T/LB	1,210,665.36	1,210,665.36	85.05	1,029,670.89	Life Time Fitness 2017 Refinancing T/L B	3,759.40	3,759.40	92.88	3,491.54
Cengage Learning T/LB	1,351,909.67	1,351,909.67	85.05	1,149,799.17	Life Time Fitness 2017 Refinancing T/L B	4,375.00	4,375.00	92.88	4,063.28
Cengage Learning T/LB	403,555.16	403,555.16	85.05	343,223.66	Life Time Fitness 2017 Refinancing T/L B	1,246.86	1,246.86	92.88	1,158.02
Team Health Holdings T/L	967,500.00	967,500.00	84.35	816,086.25	Life Time Fitness 2017 Refinancing T/L B	3,731.20	3,731.20	92.88	3,465.35
Team Health Holdings T/L	967,500.00	967,500.00	84.35	816,086.25	Life Time Fitness 2017 Refinancing T/L B	985.00	985.00	92.88	914.82
Syniverse Holdings T/L (01/18)	1,964,824.09	1,964,824.09	77.44	1,521,520.48	Life Time Fitness 2017 Refinancing T/L B	959.50	959.50	92.88	891.14
Bright Bidco (Lumileds) T/L B (02/18)	1,314,988.37	1,314,988.37	49.40	649,551.66	Life Time Fitness 2017 Refinancing T/L B	154,019.48	154,019.48	92.88	143,045.59
Bright Bidco (Lumileds) T/L B (02/18)	286,502.84	286,502.84	49.40	141,520.94	Life Time Fitness 2017 Refinancing T/L B	1,458,646.60	1,458,646.60	92.88	1,354,718.03
Bright Bidco (Lumileds) T/L B (02/18)	358,128.55	358,128.55	49.40	176,901.18	Life Time Fitness 2017 Refinancing T/L B	1,697,500.00	1,697,500.00	92.88	1,576,553.12
					Life Time Fitness 2017 Refinancing T/L B	483,781.40	483,781.40	92.88	449,311.98
					Life Time Fitness 2017 Refinancing T/L B	1,447,706.80	1,447,706.80	92.88	1,344,557.69





# AGIS CLO 2014-3 LTD Caa/CCC Excess Haircut Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

			Life Time Fitness 2017 Refinancing T/L B	382,179.98	382,179.98	92.88	354,949.66
			Life Time Fitness 2017 Refinancing T/L B	372,286.45	372,286.45	92.88	345,761.04
			Flexential Intermediate T/L B (Peak 10)	1,959,697.76	1,959,697.76	86.50	1,695,138.56
			McGraw-Hill Global Education Holdings T/L	1,899,832.14	1,899,832.14	85.68	1,627,814.17
			McGraw-Hill Global Education Holdings T/L	947,486.41	947,486.41	85.68	811,825.31
			McGraw-Hill Global Education Holdings T/L	2,836,177.12	2,836,177.12	85.68	2,430,093.28
			Cengage Learning T/LB	1,210,665.36	1,210,665.36	85.05	1,029,670.89
			Cengage Learning T/LB	1,351,909.67	1,351,909.67	85.05	1,149,799.17
			Cengage Learning T/LB	403,555.16	403,555.16	85.05	343,223.66
			Urban One T/L	1,106,822.86	1,106,822.86	83.65	925,857.32
			Syniverse Holdings T/L (01/18)	1,964,824.09	1,964,824.09	77.44	1,521,520.48
			Bright Bidco (Lumileds) T/L B (02/18)	1,314,988.37	1,314,988.37	49.40	649,551.66
			Bright Bidco (Lumileds) T/L B (02/18)	286,502.84	286,502.84	49.40	141,520.94
			Bright Bidco (Lumileds) T/L B (02/18)	358,128.55	358,128.55	49.40	176,901.18
<b>Total:</b>	<b>29</b>	<b>15,348,002.28</b>	<b>12,305,206.65</b>		<b>23,640,101.36</b>		<b>19,960,878.68</b>





**ACIS CLO 2014-3 LTD.**

**Assets: Purchased**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Primary Asset Type	Par Amount	Purchase Price	Cost	Accrued Interest Amount	Trade Date
			-	-	-	-	
Totals:			0				





**ACIS CLO 2014-3 LTD.**

**Assets: Sold**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Primary Asset Type	Par Amount	Sale Price	Cost	Reason For Sale	Trade Date
			-	-	-		
Total:			0				



ACIS CLO 2014-3 LTD.  
Intra-Period Collection Account DetailAs of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX144914	Academy T/L B	29,717.13	27,309.78	57,026.91	-	-	-	57,026.91
LX172091	Acadia Healthcare T/L B3	10,568.56	9,484.78	20,053.34	-	-	-	20,053.34
LX172092	Acadia Healthcare T/L B4	3,764.25	3,378.24	7,142.49	-	-	-	7,142.49
LX155961	Advanced Disposal T/L B	923.83	735.20	1,659.03	2,367.43	2,367.43	4,734.86	6,393.89
LX155973	American Airlines Replacement T/L B (AMR)	4,797.55	4,759.37	9,556.92	-	-	-	9,556.92
LX170974	AMG Advanced Metallurgical T/L	4,002.61	3,595.79	7,598.40	-	-	-	7,598.40
LX183349	Berry Global (Berry Plastics) T/L W	2,492.08	2,454.65	4,946.73	-	-	-	4,946.73
LX159595	Builders Firstsource T/L	-	2,778.78	2,778.78	-	-	-	2,778.78
LX144710	Calpine Corporation T/L B-5	878.33	790.06	1,668.39	-	-	-	1,668.39
LX159695	Change Healthcare T/L	20,650.25	247.55	20,897.80	-	-	-	20,897.80
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	1,529.06	1,381.09	2,910.15	-	-	-	2,910.15
LX173582	Epic Y-Grade T/L B	-	35,388.89	35,388.89	-	-	-	35,388.89
LX155300	Fort Dearborn 1st Lien T/L	83.99	83.99	167.98	-	-	-	167.98
LX162521	Forterra Finance T/L (04/17)	2,316.45	2,340.78	4,657.23	-	111,823.28	111,823.28	116,480.51
LX175013	GIP III Stetson T/L B	1,562.46	1,137.73	2,700.19	1,763.93	-	1,763.93	4,464.12
LX171691	Global Medical Response T/L B	-	81,118.81	81,118.81	-	-	-	81,118.81
LX168592	Golden Nugget T/L B (09/17)	2,561.23	1,596.90	4,158.13	-	-	-	4,158.13
LX159621	Gray Television T/L B	1,152.47	1,006.35	2,158.82	-	-	-	2,158.82
LX176498	HD Supply T/L B-5	9,855.65	8,822.85	18,678.50	-	-	-	18,678.50
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	1,021.60	96.21	1,117.81	-	-	-	1,117.81
LX146975	Kenan Advantage T/L B (Canadian)	823.78	744.06	1,567.84	-	-	-	1,567.84
LX146807	Kenan Advantage T/L B (U.S.)	2,716.34	2,453.47	5,169.81	-	-	-	5,169.81
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	8,472.22	4,321.79	12,794.01	-	333,650.12	333,650.12	346,444.13
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	56,984.72	56,984.72	-	-	-	56,984.72
LX172427	Mediacom T/L N	1,003.86	854.08	1,857.94	-	220,555.56	220,555.56	222,413.50
LX155231	Mohegan Tribal T/L A	-	8,286.01	8,286.01	-	-	-	8,286.01
LX165715	MTS Systems Corporation T/L B (06/17)	916.29	827.62	1,743.91	-	1,796.96	1,796.96	3,540.87
LX169275	Navistar T/L B (10/17)	6,248.63	6,391.94	12,640.57	5,037.78	-	5,037.78	17,678.35
LX162460	Nielsen Finance T/L B4	767.07	710.19	1,477.26	-	-	-	1,477.26
LX155280	NN, Inc T/L B (9/16)	15,692.28	14,173.67	29,865.95	-	-	-	29,865.95
LX159002	Prestige Brands T/L B4	656.09	571.25	1,227.34	9,930.72	2,206.83	12,137.55	13,364.89
LX157714	Radiate Holdco (RCN Cable) T/L	9,539.71	8,616.51	18,156.22	-	-	-	18,156.22
LX176102	RR Donnelley & Sons T/L B	4,392.16	3,954.00	8,346.16	-	-	-	8,346.16
LX161101	SeaWorld T/L B5 (02/17)	6,082.17	5,493.57	11,575.74	-	-	-	11,575.74





# ACIS CLO 2014-3 LTD. Intra-Period Collection Account Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX158094	Sinclair Television T/L B2	2,548.26	2,292.18	4,840.44	-	-	-	4,840.44
LX151194	Solera T/L B	4,919.13	4,417.11	9,336.24	-	-	-	9,336.24
LX165294	Surgery Center Holdings T/L B (06/17)	10,704.00	9,668.13	20,372.13	-	-	-	20,372.13
LX156377	Team Health Holdings T/L	6,248.44	5,643.75	11,892.19	-	-	-	11,892.19
LX168581	Tronox T/L B (09/17)	3,462.78	3,204.75	6,667.53	-	-	-	6,667.53
LX172243	Uber Technologies T/L (3/18)	4,230.02	3,820.66	8,050.68	-	-	-	8,050.68
LX161197	Univision Communications T/L C5	5,157.86	4,658.71	9,816.57	-	-	-	9,816.57
LX162476	Urban One T/L	4,765.49	4,304.31	9,069.80	-	-	-	9,069.80
LX153134	US Foods Second Incremental T/L	3,466.58	3,103.30	6,569.88	-	-	-	6,569.88
LX169239	VC GB Holdings T/L (Generation Brands)	6,673.14	6,027.35	12,700.49	-	-	-	12,700.49
LX144232	Wash Multifamily T/L (1st Lien)	12,152.61	10,976.55	23,129.16	-	-	-	23,129.16
LX173578	Western Digital Corporation T/L B-4	1,317.20	1,197.32	2,514.52	78,285.72	-	78,285.72	80,800.24
LX165396	WideOpenWest T/L B (6/17)	7,208.26	7,208.26	14,416.52	-	-	-	14,416.52
<b>Totals:</b>	<b>47</b>	<b>228,041.87</b>	<b>369,413.06</b>	<b>597,454.93</b>	<b>97,385.58</b>	<b>672,400.18</b>	<b>769,785.76</b>	<b>1,367,240.69</b>



**Proceeds Account Summary**As of Date: 09/21/2020  
Payment Date: 11/02/2020**Interest Proceeds**

Interest Received:	369,413.06
Interest on Eligible Investments:	114.30
Commitment Fees:	0.00
Other Fees:	(24,444.89)
Pursuant to any Hedge Agreement	0.00
Pursuant to any Cashflow Swap Payments	0.00
Amendment & Waiver Fees	0.00
Prepayment/Call Premium:	0.00
Dividends:	0.00
Purchased Accrued Interest:	0.00
Interest Accrued on Purchase/Sale of Asset	0.00
Pursuant to any Asset Swap Hedge Investments	0.00
Adjustment for Defaulted Collateral Obligations	0.00
<b>Total:</b>	<b>345,082.47</b>

**Principal Proceeds**

Redemptions:	672,400.18
Maturity:	0.00
Prepayment/Call Premiums:	0.00
Principal on Sale of Asset:	2,109,296.24
Recoveries on Defaults:	0.00
Other Fees:	0.00
Other Amounts:	0.00
Adjustment for Defaulted Collateral Obligations	0.00
<b>Total:</b>	<b>2,781,696.42</b>

**Total Collection of Interest & Principal Proceeds:** **3,126,778.89****Accounts Summary (1)**

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Collection Account - Interest	451,998.52	369,971.36	24,888.89	797,080.99
Collection Account - Principal	3,015,228.11	2,781,696.42	0.00	5,796,924.53
Custodial Account	0.00	0.00	0.00	0.00
Expense Reserve Account	0.00	0.00	0.00	0.00
Interest Reserve Account	0.00	0.00	0.00	0.00
Payment Account	0.00	0.00	0.00	0.00
Ramp-Up Account	0.00	0.00	0.00	0.00
Reinvestment Amount Account	0.00	0.00	0.00	0.00
Revolver Funding Account	0.00	0.00	0.00	0.00
<b>Totals:</b>	<b>3,467,226.63</b>	<b>3,151,667.78</b>	<b>24,888.89</b>	<b>6,594,005.52</b>

**Asset Summary (2)**

Agg. Principal Amount of Securities:	136,965,298.17
Balance of Collection Account:	9,548,237.44
Balance of Custodial Account:	0.00
Balance of Expense Reserve Account:	0.00
Balance of Interest Reserve Account:	0.00
Balance of Payment Account:	0.00
Balance of Ramp-Up Account:	0.00
Balance of Reinvestment Amount Account:	0.00
Balance of Revolver Funding Account:	0.00
<b>Total of All Proceeds:</b>	<b>146,513,535.61</b>

(1) Based on Settlement Date (2) Based on Trade Date





**Current Asset Characteristics - Part I**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX144914	Academy T/L B	Academy, Ltd.	01-Jul-22	-	5.00000%	6,622,598.47	6,622,598.47	4.68000%
LX172091	Acadia Healthcare T/L B3	Acadia Healthcare Company, Inc.	11-Feb-22	-	2.65638%	4,582,532.74	4,582,532.74	3.25000%
LX172092	Acadia Healthcare T/L B4	Acadia Healthcare Company, Inc.	16-Feb-23	-	2.65638%	1,632,181.38	1,632,181.38	1.15000%
LX155961	Advanced Disposal T/L B	Advanced Disposal Services, Inc.	10-Nov-23	-	3.00000%	313,895.12	313,895.12	0.22000%
LX155973	American Airlines Replacement T/L B (AMR)	American Airlines, Inc.	28-Apr-23	-	2.15638%	2,636,465.55	2,636,465.55	1.87000%
LX170974	AMG Advanced Metallurgical T/L	AMG Advanced Metallurgical Group N.V.	03-Feb-25	-	3.15638%	1,462,500.00	1,462,500.00	1.03000%
LX183349	Berry Global (Berry Plastics) T/L W	Berry Global, Inc.	03-Oct-22	-	2.15550%	1,322,532.36	1,322,532.36	0.93000%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Bright Bidco B.V.	28-Jun-24	-	4.57200%	1,959,619.76	1,959,619.76	1.38000%
LX159595	Builders Firstsource T/L	Builders FirstSource, Inc.	29-Feb-24	-	4.00000%	274,824.63	274,824.63	0.19000%
LX144710	Calpine Corporation T/L B-5	Calpine Corporation	15-Jan-24	-	2.41000%	419,749.90	419,749.90	0.29000%
LX152766	Cengage Learning T/L B	Cengage Learning, Inc.	07-Jun-23	-	5.25000%	2,966,130.19	2,966,130.19	2.10000%
LX159695	Change Healthcare T/L	Change Healthcare Holdings, Inc.	01-Mar-24	-	3.50000%	2,308,723.07	2,308,723.07	1.62000%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Coinamatic Canada Inc.	16-May-22	-	4.25000%	417,808.67	417,808.67	0.29000%
LX159615	ExamWorks T/L B1	Examworks Group Inc	27-Jul-23	-	4.32200%	745,707.20	745,707.20	0.52000%
LX173032	Ferro T/L B-1	Ferro Corporation	14-Feb-24	-	2.55788%	2,453,635.82	2,453,635.82	1.74000%
LX167187	Flexential Intermediate T/L B (Peak 10)	Flexential Intermediate Corporation	01-Aug-24	-	3.80788%	1,959,697.76	1,959,697.76	1.39000%
LX170988	Flexera Software T/L B	Flexera Software LLC	26-Feb-25	-	4.25000%	2,443,750.00	2,443,750.00	1.72000%
LX155300	Fort Dearborn 1st Lien T/L	Fort Dearborn Company	19-Oct-23	-	5.19166%	1,097,606.17	1,097,606.17	0.76000%
LX162521	Forterra Finance T/L (04/17)	Forterra Finance, LLC	25-Oct-23	-	4.00000%	560,694.39	560,694.39	0.39000%
LX171691	Global Medical Response T/L B	Global Medical Response, Inc.	28-Apr-22	-	4.25000%	7,461,460.81	7,461,460.81	5.30000%
LX168592	Golden Nugget T/L B (09/17)	Golden Nugget, Inc.	04-Oct-23	-	3.25000%	592,865.13	592,865.13	0.41000%
LX141384	Granite Acq 1st T/L B (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	-	4.50000%	5,828,639.31	5,828,639.31	4.14000%
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	Granite Acquisition, Inc.	19-Dec-22	-	8.25000%	1,821,306.22	1,821,306.22	1.29000%
LX159621	Gray Television T/L B	Gray Television, Inc.	07-Feb-24	-	2.40513%	741,868.97	741,868.97	0.52000%
LX165794	Gruden Acquisition T/L	Gruden Acquisition, Inc.	18-Aug-22	-	6.50000%	3,142,545.53	3,142,545.53	2.23000%
LX176498	HD Supply T/L B-5	HD Supply, Inc.	17-Oct-23	-	1.90638%	5,935,576.45	5,935,576.45	4.21000%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	IQVIA Inc.	07-Mar-24	-	1.90638%	474,551.55	474,551.55	0.33000%
LX146975	Kenan Advantage T/L B (Canadian)	Kenan Advantage Group, Inc.	01-Aug-22	-	4.00000%	239,160.75	239,160.75	0.16000%
LX146807	Kenan Advantage T/L B (U.S.)	Kenan Advantage Group, Inc.	01-Aug-22	-	4.00000%	788,615.12	788,615.12	0.56000%





# Current Asset Characteristics - Part I

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Kronos Acquisition Holdings Inc.	15-May-23	-	5.00000%	666,349.88	666,349.88	0.45000%
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Lanai Holdings III, Inc.	29-Aug-22	-	5.75000%	1,969,072.16	1,969,072.16	1.39000%
LX136370	Libbey Glass (Pre-Petition) T/L	Libbey Glass Inc.	09-Apr-21	-	-	4,965,493.10	4,965,493.10	3.52000%
LX159083	Life Time Fitness 2017 Refinancing T/L B	Life Time, Inc.	10-Jun-22	-	3.75000%	6,011,574.63	6,011,574.63	4.27000%
LX152400	McGraw-Hill Global Education Holdings T/L	McGraw-Hill Global Education Holdings, LLC	04-May-22	-	5.00000%	5,683,495.67	5,683,495.67	4.03000%
LX172427	Mediacom T/L N	Mediacom Illinois LLC	15-Feb-24	-	1.86000%	435,390.46	435,390.46	0.30000%
LX152711	MPH Acquisition (Multiplan) T/L B	MPH Acquisition Holdings LLC	07-Jun-23	-	3.75000%	826,086.94	826,086.94	0.58000%
LX165715	MTS Systems Corporation T/L B (06/17)	MTS Systems Corporation	05-Jul-23	-	4.00000%	264,222.80	264,222.80	0.18000%
LX169275	Navistar T/L B (10/17)	Navistar, Inc.	06-Nov-24	-	3.66000%	1,964,735.54	1,964,735.54	1.39000%
LX162460	Nielsen Finance T/L B4	Nielsen Finance LLC	04-Oct-23	-	2.15425%	395,397.69	395,397.69	0.28000%
LX155280	NN, Inc T/L B (9/16)	NN, Inc.	19-Oct-22	-	6.50000%	2,803,584.05	2,803,584.05	1.99000%
LX157595	Oberthur Technologies T/L B (USD)	Oberthur Technologies Group S.A.S.	10-Jan-24	-	4.05788%	387,000.00	387,000.00	0.27000%
LX159002	Prestige Brands T/L B4	Prestige Brands, Inc.	26-Jan-24	-	2.15638%	337,644.61	337,644.61	0.23000%
LX169594	Rackspace T/L B (11/17)	Rackspace Hosting, Inc.	03-Nov-23	-	4.00000%	2,954,314.74	2,954,314.74	2.09000%
LX159617	RadNet Management T/L B (01/17)	RadNet Management, Inc.	30-Jun-23	-	4.75000%	1,415,148.87	1,415,148.87	1.00000%
LX176102	RR Donnelley & Sons T/L B	R.R. Donnelley & Sons Company	04-Jan-24	-	5.15638%	985,000.00	985,000.00	0.69000%
LX152375	Russell Investments T/L B	Russell Investments US Institutional Holdco, Inc.	01-Jun-23	-	3.82200%	7,377,365.25	7,377,365.25	5.24000%
LX161101	SeaWorld T/L B5 (02/17)	SeaWorld Parks & Entertainment, Inc.	01-Apr-24	-	3.75000%	1,883,510.49	1,883,510.49	1.33000%
LX158094	Sinclair Television T/L B2	Sinclair Television Group, Inc.	03-Jan-24	-	2.41000%	1,217,805.00	1,217,805.00	0.86000%
LX151194	Solera T/L B	Solera, LLC	03-Mar-23	-	2.93792%	1,950,835.41	1,950,835.41	1.38000%
LX159036	Sophia / Ellucian T/L B	Sophia, L.P.	30-Sep-22	-	4.25000%	1,921,064.20	1,921,064.20	1.36000%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Spin Holdco, Inc.	14-Nov-22	-	4.25000%	4,368,646.60	4,368,646.60	3.10000%
LX165294	Surgery Center Holdings T/L B (06/17)	Surgery Center Holdings, Inc.	03-Sep-24	-	4.25000%	2,924,812.01	2,924,812.01	2.07000%
LX171276	Syniverse Holdings T/L (01/18)	Syniverse Holdings, Inc.	09-Mar-23	-	6.00000%	1,964,824.09	1,964,824.09	1.39000%
LX156377	Team Health Holdings T/L	Team Health Holdings, Inc.	06-Feb-24	-	3.75000%	1,935,000.00	1,935,000.00	1.37000%
LX168581	Tronox T/L B (09/17)	Tronox Finance LLC	23-Sep-24	-	3.21906%	2,342,266.23	2,342,266.23	1.65000%
LX172243	Uber Technologies T/L (3/18)	Uber Technologies Inc	04-Apr-25	-	5.00000%	982,456.12	982,456.12	0.69000%
LX161197	Univision Communications T/L C5	Univision Communications Inc.	15-Mar-24	-	3.75000%	1,597,271.38	1,597,271.38	1.13000%
LX162476	Urban One T/L	Urban One, Inc.	18-Apr-23	-	5.00000%	1,106,822.86	1,106,822.86	0.78000%



**Current Asset Characteristics - Part I**As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Pays less frequently than Quarterly	Current Coupon	Funded Balance	Total Commitment	% of Collateral Principal Amount
LX153134	US Foods Second Incremental T/L	US Foods, Inc.	27-Jun-23	-	1.90638%	2,087,748.82	2,087,748.82	1.48000%
LX169239	VC GB Holdings T/L (Generation Brands)	VC GB Holdings, Inc.	28-Feb-24	-	4.00000%	1,937,361.94	1,937,361.94	1.37000%
LX144232	Wash Multifamily T/L (1st Lien)	Wash MultiFamily Acquisition, Inc.	16-May-22	-	4.25000%	3,320,637.08	3,320,637.08	2.35000%
LX173578	Western Digital Corporation T/L B-4	Western Digital Corporation	29-Apr-23	-	1.90638%	805,496.27	805,496.27	0.57000%
LX165396	WideOpenWest T/L B (6/17)	WideOpenWest Finance, LLC	18-Aug-23	-	4.25000%	1,969,620.26	1,969,620.26	1.39000%
<b>Totals:</b>		63				136,965,298.17	136,965,298.17	





**Current Asset Characteristics - Part II**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	S&P Recovery Rates						Moody's Recovery Rate
		AAA	AA	A	BBB	BB	B	
LX144914	Academy T/L B	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	40.00%
LX172091	Acadia Healthcare T/L B3	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX172092	Acadia Healthcare T/L B4	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX155961	Advanced Disposal T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX155973	American Airlines Replacement T/L B (AMR)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX170974	AMG Advanced Metallurgical T/L	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX183349	Berry Global (Berry Plastics) T/L W	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX159595	Builders Firstsource T/L	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	45.00%
LX144710	Calpine Corporation T/L B-5	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX152766	Cengage Learning T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX159695	Change Healthcare T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX159615	ExamWorks T/L B1	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX173032	Ferro T/L B-1	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX167187	Flexential Intermediate T/L B (Peak 10)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX170988	Flexera Software T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX155300	Fort Dearborn 1st Lien T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX162521	Forterra Finance T/L (04/17)	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	45.00%
LX171691	Global Medical Response T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX168592	Golden Nugget T/L B (09/17)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX141384	Granite Acq 1st T/L B (Wheelabrator)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	2.00%	4.00%	6.00%	8.00%	10.00%	10.00%	15.00%
LX159621	Gray Television T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX165794	Grunder Acquisition T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX176498	HD Supply T/L B-5	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	45.00%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX146975	Kenan Advantage T/L B (Canadian)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX146807	Kenan Advantage T/L B (U.S.)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX159083	Life Time Fitness 2017 Refinancing T/L B	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX152400	McGraw-Hill Global Education Holdings T/L	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX172427	Mediacom T/L N	45.00%	49.00%	53.00%	58.00%	70.00%	74.00%	45.00%
LX152711	MPH Acquisition (Multiplan) T/L B	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX165715	MTS Systems Corporation T/L B (06/17)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX169275	Navistar T/L B (10/17)	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX162460	Nielsen Finance T/L B4	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX155280	NN, Inc T/L B (9/16)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX157595	Oberthur Technologies T/L B (USD)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX159002	Prestige Brands T/L B4	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	60.00%
LX169594	Rackspace T/L B (11/17)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX159617	RadNet Management T/L B (01/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX176102	RR Donnelley & Sons T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX152375	Russell Investments T/L B	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	45.00%
LX161101	SeaWorld T/L B5 (02/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%





**Current Asset Characteristics - Part II**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	S&P Recovery Rates						Moody's Recovery Rate
		AAA	AA	A	BBB	BB	B	
LX158094	Sinclair Television T/L B2	65.00%	75.00%	80.00%	85.00%	90.00%	95.00%	50.00%
LX151194	Solera T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	60.00%
LX159036	Sophia / Ellucian T/L B	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX165294	Surgery Center Holdings T/L B (06/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	60.00%
LX171276	Syniverse Holdings T/L (01/18)	20.00%	26.00%	33.00%	39.00%	43.00%	45.00%	45.00%
LX156377	Team Health Holdings T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX168581	Tronox T/L B (09/17)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX172243	Uber Technologies T/L (3/18)	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX161197	Univision Communications T/L C5	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX162476	Urban One T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX153134	US Foods Second Incremental T/L	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	40.00%
LX169239	VC GB Holdings T/L (Generation Brands)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%
LX144232	Wash Multifamily T/L (1st Lien)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	50.00%
LX173578	Western Digital Corporation T/L B-4	50.00%	60.00%	66.00%	73.00%	79.00%	85.00%	50.00%
LX165396	WideOpenWest T/L B (6/17)	30.00%	40.00%	46.00%	53.00%	59.00%	65.00%	45.00%

**Total: 62**





# Current Asset Characteristics - Part III

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
Academy T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
Acadia Healthcare T/L B3	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
Acadia Healthcare T/L B4	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
Advanced Disposal T/L B	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	-
American Airlines Replacement T/L B (AMR)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
AMG Advanced Metallurgical T/L	United States	Metals & Mining	Nonferrous metals/minerals	Term Loan	Senior Secured Loan	-
Berry Global (Berry Plastics) T/L W	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	-
Bright Bidco (Lumileds) T/L B (02/18)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	-
Builders Firstsource T/L	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	-
Calpine Corporation T/L B-5	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
Cengage Learning T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
Change Healthcare T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
Coinamatic Canada (Wash Multifamily) T/L 1st Lien	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-
ExamWorks T/L B1	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
Ferro T/L B-1	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
Flexential Intermediate T/L B (Peak 10)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
Flexera Software T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
Fort Dearborn 1st Lien T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	-
Forterra Finance T/L (04/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
Global Medical Response T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
Golden Nugget T/L B (09/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
Granite Acq 1st T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
Granite Acq 2nd T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	2nd Lien Loan	-
Gray Television T/L B	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
Gruen Acquisition T/L	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
HD Supply T/L B-5	United States	Wholesale	Industrial equipment	Term Loan	Senior Secured Loan	-
IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
Kenan Advantage T/L B (Canadian)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
Kenan Advantage T/L B (U.S.)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Canada	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
Lanai Holdings III T/L 1st Lien (Patterson)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
Libbey Glass (Pre-Petition) T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	-
Life Time Fitness 2017 Refinancing T/L B	United States	Services: Consumer	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
McGraw-Hill Global Education Holdings T/L	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
Mediacom T/L N	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
MPH Acquisition (Multiplan) T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
MTS Systems Corporation T/L B (06/17)	United States	Construction & Building	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
Navistar T/L B (10/17)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
Nielsen Finance T/L B4	United States	Services: Business	Publishing	Term Loan	Senior Secured Loan	-
NN, Inc T/L B (9/16)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	-
Oberthur Technologies T/L B (USD)	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
Prestige Brands T/L B4	United States	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
Rackspace T/L B (11/17)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
RadNet Management T/L B (01/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
RR Donnelley & Sons T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
Russell Investments T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
SeaWorld T/L B5 (02/17)	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
Sinclair Television T/L B2	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
Solera T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
Sophia / Ellucian T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
Spin Holdco (Coinmach) T/L B (02/18)	United States	Consumer goods: Non-durable	Business equipment & services	Term Loan	Senior Secured Loan	-
Surgery Center Holdings T/L B (06/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
Syniverse Holdings T/L (01/18)	United States	Services: Business	Telecommunications	Term Loan	Senior Secured Loan	-
Team Health Holdings T/L	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
Tronox T/L B (09/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
Uber Technologies T/L (3/18)	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	Cov-Lite Loan
Univision Communications T/L C5	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
Urban One T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
US Foods Second Incremental T/L	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	Cov-Lite Loan
VC GB Holdings T/L (Generation Brands)	United States	Consumer goods: Durable	Conglomerates	Term Loan	Senior Secured Loan	-
Wash Multifamily T/L (1st Lien)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-
Western Digital Corporation T/L B-4	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
WideOpenWest T/L B (6/17)	United States	Media: Broadcasting & Subscription	Telecommunications	Term Loan	Senior Secured Loan	-
<b>Totals:</b>	<b>63</b>					





# **Weighted Average Spread**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX144914	Academy T/L B	Floating	21,041.75	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	999.27
LX144914	Academy T/L B	Floating	698,332.05	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	33,163.79
LX144914	Academy T/L B	Floating	2,259,828.19	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	107,319.24
LX144914	Academy T/L B	Floating	1,355,896.93	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	64,391.55
LX144914	Academy T/L B	Floating	2,287,499.55	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	108,633.35
LX172091	Acadia Healthcare T/L B3	Floating	4,582,532.74	LIBOR (1 month)	0.16%	2.50 %	2.66%	2.50%		114,563.32
LX172092	Acadia Healthcare T/L B4	Floating	1,632,181.38	LIBOR (1 month)	0.16%	2.50 %	2.66%	2.50%		40,804.53
LX155961	Advanced Disposal T/L B	Floating	313,895.12	LIBOR (1 week)	0.75%	2.25 %	3.00%	2.75%	0.75%	8,628.98
LX155973	American Airlines Replacement T/L B (AMR)	Floating	2,636,465.55	LIBOR (1 month)	0.16%	2.00 %	2.16%	2.00%		52,729.31
LX170974	AMG Advanced Metallurgical T/L	Floating	1,044,642.87	LIBOR (1 month)	0.16%	3.00 %	3.16%	3.00%		31,339.29
LX170974	AMG Advanced Metallurgical T/L	Floating	417,857.13	LIBOR (1 month)	0.16%	3.00 %	3.16%	3.00%		12,535.71
LX183349	Berry Global (Berry Plastics) T/L W	Floating	1,322,532.36	LIBOR (1 month)	0.16%	2.00 %	2.16%	2.00%		26,450.65
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	358,128.55	LIBOR (6 months)	1.07%	3.50 %	4.57%	4.25%	1.00%	15,216.88
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	1,314,988.37	LIBOR (6 months)	1.07%	3.50 %	4.57%	4.25%	1.00%	55,873.86
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	286,502.84	LIBOR (6 months)	1.07%	3.50 %	4.57%	4.25%	1.00%	12,173.51
LX159595	Builders Firstsource T/L	Floating	274,824.63	LIBOR (3 months)	1.00%	3.00 %	4.00%	3.75%	1.00%	10,303.18
LX144710	Calpine Corporation T/L B-5	Floating	419,749.90	LIBOR (1 month)	0.16%	2.25 %	2.41%	2.25%		9,444.37
LX152766	Cengage Learning T/L B	Floating	2,966,130.19	LIBOR (6 months)	1.00%	4.25 %	5.25%	5.00%	1.00%	148,276.85
LX159695	Change Healthcare T/L	Floating	383,531.76	LIBOR (3 months)	1.00%	2.50 %	3.50%	3.25%	1.00%	12,460.95
LX159695	Change Healthcare T/L	Floating	386,524.72	LIBOR (3 months)	1.00%	2.50 %	3.50%	3.25%	1.00%	12,558.19
LX159695	Change Healthcare T/L	Floating	718,385.23	LIBOR (3 months)	1.00%	2.50 %	3.50%	3.25%	1.00%	23,340.34
LX159695	Change Healthcare T/L	Floating	729,344.98	LIBOR (3 months)	1.00%	2.50 %	3.50%	3.25%	1.00%	23,696.42
LX159695	Change Healthcare T/L	Floating	90,936.38	LIBOR (1 month)	1.00%	2.50 %	3.50%	3.25%	1.00%	2,954.52
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Floating	417,808.67	LIBOR (1 month)	1.00%	3.25 %	4.25%	4.00%	1.00%	16,708.17
LX159615	ExamWorks T/L B1	Floating	745,707.20	LIBOR (6 months)	1.07%	3.25 %	4.32%	4.00%	1.00%	29,820.83
LX173032	Ferro T/L B-1	Floating	2,453,635.82	LIBOR (3 months)	0.31%	2.25 %	2.56%	2.25%		55,206.81
LX167187	Flexential Intermediate T/L B (Peak 10)	Floating	1,959,697.76	LIBOR (3 months)	0.31%	3.50 %	3.81%	3.50%		68,589.42
LX170988	Flexera Software T/L B	Floating	6,250.00	LIBOR (1 month)	1.00%	3.25 %	4.25%	4.00%	1.00%	249.94
LX170988	Flexera Software T/L B	Floating	6,250.00	LIBOR (3 months)	1.00%	3.25 %	4.25%	4.00%	1.00%	249.94
LX170988	Flexera Software T/L B	Floating	2,431,250.00	LIBOR (3 months)	1.00%	3.25 %	4.25%	4.00%	1.00%	97,225.69
LX155300	Fort Dearborn 1st Lien T/L	Floating	450,804.65	LIBOR (6 months)	1.20%	4.00 %	5.20%	4.75%	1.00%	21,408.71
LX155300	Fort Dearborn 1st Lien T/L	Floating	17,313.68	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	822.23
LX155300	Fort Dearborn 1st Lien T/L	Floating	561,997.36	LIBOR (6 months)	1.20%	4.00 %	5.20%	4.75%	1.00%	26,689.25
LX155300	Fort Dearborn 1st Lien T/L	Floating	2,843.54	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	135.04
LX155300	Fort Dearborn 1st Lien T/L	Floating	64,646.94	LIBOR (6 months)	1.20%	4.00 %	5.20%	4.75%	1.00%	3,070.08





# Weighted Average Spread

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX162521	Forterra Finance T/L (04/17)	Floating	560,694.39	LIBOR (1 month)	1.00%	3.00 %	4.00%	3.75%	1.00%	21,020.43
LX171691	Global Medical Response T/L B	Floating	7,461,460.81	LIBOR (6 months)	1.00%	3.25 %	4.25%	4.00%	1.00%	298,383.82
LX168592	Golden Nugget T/L B (09/17)	Floating	320,743.62	LIBOR (1 month)	0.75%	2.50 %	3.25%	3.00%	0.75%	9,619.10
LX168592	Golden Nugget T/L B (09/17)	Floating	272,121.51	LIBOR (1 month)	0.75%	2.50 %	3.25%	3.00%	0.75%	8,160.92
LX141384	Granite Acq 1st T/L B (Wheelabrator)	Floating	5,828,639.31	LIBOR (3 months)	1.00%	3.50 %	4.50%	4.25%	1.00%	247,658.88
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	Floating	1,821,306.22	LIBOR (3 months)	1.00%	7.25 %	8.25%	8.00%	1.00%	145,686.28
LX159621	Gray Television T/L B	Floating	741,868.97	LIBOR (1 month)	0.16%	2.25 %	2.41%	2.25%		16,692.05
LX165794	Gruden Acquisition T/L	Floating	3,142,545.53	LIBOR (3 months)	1.00%	5.50 %	6.50%	6.25%	1.00%	196,377.67
LX176498	HD Supply T/L B-5	Floating	5,935,576.45	LIBOR (1 month)	0.16%	1.75 %	1.91%	1.75%		103,872.59
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	Floating	474,551.55	LIBOR (1 month)	0.16%	1.75 %	1.91%	1.75%		8,304.65
LX146975	Kenan Advantage T/L B (Canadian)	Floating	239,160.75	LIBOR (1 month)	1.00%	3.00 %	4.00%	3.75%	1.00%	8,966.14
LX146807	Kenan Advantage T/L B (U.S.)	Floating	788,615.12	LIBOR (1 month)	1.00%	3.00 %	4.00%	3.75%	1.00%	29,565.18
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	179,802.03	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	8,538.80
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	258,269.44	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	12,265.22
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	83,339.74	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	3,957.80
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	144,938.67	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	6,883.14
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	5,154.64	LIBOR (2 months)	1.00%	4.75 %	5.75%	5.50%	1.00%	283.45
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	1,963,917.52	LIBOR (3 months)	1.00%	4.75 %	5.75%	5.50%	1.00%	107,995.82
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	15,453.92	LIBOR (1 month)	1.00%	2.75 %	3.75%	3.50%	1.00%	540.73
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	5,996,120.71	LIBOR (6 months)	1.00%	2.75 %	3.75%	3.50%	1.00%	209,804.26
LX152400	McGraw-Hill Global Education Holdings T/L	Floating	5,683,495.67	LIBOR (3 months)	1.00%	4.00 %	5.00%	4.75%	1.00%	269,909.21
LX172427	Mediacom T/L N	Floating	435,390.46	LIBOR (1 week)	0.11%	1.75 %	1.86%	1.75%		7,619.33
LX152711	MPH Acquisition (Multiplan) T/L B	Floating	826,086.94	LIBOR (3 months)	1.00%	2.75 %	3.75%	3.50%	1.00%	28,904.78
LX165715	MTS Systems Corporation T/L B (06/17)	Floating	264,222.80	LIBOR (1 month)	0.75%	3.25 %	4.00%	3.75%	0.75%	9,905.71
LX169275	Navistar T/L B (10/17)	Floating	1,964,735.54	LIBOR (1 month)	0.16%	3.50 %	3.66%	3.50%		68,765.74
LX162460	Nielsen Finance T/L B4	Floating	395,397.69	LIBOR (1 month)	0.15%	2.00 %	2.15%	2.00%		7,907.95
LX155280	NN, Inc T/L B (9/16)	Floating	2,803,584.05	LIBOR (1 month)	0.75%	5.75 %	6.50%	6.25%	0.75%	175,195.97
LX157595	Oberthur Technologies T/L B (USD)	Floating	387,000.00	LIBOR (3 months)	0.31%	3.75 %	4.06%	3.75%		14,512.50
LX159002	Prestige Brands T/L B4	Floating	337,644.61	LIBOR (1 month)	0.16%	2.00 %	2.16%	2.00%		6,752.89
LX169594	Rackspace T/L B (11/17)	Floating	2,946,700.53	LIBOR (3 months)	1.00%	3.00 %	4.00%	3.75%	1.00%	110,471.80
LX169594	Rackspace T/L B (11/17)	Floating	7,614.21	LIBOR (2 months)	1.00%	3.00 %	4.00%	3.75%	1.00%	285.46
LX159617	RadNet Management T/L B (01/17)	Floating	1,415,148.87	LIBOR (6 months)	1.00%	3.75 %	4.75%	4.50%	1.00%	63,667.55
LX176102	RR Donnelley & Sons T/L B	Floating	985,000.00	LIBOR (1 month)	0.16%	5.00 %	5.16%	5.00%		49,250.00





# Weighted Average Spread

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Spread	Cash Coupon	WAS Spread	Libor Floor	Weighted Factor
LX152375	Russell Investments T/L B	Floating	7,377,365.25	LIBOR (6 months)	1.07%	2.75 %	3.82%	3.50%	1.00%	258,134.01
LX161101	SeaWorld T/L B5 (02/17)	Floating	1,883,510.49	LIBOR (1 month)	0.75%	3.00 %	3.75%	3.50%	0.75%	65,904.03
LX158094	Sinclair Television T/L B2	Floating	1,217,805.00	LIBOR (1 month)	0.16%	2.25 %	2.41%	2.25%		27,400.61
LX151194	Solera T/L B	Floating	1,945,741.84	LIBOR (2 months)	0.19%	2.75 %	2.94%	2.75%		53,507.90
LX151194	Solera T/L B	Floating	5,093.57	LIBOR (1 month)	0.16%	2.75 %	2.91%	2.75%		140.07
LX159036	Sophia / Ellucian T/L B	Floating	1,921,064.20	LIBOR (3 months)	1.00%	3.25 %	4.25%	4.00%	1.00%	76,823.36
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Floating	4,368,646.60	LIBOR (3 months)	1.00%	3.25 %	4.25%	4.00%	1.00%	174,702.18
LX165294	Surgery Center Holdings T/L B (06/17)	Floating	2,924,812.01	LIBOR (1 month)	1.00%	3.25 %	4.25%	4.00%	1.00%	116,963.23
LX171276	Syniverse Holdings T/L (01/18)	Floating	1,964,824.09	LIBOR (6 months)	1.00%	5.00 %	6.00%	5.75%	1.00%	112,957.74
LX156377	Team Health Holdings T/L	Floating	1,935,000.00	LIBOR (1 month)	1.00%	2.75 %	3.75%	3.50%	1.00%	67,705.65
LX168581	Tronox T/L B (09/17)	Floating	968,992.25	LIBOR (3 months)	0.31%	3.00 %	3.31%	3.00%		29,069.77
LX168581	Tronox T/L B (09/17)	Floating	1,373,273.98	LIBOR (1 month)	0.16%	3.00 %	3.16%	3.00%		41,198.22
LX172243	Uber Technologies T/L (3/18)	Floating	982,456.12	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	46,656.84
LX161197	Univision Communications T/L C5	Floating	1,597,271.38	LIBOR (1 month)	1.00%	2.75 %	3.75%	3.50%	1.00%	55,888.53
LX162476	Urban One T/L	Floating	1,106,822.86	LIBOR (1 month)	1.00%	4.00 %	5.00%	4.75%	1.00%	52,563.02
LX153134	US Foods Second Incremental T/L	Floating	2,087,748.82	LIBOR (1 month)	0.16%	1.75 %	1.91%	1.75%		36,535.60
LX169239	VC GB Holdings T/L (Generation Brands)	Floating	1,937,361.94	LIBOR (1 month)	1.00%	3.00 %	4.00%	3.75%	1.00%	72,631.70
LX144232	Wash Multifamily T/L (1st Lien)	Floating	3,320,637.08	LIBOR (1 month)	1.00%	3.25 %	4.25%	4.00%	1.00%	132,792.28
LX173578	Western Digital Corporation T/L B-4	Floating	805,496.27	LIBOR (1 month)	0.16%	1.75 %	1.91%	1.75%		14,096.18
LX165396	WideOpenWest T/L B (6/17)	Floating	1,969,620.26	LIBOR (1 month)	1.00%	3.25 %	4.25%	4.00%	1.00%	78,765.11

<b>Totals:</b>	<b>88</b>	<b>131,999,805.07</b>								<b>5,020,196.04</b>
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**Rating Detail**  
As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX144914	Academy T/L B	MR		Caa1	B3	SCC		CCC+
LX172091	Acadia Healthcare T/L B3	MSI		Ba3	B2	SCC		B
LX172092	Acadia Healthcare T/L B4	MSI		Ba3	B2	SCC		B
LX155961	Advanced Disposal T/L B	MSI		Ba3	B1	SCC		BB-
LX155973	American Airlines Replacement T/L B (AMR)	MSI		Ba3	B2	SCC		B-
LX170974	AMG Advanced Metallurgical T/L	MSI		B1	B2	SCC		BB-
LX183349	Berry Global (Berry Plastics) T/L W	MSI		Ba2	Ba3	SCC		BB+
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	MSI		Caa3	Caa3	SCC		CCC
LX159595	Builders Firstsource T/L	MSI	CW+	Ba3	Ba3	SCC		BB-
LX144710	Calpine Corporation T/L B-5	MSI		Ba2	Ba3	SCC		B+
LX152766	Cengage Learning T/L B	MSI		Caa1	Caa2	SCC		CCC+
LX159695	Change Healthcare T/L	MSI		B1	B2	SCC		B+
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	MSI		B2	B3	SCC		B-
LX159615	ExamWorks T/L B1	MSI		B1	B2	SCC		B
LX173032	Ferro T/L B-1	MSI		Ba3	Ba3	SCC		B+
LX167187	Flexential Intermediate T/L B (Peak 10)	MSI		B3	Caa1	SCC		CCC+
LX170988	Flexera Software T/L B	MSI		B2	B2	SCC		B-
LX155300	Fort Dearborn 1st Lien T/L	MSI		B2	B3	SCC		B-
LX162521	Forterra Finance T/L (04/17)	MSI		B3	B3	SCC		B-
LX171691	Global Medical Response T/L B	MSI		B1	B2	SCC		B
LX168592	Golden Nugget T/L B (09/17)	MSI		B2	Caa1	SCC		B-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	MSI		B1	B1	SCC		B+
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	MSI		B3	B1	SCC		B+
LX159621	Gray Television T/L B	MSI		Ba2	B1	SCC		B+
LX165794	Gruden Acquisition T/L	MSI		B3	B3	SCC		B-

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





**Rating Detail**  
As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX176498	HD Supply T/L B-5	MSI		Ba1	Ba1	SCC	CW-	BB
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	MSI		Ba1	Ba2	SCC		BB+
LX146975	Kenan Advantage T/L B (Canadian)	MSI		B3	Caa1	SCC		CCC+
LX146807	Kenan Advantage T/L B (U.S.)	MSI		B3	Caa1	SCC		CCC+
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	MSI		B1	B3	SCC		B-
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	MSI		Caa1	Caa2	SCC		CCC
LX136370	Libbey Glass (Pre-Petition) T/L	MSI	DEF	Caa3	Caa3	SCC	DEF	NR
LX159083	Life Time Fitness 2017 Refinancing T/L B	MSI		B2	B3	SCC		CCC+
LX152400	McGraw-Hill Global Education Holdings T/L	MSI		Caa1	Caa2	SCC		CCC+
LX172427	Mediacom T/L N	MSI		Ba1	Ba1	SCC		BBB
LX152711	MPH Acquisition (Multiplan) T/L B	MSI	CW+	Ba3	B2	SCC		B+
LX165715	MTS Systems Corporation T/L B (06/17)	MSI		Ba2	B1	SCC		B+
LX169275	Navistar T/L B (10/17)	MSI		Ba2	B2	SCC	CW-	B-
LX162460	Nielsen Finance T/L B4	MSI		Ba1	Ba3	SCC	CW-	BB-
LX155280	NN, Inc T/L B (9/16)	MSI	CW+	Caa1	Caa1	SCC		B-
LX157595	Oberthur Technologies T/L B (USD)	MSI		B3	B3	SCC		B-
LX159002	Prestige Brands T/L B4	MSI		Ba3	B2	SCC		B+
LX169594	Rackspace T/L B (11/17)	MSI		B1	B2	SCC		B
LX159617	RadNet Management T/L B (01/17)	MSI		B1	B2	SCC		B
LX176102	RR Donnelley & Sons T/L B	MSI		B1	B2	SCC		B
LX152375	Russell Investments T/L B	MSI		Ba2	Ba2	SCC		BB-
LX161101	SeaWorld T/L B5 (02/17)	MSI		B2	B3	SCC		B-
LX158094	Sinclair Television T/L B2	MSI		Ba2	Ba3	SCC		BB-
LX151194	Solera T/L B	MSI		Ba3	B2	SCC		B-
LX159036	Sophia / Ellucian T/L B	MSI		B2	B3	SCC		B-

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





## Rating Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's				S & P		
		Type	Status	Moody's Rating	Default Probability	Type	Status	S&P Rating
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	MSI		B2	B3	SCC		B-
LX165294	Surgery Center Holdings T/L B (06/17)	MSI		B2	Caa1	SCC	CW-	CCC+
LX171276	Syniverse Holdings T/L (01/18)	MSI		Caa1	Caa1	SCC		CCC+
LX156377	Team Health Holdings T/L	MSI		Caa1	Caa2	SCC		B-
LX168581	Tronox T/L B (09/17)	MSI		Ba3	B1	SCC		B
LX172243	Uber Technologies T/L (3/18)	MSI		B1	B2	SCC		B-
LX161197	Univision Communications T/L C5	MSI		B2	B2	SCC		B
LX162476	Urban One T/L	MSI		B3	B3	SCC		CCC
LX153134	US Foods Second Incremental T/L	MSI		B3	B2	SCC		BB-
LX169239	VC GB Holdings T/L (Generation Brands)	MSI		B2	B2	SCC		B
LX144232	Wash Multifamily T/L (1st Lien)	MSI		B2	B3	SCC		B-
LX173578	Western Digital Corporation T/L B-4	MSI		Baa2	Baa3	SCC		BB+
LX165396	WideOpenWest T/L B (6/17)	MSI		B2	B2	SCC		B

Totals: 63

### Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating	<b>FIXD</b> - Fixed Rating	<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-3 LTD.

# Rating Change History

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Principal Balance	Moody's			S & P		
			Curr	Date	Action (1)	Curr	Date	Action (1)
LX147095	Kronos Acquisition Holdings 1st Lien T/L	666,349.88	B3	28-Aug-20	UPG			
LX152400	McGraw-Hill Global Education Holdings T/L	5,683,495.67				CCC+	04-Sep-20	DNG
LX152766	Cengage Learning T/LB	2,966,130.19				CCC+	04-Sep-20	DNG
LX153134	US Foods Second Incremental T/L	2,087,748.82				BB-	08-Sep-20	OFF(CW-)
LX153134	US Foods Second Incremental T/L	2,087,748.82				BB-	08-Sep-20	DNG
LX155280	NN, Inc T/L B (9/16)	2,803,584.05	Caa2	25-Aug-20	CW+	B-	25-Aug-20	OFF(CW-)
LX159595	Builders Firstsource T/L	274,824.63	B1	31-Aug-20	CW+			
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	1,959,619.76				CCC	31-Aug-20	OFF(CW-)
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	1,959,619.76				CCC	31-Aug-20	DNG

Totals: 9

Upgrades: 1 Aggregate Balance: 666,349.88

Downgrades: 4 Aggregate Balance: 12,696,994.44

## Asset Status Legend: (1)

**DNG** - Downgrade  
**UPG** - Upgrade  
**WDR** - Withdrawn

**N** - Notched / Implied Rating  
**E** - Credit Estimate  
**S** - Shadow Rated

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications  
**DEF** - In Default





## Caa/CCC Obligations

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Moody's			S & P		
		Rating	Rating Type	Principal Balance	Rating	Rating Type	Principal Balance
LX144914	Academy T/L B	Caa1	MR	6,622,598.47	CCC+	SCC	6,622,598.47
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Caa3	MSI	1,959,619.76	CCC	SCC	1,959,619.76
LX152766	Cengage Learning T/L B	Caa1	MSI	2,966,130.19	CCC+	SCC	2,966,130.19
LX167187	Flexential Intermediate T/L B (Peak 10)	B3	MSI	-	CCC+	SCC	1,959,697.76
LX146975	Kenan Advantage T/L B (Canadian)	B3	MSI	-	CCC+	SCC	239,160.75
LX146807	Kenan Advantage T/L B (U.S.)	B3	MSI	-	CCC+	SCC	788,615.12
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Caa1	MSI	1,969,072.16	CCC	SCC	1,969,072.16
LX159083	Life Time Fitness 2017 Refinancing T/L B	B2	MSI	-	CCC+	SCC	6,011,574.63
LX152400	McGraw-Hill Global Education Holdings T/L	Caa1	MSI	5,683,495.67	CCC+	SCC	5,683,495.67
LX155280	NN, Inc T/L B (9/16)	Caa1	MSI	2,803,584.05	B-	SCC	-
LX165294	Surgery Center Holdings T/L B (06/17)	B2	MSI	-	CCC+	SCC	2,924,812.01
LX171276	Syniverse Holdings T/L (01/18)	Caa1	MSI	1,964,824.09	CCC+	SCC	1,964,824.09
LX156377	Team Health Holdings T/L	Caa1	MSI	1,935,000.00	B-	SCC	-
LX162476	Urban One T/L	B3	MSI	-	CCC	SCC	1,106,822.86

Totals:	14	25,904,324.39	34,196,423.47
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**Rating Type Legend:**

**RE** - Rating Estimate  
**SH** - Shadow Rating  
**PR** - Private Rating

**MSUS** - Moody's Senior Unsecured  
**MSI** - Moody's Senior Implied  
**MSS** - Moody's Senior Secured

**SSUS** - S&P Senior Unsecured  
**SCC** - S&P Corporate Credit  
**SSS** - S&P Senior Secured

**DOR** Derived from other rating agency

**Asset Status Legend:**

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications





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As of Date: 09/21/2020

Payment Date: 11/02/2020

Security I.D.	Security Description	Principal Balance	% of Collateral Principal Amount	Market Value
Totals:	0	-	-	-





Participation Information

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Participation Entity	Selling Institution's Rating				Principal Balance
			Moody's LT	S&P LT	Moody's ST	S&P ST	





i.47

As of Date: 09/21/2020

<b>Totals:</b>	<b>0</b>	<b>-</b>
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Hedge Characteristics

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Nbr	Notional Amount	Reference Security I.D.	Synthetic Asset and Hedge	Counterparty	Trade Date	Effective Date	Termination Date	Reference Index	(1) Reference Index
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Totals:

(1) Counterparty Index





Hedge Calculations

As of Date: 09/21/2020  
Payment Date: 11/02/2020



		Party A				Party B				
Nbr	P / I	Notional Amount	Rate	Current Days	Current Payment	Notional Amount	Rate	Current Days	Current Payment	Net Payment





**ACIS CLO 2014-3 LTD.**

**ETB Subsidiary**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Blocker Subsidiary Name	Security or Obligation Held	Issuer	Asset	Amount	Collateral that has been transferred in and/or out
ACIS CLO 2014-3 Chemical Holdings, LLC		Vertellus Holdings	Common	177,153.00	In - 10/31/2016
ACIS CLO 2014-3 Chemical Holdings, LLC		Vertellus Holdings	Common	(177,153.00)	Out - 11/21/2019
Cash Held:				0.00	
<b>Total:</b>				<b>3</b>	<b>-</b>





Equity Securities

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security ID	Security Description	Asset Description	# of Units/Shares
LX178834	Tru Kids Parent - Units	Equity	510.00
8AMCSF0Z0	Wayne Services Legacy - C/S	Equity	510.00

Totals: 2





**ACIS CLO 2014-3 LTD.**  
**Defaulted/Deferring Obligations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Asset Description	Date of Action	Par Amount	S&P Recovery Amount	Market Value	Applicable Value
LX136370	Libbey Glass (Pre-Petition) T/L	Defaulted	07-Apr-20	4,965,493.10	2,234,471.90	763,444.56	763,444.56
<b>Totals:</b>				<b>4,965,493.10</b>	<b>2,234,471.90</b>	<b>763,444.56</b>	<b>763,444.56</b>





**ACIS CLO 2014-3 LTD.**  
**Trading Plans**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Obigor	Sale/Purchase	Rating	Maturity	Trade Date	Settle Date	Plan Number
--------	---------------	--------	----------	------------	-------------	-------------

Total:





# Stratifications - Characteristics

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Principal Balances

Current Principal Balances	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
0 to 500,000.00	11	3,959,646.18	3.00 %	3.01	2.96%	Ba3
500,000.00 to 1,000,000.00	10	7,695,140.02	5.83 %	3.04	3.94%	B1
1,000,000.00 to 1,500,000.00	6	7,622,415.26	5.77 %	3.01	3.72%	B1
1,500,000.00 to 2,000,000.00	14	26,466,100.59	20.05 %	3.00	4.40%	B3
2,000,000.00 to 2,500,000.00	5	11,636,123.94	8.82 %	3.63	3.12%	B1
2,500,000.00 to 3,000,000.00	5	14,285,306.54	10.82 %	2.90	4.46%	B3
3,000,000.00 to 3,500,000.00	2	6,463,182.61	4.90 %	1.78	5.34%	B2
3,500,000.00 to 4,000,000.00	-	-	-	-	-	-
4,000,000.00 to 4,500,000.00	1	4,368,646.60	3.31 %	2.15	4.25%	B2
4,500,000.00 to 5,000,000.00	2	4,582,532.74	3.47 %	1.40	2.66%	Ba3
5,000,000.00 to 5,500,000.00	-	-	-	-	-	-
5,500,000.00 to 6,000,000.00	3	17,447,711.43	13.22 %	1.71	3.78%	B2
6,000,000.00 to 6,500,000.00	1	6,011,574.63	4.55 %	1.72	3.75%	B2
6,500,000.00 to 7,000,000.00	1	6,622,598.47	5.02 %	1.78	5.00%	Caa1
7,000,000.00 to 7,500,000.00	2	14,838,826.06	11.24 %	2.16	4.04%	Ba3
7,500,000.00 to 8,000,000.00	-	-	-	-	-	-
8,000,000.00 to 8,500,000.00	-	-	-	-	-	-
8,500,000.00 to 9,000,000.00	-	-	-	-	-	-
9,000,000.00 to 9,500,000.00	-	-	-	-	-	-
9,500,000.00 to 10,000,000.00	-	-	-	-	-	-
10,000,000.00 to 10,500,000.00	-	-	-	-	-	-
10,500,000.00 to 11,000,000.00	-	-	-	-	-	-
11,000,000.00 to 11,050,000.00	-	-	-	-	-	-
11,050,000.00 to 12,000,000.00	-	-	-	-	-	-
12,000,000.00 to 99,999,999.00	-	-	-	-	-	-
<b>Total</b>	<b>63</b>	<b>131,999,805.07</b>	<b>100.00 %</b>	<b>2.52</b>	<b>4.04%</b>	<b>B2</b>

## Distribution of Coupon Type

Collateral Type	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Floating	63	131,999,805.07	100.00 %	2.52	4.04%	B2
<b>Total</b>	<b>63</b>	<b>131,999,805.07</b>	<b>100.00 %</b>	<b>2.52</b>	<b>4.04%</b>	<b>B2</b>

## Distribution of Fixed Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Weighted Average	
				Avg Life	Rating(1)
0.000% to 5.000%	-	-	-	-	-
5.001% to 5.500%	-	-	-	-	-
5.501% to 6.000%	-	-	-	-	-
6.001% to 6.500%	-	-	-	-	-
6.501% to 7.000%	-	-	-	-	-
7.001% to 7.500%	-	-	-	-	-
7.501% to 8.000%	-	-	-	-	-
8.001% to 8.500%	-	-	-	-	-
8.501% to 9.000%	-	-	-	-	-
9.001% to 9.500%	-	-	-	-	-
9.501% to 10.000%	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>

## Distribution of Spread Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Weighted Average	
				Avg Life	Rating(1)
-0.500% to 0.000%	-	-	-	-	-
0.000% to 0.500%	1	-	-	-	-
0.500% to 1.000%	-	-	-	-	-
1.000% to 1.500%	-	-	-	-	-
1.500% to 2.000%	9	14,430,803.76	10.93 %	2.84	Ba3
2.000% to 2.500%	9	14,263,257.13	10.81 %	2.62	B2
2.500% to 3.000%	15	32,141,381.90	24.35 %	2.87	B2
3.000% to 3.500%	14	37,550,422.00	28.45 %	2.33	B3
3.500% to 4.000%	8	17,961,478.04	13.61 %	2.14	Caa1
4.000% to 4.500%	1	2,966,130.19	2.25 %	2.71	Caa2
4.500% to 99.000%	6	12,686,332.05	9.61 %	2.20	Caa1
<b>Total</b>	<b>63</b>	<b>131,999,805.07</b>	<b>100.00 %</b>	<b>2.52</b>	<b>B3</b>

(1) Based on the definition of "Rating" in the Indenture





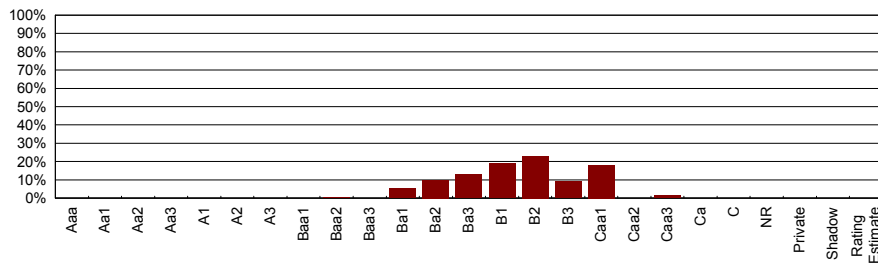
# Stratifications - Ratings

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Ratings

Moody's (1)	# of Assets	Principal Balance	% of Balance
Aaa		0.00	-
Aa1		0.00	-
Aa2		0.00	-
Aa3		0.00	-
A1		0.00	-
A2		0.00	-
A3		0.00	-
Baa1		0.00	-
Baa2	1	805,496.27	0.61 %
Baa3		0.00	-
Ba1	4	7,240,916.15	5.49 %
Ba2	7	13,308,279.82	10.08 %
Ba3	10	17,350,368.43	13.14 %
B1	10	24,810,300.00	18.80 %
B2	13	30,486,528.56	23.10 %
B3	9	12,093,591.45	9.16 %
Caa1	7	23,944,704.63	18.14 %
Caa2		0.00	-
Caa3	2	1,959,619.76	1.48 %
Ca		0.00	-
C		0.00	-
NR		0.00	-
Private		0.00	-
Shadow		0.00	-
Rating Estimate		0.00	-
<b>Total</b>	<b>63</b>	<b>131,999,805.07</b>	<b>100.00 %</b>

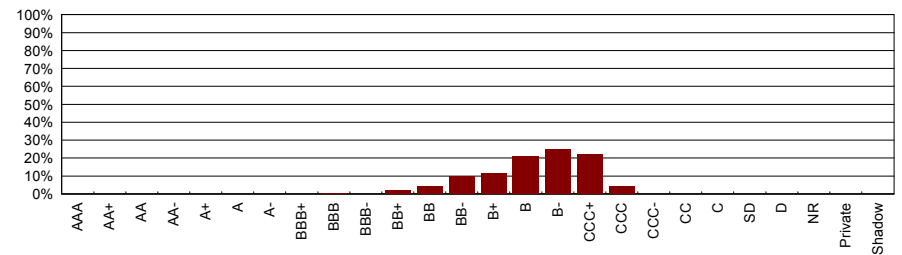


■ Current

(1) Based on the definition of "Rating" in the Indenture

## Distribution of S&P Ratings

S&P (1)	# of Assets	Principal Balance	% of Balance
AAA		0.00	-
AA+		0.00	-
AA		0.00	-
AA-		0.00	-
A+		0.00	-
A		0.00	-
A-		0.00	-
BBB+		0.00	-
BBB	1	435,390.46	0.33 %
BBB-		0.00	-
BB+	3	2,602,580.18	1.97 %
BB	1	5,935,576.45	4.50 %
BB-	7	13,129,536.51	9.95 %
B+	9	15,001,877.64	11.37 %
B	11	27,622,865.55	20.93 %
B-	18	33,075,554.81	25.06 %
CCC+	9	29,160,908.69	22.09 %
CCC	3	5,035,514.78	3.81 %
CCC-		0.00	-
CC		0.00	-
C		0.00	-
SD		0.00	-
D		0.00	-
NR		0.00	-
Private		0.00	-
Shadow		0.00	-
<b>Total</b>	<b>62</b>	<b>131,999,805.07</b>	<b>100.00 %</b>



■ Current





# Stratifications - Industries

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Automotive	3	5,750,775.71	4.36 %	3.18	5.27%	Caa1
Banking, Finance, Insurance & Real Estate	1	7,377,365.25	5.59 %	2.73	3.82%	Ba2
Beverage, Food & Tobacco	1	2,087,748.82	1.58 %	2.76	1.91%	B2
Capital Equipment	1	1,959,619.76	1.48 %	3.74	4.57%	Caa3
Chemicals, Plastics, & Rubber	2	4,795,902.05	3.63 %	3.67	2.88%	Ba3
Construction & Building	2	824,917.19	0.62 %	3.00	4.00%	B2
Consumer goods: Durable	1	1,937,361.94	1.47 %	3.42	4.00%	B2
Consumer goods: Non-durable	3	5,372,641.09	4.07 %	2.30	4.21%	B3
Containers, Packaging & Glass	3	2,420,138.53	1.83 %	2.52	3.53%	B2
Energy: Electricity	2	7,649,945.53	5.80 %	0.85	5.39%	B1
Environmental Industries	1	313,895.12	0.24 %	3.12	3.00%	B1
Healthcare & Pharmaceuticals	8	23,039,638.24	17.45 %	2.23	3.91%	B3
High Tech Industries	4	5,557,310.47	4.21 %	3.23	3.90%	B2
Hotel, Gaming & Leisure	2	2,476,375.62	1.88 %	3.39	3.63%	B3
Media: Advertising, Printing & Publishing	3	9,634,625.86	7.30 %	2.13	5.09%	Caa2
Media: Broadcasting & Subscription	6	7,068,778.93	5.36 %	3.14	3.60%	B2
Metals & Mining	1	1,462,500.00	1.11 %	4.33	3.16%	B2
Retail	1	6,622,598.47	5.02 %	1.78	5.00%	Caa1
Services: Business	6	7,546,695.68	5.72 %	2.81	3.93%	Caa1
Services: Consumer	3	9,750,020.38	7.39 %	1.70	3.94%	B3
Telecommunications	2	4,914,012.50	3.72 %	3.41	3.92%	B3
Transportation: Cargo	3	4,170,321.40	3.16 %	1.90	5.88%	B3
Transportation: Consumer	1	2,636,465.55	2.00 %	2.60	2.16%	B2
Utilities: Electric	1	419,749.90	0.32 %	3.31	2.41%	Ba3
Wholesale	2	6,210,401.08	4.70 %	3.08	2.00%	Ba1
<b>Total</b>	<b>63</b>	<b>131,999,805.07</b>	<b>100.00 %</b>	<b>2.52</b>	<b>4.04%</b>	<b>B3</b>

## Distribution of S&P Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Air transport	1	2,636,465.55	2.00 %	2.60	2.16%	B-
Automotive	1	982,456.12	0.74 %	4.49	5.00%	B-
Building & Development	2	835,519.02	0.63 %	3.20	4.00%	B
Business equipment & services	4	10,057,927.76	7.62 %	2.02	4.00%	B-
Cable & satellite television	1	435,390.46	0.33 %	3.35	1.86%	BBB
Chemicals & plastics	2	4,795,902.05	3.63 %	3.67	2.88%	B+
Conglomerates	1	1,937,361.94	1.47 %	3.42	4.00%	B
Containers & glass products	3	2,420,138.53	1.83 %	2.52	3.53%	BB-
Cosmetics/toiletries	2	1,003,994.49	0.76 %	2.92	4.04%	B
Ecological services & equipment	1	313,895.12	0.24 %	3.12	3.00%	BB-
Electronics/electrical	4	5,557,310.47	4.21 %	3.23	3.90%	B
Financial intermediaries	1	7,377,365.25	5.59 %	2.73	3.82%	BB-
Food service	1	2,087,748.82	1.58 %	2.76	1.91%	BB-
Health care	11	26,275,276.73	19.91 %	2.35	3.85%	B
Industrial equipment	5	12,927,738.60	9.79 %	3.10	3.62%	B+
Leisure goods/activities/movies	2	7,895,085.12	5.98 %	2.15	3.75%	CCC+
Lodging & casinos	1	592,865.13	0.45 %	3.02	3.25%	B-
Nonferrous metals/minerals	1	1,462,500.00	1.11 %	4.33	3.16%	BB-
Publishing	4	10,030,023.55	7.60 %	2.16	4.98%	CCC+
Radio & Television	4	4,663,768.21	3.53 %	3.22	3.48%	B
Retailers (except food & drug)	1	6,622,598.47	5.02 %	1.78	5.00%	CCC+
Surface transport	3	4,170,321.40	3.16 %	1.90	5.88%	B-
Telecommunications	4	8,848,456.85	6.70 %	3.09	4.46%	B-
Utilities	3	8,069,695.43	6.11 %	0.98	5.24%	B+
<b>Total</b>	<b>63</b>	<b>131,999,805.07</b>	<b>100.00 %</b>	<b>2.52</b>	<b>4.04%</b>	<b>B</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





**Disclaimer**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



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## **ACIS CLO 2014-4, Ltd.**

Monthly Report

As of February 21, 2019





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Payment Date: 05/01/2019

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**Notice**  
 As of Date: 02/21/2019  
 Payment Date: 05/01/2019



Each Holder of a Floating Rate Note (other than those issued pursuant to Regulation S) or any interest therein is required at all times to be (A) either (x) a "Qualified Institutional Buyer" within the meaning of Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "Securities Act") or (y) in the case of the Class D Notes and the Class E Notes only, an "Institutional Accredited Investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act or an entity all of the Investors in which are such accredited investors and (B) a "Qualified Purchaser" within the meaning of Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and each such Holder (i) is not formed for the purpose of investing in the Notes (unless all of its beneficial owners are Qualified Purchasers), (ii) is not a dealer described in paragraph (a)(1)(ii) of Rule 144A (unless such Holder owns and invests on a discretionary basis at least U.S.\$25 million in securities of issuers that are not affiliated persons of such dealer), (iii) is not a plan referred to in paragraph (a)(1)(i)(D) or (E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such plan (unless investment decisions are made solely by the fiduciary, trustee or sponsor of such plan), (iv) each account for which it is holding Notes is holding Notes in at least the minimum denomination set forth in this Indenture and (v) will provide written notice of the foregoing and any other applicable transfer restrictions to any transferee of a Note or any interest therein. Each Holder of a Subordinated Note (other than those issued pursuant to Regulation S) or any interest therein is required at all times to be (i) either (A) a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act who is also a "Qualified Purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act and each such Holder (i) is not formed for the purpose of investing in the Notes (unless all of its beneficial owners are Qualified Purchasers), (ii) is not a dealer described in paragraph (a)(1)(ii) of Rule 144A (unless such Holder owns and invests on a discretionary basis at least U.S.\$25 million in securities of issuers that are not affiliated persons of such dealer), (iii) is not a plan referred to in paragraph (a)(1)(i)(D) or (E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such plan (unless investment decisions are made solely by the fiduciary, trustee or sponsor of such plan), (iv) each account for which it is holding Notes is holding Notes in at least the minimum denomination set forth in this Indenture and (v) will provide written notice of the foregoing and any other applicable transfer restrictions to any transferee of a Note or any interest therein or (B) an "Accredited Investor" as defined in Rule 501(a) of Regulation D under the Securities Act who is also a "Knowledgeable Employee" as defined for purposes of Rule 3c-5 of the Investment Company Act or a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which is an Accredited Investor that a Knowledgeable Employee. The Notes (other than those issued pursuant to Regulation S) and any interest therein may only be transferred to a transferee that can make the foregoing representations, as applicable, and the Co-Issuers have the right, at any time, to force any Holder of a Note who is not a Qualified Institutional Buyer, Institutional Accredited Investor, Qualified Purchaser, Accredited Investor and/or Knowledgeable Employee, as applicable, to sell or redeem its Notes.





## Executive Summary

As of Date: 02/21/2019

Payment Date: 05/01/2019

Contact Information			Electronic Reports			Relevant Dates				
Issuer:	ACIS CLO 2014-4, Ltd.		Issue ID: .....		ACIS1404	Closing Date:		05-Jun-14		
Co-Issuer:	ACIS CLO 2014-4, LLC		Monthly Data File Name:			First Payment Date:		03-Nov-14		
Investment Advisor:	ACIS Capital Management LP		ACIS1404_02/21/19_D_3.CSV		Test History Standard	Interim Ramp-Up Date:		21-Jul-14		
Rated By:	Moody's Investors Service, Inc.		ACIS1404_02/21/19_D_4.CSV		Holdings Standard	Investment Period End Date:		21-Jul-14		
	S&P Global Ratings		ACIS1404_02/21/19_D_2.CSV		Transaction Details Standard	Reinvestment Period End Date:		05-Jun-19		
Account Manager:	Taylor Potts		ACIS1404_02/21/19_D_12.CSV		Amortization	Scheduled Termination Date:		01-May-26		
Phone:	312-332-7830		ACIS1404_02/21/19_D_13.CSV		Cash Account Summary					
Email:	taylor.potts@usbank.com									

Asset Positions			Account Balances			Note Information					
Position	Current Count	Current	Account	Currency	Balance	Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon
Delayed Draw Loan	-	-	Collection Account - Interest	USD	1,812,027.69	Class A	296,000,000.00	296,000,000.00	3,041,451.39	2.73625 %	4.15625 %
Revolving Credit	-	-	Collection Account - Principal	USD	53,059,719.07	Class B	68,000,000.00	68,000,000.00	757,550.69	2.73625 %	4.50625 %
Term Loan	165	423,311,334.69	Custodial Account	USD	0.00	Class C	33,000,000.00	33,000,000.00	431,269.90	2.73625 %	5.28625 %
Cash	-	53,059,719.07	Expense Reserve Account	USD	0.00	Class D	28,500,000.00	28,500,000.00	411,212.45	2.73625 %	5.83625 %
Settled Par Amount	-	417,061,334.68	Hedge Account	USD	0.00	Class E	20,500,000.00	20,500,000.00	381,941.34	2.73625 %	7.53625 %
			Interest Reserve Account	USD	0.00	Class F	4,000,000.00	4,000,000.00	77,986.25	2.73625 %	7.88625 %
			Letter of Credit Reserve Account	USD	0.00	Sub Notes	50,750,000.00	50,750,000.00	N/A	N/A	N/A
			Payment Account	USD	0.00	Totals:	500,750,000.00	500,750,000.00	5,101,412.02		
			Ramp-Up Account	USD	0.00						
			Revolver Funding Account	USD	0.00						

Coverage Tests					Quality Tests				
Test Name	Current Threshold	02/21/2019 Current	Result	01/22/2019 Prior	Test Name	Current Threshold	02/21/2019 Current	Result	01/22/2019 Prior
Class A/B Overcollateralization Test	123.20%	129.81%	Pass	129.77%	Moody's Weighted Average Recovery Rate Test	44.00%	49.7%	Pass	49.7%
Class C Overcollateralization Test	114.20%	119.02%	Pass	118.98%	Minimum Floating Spread Test	3.05%	3.10%	Pass	3.09%
Class D Overcollateralization Test	108.00%	111.05%	Pass	111.01%	Minimum Weighted Average Coupon Test	4.63%	4.79%	Pass	4.78%
Class E Overcollateralization Test	104.70%	105.94%	Pass	105.91%	Moody's Diversity Test	55	57	Pass	57
Interest Reinvestment Test	104.80%	105.00%	Pass	104.97%	Maximum Moody's Rating Factor Test	3,070	2,825	Pass	2,762
Class A/B Interest Coverage Test	120.00%	151.15%	Pass	145.26%	Weighted Average Life Test	3.29	3.79	Fail	3.87
Class C Interest Coverage Test	115.00%	135.74%	Pass	130.32%					
Class D Interest Coverage Test	110.00%	123.71%	Pass	118.65%					
Class E Interest Coverage Test	105.00%	114.31%	Pass	109.47%					





## Note Summary Information

As of Date: 02/21/2019  
Payment Date: 05/01/2019



### Note Information

Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon	Moody's		S&P	
						Orig	Curr	Orig	Curr
Class A	296,000,000.00	296,000,000.00	3,041,451.39	2.73625%	4.15625%	Aaa	Aaa	AAA	AAA
Class B	68,000,000.00	68,000,000.00	757,550.69	2.73625%	4.50625%	NR	NR	AA	AA
Class C	33,000,000.00	33,000,000.00	431,269.90	2.73625%	5.28625%	NR	NR	A	A
Class D	28,500,000.00	28,500,000.00	411,212.45	2.73625%	5.83625%	NR	NR	BBB	BBB
Class E	20,500,000.00	20,500,000.00	381,941.34	2.73625%	7.53625%	NR	NR	BB	BB
Class F	4,000,000.00	4,000,000.00	77,986.25	2.73625%	7.88625%	NR	NR	B+	B+
Sub Notes	50,750,000.00	50,750,000.00	N/A	N/A	N/A	NR	NR	NR	NR
<b>Totals:</b>	<b>500,750,000.00</b>	<b>500,750,000.00</b>	<b>5,101,412.02</b>						

### Asset Positions

Position	Curr Count	Current	Prior Count	Prior
Delayed Draw Loan	-	-	-	-
Revolving Credit	-	-	-	-
Term Loan	165	423,311,334.69	163	416,970,928.72
Cash	-	53,059,719.07	-	59,252,165.50
<b>Totals:</b>	<b>165</b>	<b>476,371,053.76</b>	<b>163</b>	<b>476,223,094.22</b>

### Test Summary

Test Type	Pass	Fail	N/A
Coverage	9	0	0
Quality	5	1	0
Portfolio Profile	45	0	0
<b>Totals:</b>	<b>59</b>	<b>1</b>	<b>0</b>

(1) Cash is based on Trade Date





## Coverage and Quality Tests

As of Date: 02/21/2019  
Payment Date: 05/01/2019

### Coverage Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Overcollateralization Test	129.77%	129.81%	123.20%	Minimum	Pass
2	Class C Overcollateralization Test	118.98%	119.02%	114.20%	Minimum	Pass
3	Class D Overcollateralization Test	111.01%	111.05%	108.00%	Minimum	Pass
4	Class E Overcollateralization Test	105.91%	105.94%	104.70%	Minimum	Pass
5	Interest Reinvestment Test	104.97%	105.00%	104.80%	Minimum	Pass
6	Class A/B Interest Coverage Test	145.26%	151.15%	120.00%	Minimum	Pass
7	Class C Interest Coverage Test	130.32%	135.74%	115.00%	Minimum	Pass
8	Class D Interest Coverage Test	118.65%	123.71%	110.00%	Minimum	Pass
9	Class E Interest Coverage Test	109.47%	114.31%	105.00%	Minimum	Pass

### Collateral Quality Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Moody's Weighted Average Recovery Rate Test	49.7%	49.7%	44.00%	Minimum	Pass
2	Minimum Floating Spread Test	3.09%	3.10%	3.05%	Minimum	Pass
3	Minimum Weighted Average Coupon Test	4.78%	4.79%	4.63%	Minimum	Pass
4	S&P CDO Monitor Test	*** See S&P CDO Monitor Report ***				
5	Moody's Diversity Test	57	57	55	Minimum	Pass
6	Maximum Moody's Rating Factor Test	2,762	2,825	3,070	Maximum	Pass
7	Weighted Average Life Test	3.87	3.79	3.29	Maximum	Fail

N/A - Not Applicable for the Current Measurement Date





# Concentration Limitations

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
1	Senior Secured Loans, Cash and Eligible Investments	99.04% / 465,621,792.84	99.04% / 465,769,752.38	90.00%	Minimum	Pass
2	Second Lien Loans	0.96% / 4,509,042.57	0.96% / 4,509,042.57	10.00%	Maximum	Pass
3	Senior Secured Bonds, High Yield Bonds or Senior Secured Notes	-	-	0.00%	Maximum	Pass
4	Single obligor - zero above 2.5%	2.44% / 11,464,173.04	2.44% / 11,464,173.04	2.50%	Maximum	Pass
5	Single obligor - five above 2%	1.93% / 9,056,424.68	1.87% / 8,808,226.99	2.00%	Maximum	Pass
6	Moody's Rating of "Caa1" or below	3.29% / 15,481,649.95	3.29% / 15,481,649.95	7.50%	Maximum	Pass
7	S&P Rating of "CCC+" or below	6.24% / 29,314,321.98	6.23% / 29,295,358.98	7.50%	Maximum	Pass
8	Collateral Obligations that pay interest less frequently than semi-annually	-	-	3.00%	Maximum	Pass
9	Non-Quarterly Assets	-	-	7.50%	Maximum	Pass
10	DIP Loans	-	-	7.50%	Maximum	Pass
11	DIP Loans - Single obligor	-	-	2.00%	Maximum	Pass
12	Unfunded Commitments of Delayed Drawdown Loans and Funded and Unfunded Commitments Revolving Loans	-	-	15.00%	Maximum	Pass
13	Participation Interests	-	-	10.00%	Maximum	Pass
14	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aaa	-	-	20.00%	Maximum	Pass
15	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa1	-	-	20.00%	Maximum	Pass
16	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa2	-	-	20.00%	Maximum	Pass
17	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa3	-	-	15.00%	Maximum	Pass
18	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A1	-	-	10.00%	Maximum	Pass
19	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A2 and P-1	-	-	5.00%	Maximum	Pass
20	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A2 or below	-	-	0.00%	Maximum	Pass
21	Moody's Counterparty Criteria - Individual Counterparty Limit - Aaa	-	-	20.00%	Maximum	Pass
22	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa1	-	-	10.00%	Maximum	Pass
23	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa2	-	-	10.00%	Maximum	Pass
24	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa3	-	-	10.00%	Maximum	Pass
25	Moody's Counterparty Criteria - Individual Counterparty Limit - A1	-	-	5.00%	Maximum	Pass
26	Moody's Counterparty Criteria - Individual Counterparty Limit - A2 and P-1	-	-	5.00%	Maximum	Pass
27	Moody's Counterparty Criteria - Individual Counterparty Limit - A2 or below	-	-	0.00%	Maximum	Pass
28	Third Party Credit Exposure	-	-	20.00%	Maximum	Pass
29	S&P Third Party Credit Exposure Limit - Aggregate Percentage - below AA	-	-	5.00%	Maximum	Pass
30	Moody's Rating derived from an S&P Rating	-	-	10.00%	Maximum	Pass
31	S&P Rating derived from a Moody's Rating	0.52% / 2,455,892.86	0.52% / 2,455,892.86	10.00%	Maximum	Pass





## Concentration Limitations

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
32	Limitation on Collateral Obligations issued by Non-Emerging Market Obligors	100.00% / 410,878,669.91	100.00% / 417,219,075.88	100.00%	Minimum	Pass
33	Obligors Domiciled outside the United States	1.42% / 6,666,066.41	1.42% / 6,666,066.41	10.00%	Maximum	Pass
34	Obligors Domiciled in the United Kingdom and Canada	0.51% / 2,406,956.82	0.51% / 2,406,956.82	10.00%	Maximum	Pass
35	Obligors Domiciled in Norway, Sweden, Australia, Germany and the Netherlands	0.91% / 4,259,109.59	0.91% / 4,259,109.59	5.00%	Maximum	Pass
36	All Tax Jurisdictions	-	-	10.00%	Maximum	Pass
37	Any individual Tax Jurisdiction	-	-	3.00%	Maximum	Pass
38	Largest S&P Industry Classification - one up to 15%	9.71% / 45,628,427.73	9.70% / 45,628,427.73	15.00%	Maximum	Pass
39	Largest S&P Industry Classification - two up to 12%	8.11% / 38,125,322.38	8.10% / 38,107,447.96	12.00%	Maximum	Pass
40	Largest S&P Industry Classification - 10%, with exception of three	6.33% / 29,753,090.91	6.33% / 29,753,090.91	10.00%	Maximum	Pass
41	Deferrable Securities	-	-	3.00%	Maximum	Pass
42	Pre-funded Letter of Credit	-	-	3.00%	Maximum	Pass
43	Cov-Lite Loans	14.33% / 67,355,618.62	14.32% / 67,344,685.49	60.00%	Maximum	Pass
44	Floating Rate Obligations, Cash and Eligible Investments	98.79% / 464,441,338.83	98.79% / 464,589,298.37	95.00%	Minimum	Pass
45	Current Pay Obligations	0.50% / 2,356,506.49	0.50% / 2,356,506.49	2.50%	Maximum	Pass





**ACIS CLO 2014-4, Ltd**  
**Standard & Poor's CDO Monitor**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Portfolio Statistics

Number of Assets:	164
Number of Obligors:	145
Total Principal Balance of Collateral Debt Securities:	417,219,076.31
Weighted Average Maturity (in years):	3.87
Weighted Average Rating:	B+
S&P Default Measure (Annualized Expected Portfolio Default Rate):	5.727%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	4.381%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	2.22

Class Statistics

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Test Results
Class A	296,000,000.00	AAA		49.847%	62.113%	PASS





# Interest Coverage Ratio Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



	Calculation	Ratio	Minimum	Result
Class A/B	A/ (B+C+D+E)	151.15%	120.00%	Pass
Class C	A/ (B+C+D+E+F)	135.74%	115.00%	Pass
Class D	A/ (B+C+D+E+F+G)	123.71%	110.00%	Pass
Class E	A/ (B+C+D+E+F+G+H)	114.31%	105.00%	Pass

## Received:

Scheduled Interest Proceeds and Fees Received:	1,653,680.95	
Interest on Eligible Investments:	158,346.74	
Amendment and waiver fees, late payment fees and other fees (except Turbo Payment Amounts):	0.00	
Amounts from the Expense Reserve Account:	0.00	
Principal Proceeds treated as Interest Proceeds:	0.00	
Payment received with respect to any Hedge Agreement:	0.00	
Commitment fees and other similar fees:	0.00	
Amounts from the Ramp-Up Account:	0.00	
Amounts from the Interest Reserve Account:	0.00	
		1,812,027.69

## Projected:

Scheduled Interest:	4,129,270.26	
Reinvestment Income:	0.00	
Reinvestment Income on Eligible Investments:	0.00	
		4,129,270.26

## Less:

Taxes, Registration, and Filing Fees Owed by the Issuer or the Co-Issuer:	0.00	
Fees, Expenses and Indemnities to the Trustee:	20,606.46	
Fees, Expenses and Indemnities to the Collateral Administrator:	0.00	
Fees, Expenses and Indemnities to the Bank:	0.00	
Fees, Expenses and Indemnities to Independent accountants, agents, and counsel of the Issuer and any ETB Subsidiary:	0.00	
Fees and Expenses to the Rating Agencies:	0.00	
Fees, Expenses and Indemnities in relation to Petition Expenses:	0.00	
Fees, Expenses and Indemnities to the Portfolio Manager:	0.00	
Fees, Expenses, and Indemnities to the Administrator:	0.00	
Amounts due and payable to any other person permitted under the Indenture:	0.00	
Accrued and Unpaid Senior Management Fee:	178,583.66	
		199,190.12
		5,742,107.83 (A)





**Interest Coverage Ratio Detail**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



**Denominator:**

Amounts due to any Hedge Counterparty, excluding termination amounts:	0.00 (B)
Amounts due to any Hedge Counterparty pursuant to an early termination:	0.00 (C)
Class A Notes Interest Distribution Amount:	3,041,451.39 (D)
Class B Notes Interest Distribution Amount:	757,550.69 (E)
Class C Notes Interest Distribution Amount, including any interest on Deferred Interest:	431,269.90 (F)
Class D Notes Interest Distribution Amount, including any interest on Deferred Interest:	411,212.45 (G)
Class E Notes Interest Distribution Amount, including any interest on Deferred Interest:	381,941.34 (H)





## Overcollateralization Ratio Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

	Calculation	Ratio	Minimum	Result
Class A/B	A/(B+C)	129.81%	123.20%	Pass
Class C	A/(B+C+D)	119.02%	114.20%	Pass
Class D	A/(B+C+D+E)	111.05%	108.00%	Pass
Class E	A/(B+C+D+E+F)	105.94%	104.70%	Pass
Interest Reinvestment	A/(B+C+D+E+F+G)	105.00%	104.80%	Pass

### Collateral:

Aggregate Principal Balance of the Collateral Obligations:	423,311,334.69	
Available Principal Amounts:	53,059,719.07	
Unpaid Principal Financed Accrued Interest:	0.00	
		476,371,053.76

### Less:

Aggregate Principal Balance of Defaulted Obligations:	6,092,258.84	
Aggregate Principal Balance of Discounted Obligations:	102,357.90	
Aggregate Principal Balance of Deferring Securities:	0.00	
CCC/Caa Par Reduction Amount:	0.00	
		6,194,616.74

### Plus:

Lesser of Market Value and (i) S&P Recovery Amount and (ii) Moody's Recovery Amount of Defaulted Securities:	2,254,135.77	
Lesser of (i) S&P Collateral Value (ii) Moody's Collateral Value of Deferring Securities:	0.00	
Purchase Price of Discount Obligations:	80,862.74	
		2,334,998.51

Adjusted Collateral Principal Amount: **472,511,435.53 (A)**

### Notes:

Aggregate Principal Amount of the Class A Notes:	296,000,000.00 (B)
Aggregate Principal Amount of the Class B Notes:	68,000,000.00 (C)
Aggregate Principal Amount of the Class C Notes, including Deferred Interest:	33,000,000.00 (D)
Aggregate Principal Amount of the Class D Notes, including Deferred Interest:	28,500,000.00 (E)
Aggregate Principal Amount of the Class E Notes, including Deferred Interest:	20,500,000.00 (F)
Aggregate Principal Amount of the Class F Notes, including Deferred Interest:	4,000,000.00 (G)





**Caa/CCC Excess Haircut Detail**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



**Caa Excess Calculation:**

Balance of Caa Obligations	15,481,649.95
Less: Threshold	35,270,909.62
Caa Excess	-
Market Value of Excess	-
Caa Excess Adjustment Amount	-

**CCC Excess Calculation:**

Balance of CCC Obligations	29,295,358.98
Less: Threshold	35,270,909.62
CCC Excess	-
Market Value of Excess	-
CCC Excess Adjustment Amount	-

The greater of the Caa and CCC  
Excess Adjustment Amounts: -

Caa Excess Obligation	Principal Balance	Caa Excess	Market Price	Market Value	CCC Excess Obligation	Principal Balance	CCC Excess	Market Price	Market Value
<b>Total:</b>									





**Assets: Purchased**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Primary Asset Type	Par Amount	Purchase Price	Cost	Accrued Interest Amount	Trade Date
LX145376	Tribune Media T/L B	Term Loan	6,250,000.00	100.25	6,265,625.00	-	31-Jan-19
LX174852	Numericable (Altice/YPSO) T/L B13	Term Loan	3,000,000.00	94.63	2,838,750.00	-	31-Jan-19
LX174839	Brookfield WEC T/L (Westinghouse)	Term Loan	2,000,000.00	99.88	1,997,500.00	-	31-Jan-19
<b>Totals:</b>			<b>11,250,000.00</b>		<b>11,101,875.00</b>	<b>-</b>	









# ACIS CLO 2014-4, Ltd. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D. Security Description		Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	-	10,901.61	10,901.61	-	-	-	10,901.61
LX169636	84 Lumber T/L B-1	-	15,959.85	15,959.85	-	-	-	15,959.85
LX144914	Academy T/L B	-	45,303.46	45,303.46	-	-	-	45,303.46
LX172091	Acadia Healthcare T/L B3	-	16,747.48	16,747.48	-	-	-	16,747.48
LX172092	Acadia Healthcare T/L B4	-	8,273.92	8,273.92	-	-	-	8,273.92
LX155961	Advanced Disposal T/L B	-	4,948.15	4,948.15	-	-	-	4,948.15
LX138509	Advantage Sales 2nd lien T/L (Karman)	-	15,168.13	15,168.13	-	-	-	15,168.13
LX138508	Advantage Sales T/L 1st Lien (Karman)	-	34,674.95	34,674.95	-	-	-	34,674.95
LX163240	Advantage Sales T/L B Incremental	-	10,806.37	10,806.37	-	-	-	10,806.37
LX172523	AES Corporation T/L B (03/18)	-	-	-	-	-	-	-
LX159618	AI Mistral T/L (V. Group)	-	2,336.08	2,336.08	-	-	-	2,336.08
LX171691	Air Medical T/L B	-	42,901.17	42,901.17	-	-	-	42,901.17
LX132200	Akorn T/L B	-	2,181.43	2,181.43	-	-	-	2,181.43
LX164597	Albertson's T/L B5 (05/17)	-	-	-	-	-	-	-
LX176679	Albertson's T/L B7	-	7,968.30	7,968.30	-	-	-	7,968.30
LX161956	AlixPartners T/L B	-	4,460.65	4,460.65	-	-	-	4,460.65
LX155973	American Airlines Replacement T/L B (AMR)	-	15,084.65	15,084.65	-	-	-	15,084.65
LX165158	American Airlines T/L B (06/17)	-	8,406.47	8,406.47	-	-	-	8,406.47
LX172603	American Builders & Contractors T/L B-2	-	6,648.63	6,648.63	-	-	-	6,648.63
LX171458	Apex Tool Group T/L B (02/18)	-	10,733.63	10,733.63	-	-	-	10,733.63
LX173667	Aramark Services T/L B-2	-	8,336.90	8,336.90	-	-	-	8,336.90
LX151102	Armstrong World Industries T/L B	-	1,723.32	1,723.32	-	-	-	1,723.32
LX146680	Ascena Retail T/L B	-	24,218.55	24,218.55	-	-	-	24,218.55
LX171370	Berry Global (Berry Plastics) T/L Q	-	16,959.49	16,959.49	-	-	-	16,959.49
LX171678	Booz Allen T/L B	-	4,271.69	4,271.69	-	-	-	4,271.69
LX161204	Boyd Gaming T/L B3	-	4,119.27	4,119.27	-	-	-	4,119.27
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	2,096.39	2,096.39	-	-	-	2,096.39
LX174839	Brookfield WEC T/L (Westinghouse)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX144710	Calpine Corporation T/L B-5	-	-	-	-	-	-	-





# ACIS CLO 2014-4 Ltd. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D. Security Description		Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX149099	Calpine Corporation T/L B-6	-	-	-	-	-	-	-
LX159606	Calpine T/L B8	-	12,981.32	12,981.32	-	-	-	12,981.32
LX161335	Capital Automotive 1st Lien T/L	-	16,565.06	16,565.06	-	-	-	16,565.06
LX177791	Carestream Health T/L (12/18)	-	16,152.13	16,152.13	-	-	-	16,152.13
LX152766	Cengage Learning T/L B	-	21,257.30	21,257.30	-	-	-	21,257.30
LX161598	CenturyLink T/L B	-	10,984.42	10,984.42	-	-	-	10,984.42
LX159695	Change Healthcare T/L	-	18,876.57	18,876.57	-	-	-	18,876.57
LX144540	CHS/Community Health T/L H	-	-	-	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	2,902.35	2,902.35	-	-	-	2,902.35
LX148894	Commscope T/L Tranche 5	-	5,528.61	5,528.61	-	-	-	5,528.61
LX174067	Cumulus Media T/L	-	29,175.64	29,175.64	-	-	-	29,175.64
LX161958	Cypress Intermediate (CCC Info) T/L B	-	2,345.26	2,345.26	-	-	-	2,345.26
LX154380	Dayton Power T/L B	-	2,198.12	2,198.12	-	-	-	2,198.12
LX169099	Dell International T/L B	-	7,055.13	7,055.13	-	4,567.23	4,567.23	11,622.36
LX134289	Ditech Holding (Walter Investment) 1st Lien T/L	-	3,523.34	3,523.34	-	-	-	3,523.34
LX128948	Doncasters T/L	-	-	-	-	-	-	-
LX140953	Eastern Power (TPF II Power) T/L B	-	7,197.39	7,197.39	-	17,874.42	17,874.42	25,071.81
LX153086	EFS Cogen Holdings T/L B	-	1,396.87	1,396.87	-	-	-	1,396.87
LX155237	Eldorado Resorts T/L B (03/17)	-	1,534.02	1,534.02	-	-	-	1,534.02
LX163026	Endo Luxembourg Finance T/L B	-	2,889.16	2,889.16	-	-	-	2,889.16
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	-	5,107.15	5,107.15	-	-	-	5,107.15
LX136501	Evergreen Skills T/L (First Lien)	-	45,482.21	45,482.21	-	18,963.00	18,963.00	64,445.21
LX159615	ExamWorks T/L B1	-	4,601.47	4,601.47	-	-	-	4,601.47
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX173033	Ferro T/L B2	-	-	-	-	-	-	-
LX173034	Ferro T/L B3	-	-	-	-	-	-	-
LX165177	First Data T/L 2022D	-	17,408.07	17,408.07	-	-	-	17,408.07
LX169513	First Data T/L 2024A New Dollar	-	9,278.10	9,278.10	-	-	-	9,278.10
LX173110	Fitness International (LA Fitness) T/L A (4/18)	-	2,213.30	2,213.30	-	-	-	2,213.30
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX155300	Fort Dearborn 1st Lien T/L	-	264.65	264.65	-	-	-	264.65





# ACIS CLO 2014-4 Ltd. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D. Security Description		Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX162521	Forterra Finance T/L (04/17)	-	2,347.67	2,347.67	-	-	-	2,347.67
LX159841	Freedom Mortgage T/L B	-	-	-	-	-	-	-
LX148220	Frontier Communications T/L 2	-	10,604.62	10,604.62	-	-	-	10,604.62
LX155134	G-III Apparel Group T/L B (10/16)	-	5,378.06	5,378.06	-	-	-	5,378.06
LX173608	Generac Power T/L B (6/2018)	-	8,884.37	8,884.37	-	-	-	8,884.37
LX171577	Genworth Holdings T/L	-	3,187.68	3,187.68	-	-	-	3,187.68
LX175013	GIP III Stetson T/L B	-	7,255.67	7,255.67	-	40,110.29	40,110.29	47,365.96
LX172106	Global Payments T/L B (03/18)	-	7,835.04	7,835.04	-	-	-	7,835.04
LX168592	Golden Nugget T/L B (09/17)	-	15,241.82	15,241.82	-	-	-	15,241.82
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	-	-	-	-	-	-	-
LX141384	Granite Acq T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141385	Granite Acq T/L C (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	3,759.79	3,759.79	-	-	-	3,759.79
LX158207	Grifols Worldwide Operations T/L B	-	4,453.35	4,453.35	-	-	-	4,453.35
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX170998	Harbor Freight Tools T/L B (1/18)	-	17,706.54	17,706.54	-	-	-	17,706.54
LX144819	HCA Inc T/L A5	-	8,169.28	8,169.28	-	-	-	8,169.28
LX171927	HCA Inc T/L B11	-	5,465.51	5,465.51	-	-	-	5,465.51
LX176498	HD Supply T/L B-5	-	24,350.61	24,350.61	-	-	-	24,350.61
LX159959	Infor US (Lawson) T/L B-6	-	17,871.14	17,871.14	-	-	-	17,871.14
LX164174	ION Media T/L (05/17)	-	5,252.31	5,252.31	-	-	-	5,252.31
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-
LX153006	J.C. Penney T/L B	-	-	-	-	-	-	-
LX155217	Jo-Ann Stores T/L	-	46,819.45	46,819.45	-	6,365.89	6,365.89	53,185.34
LX164714	KAR Auction Services T/L B-4	-	-	-	-	-	-	-
LX164715	KAR Auction Services T/L B-5	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	1,190.70	1,190.70	-	-	-	1,190.70
LX146807	Kenan Advantage T/L B (U.S.)	-	3,926.83	3,926.83	-	-	-	3,926.83
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	22,736.05	22,736.05	-	-	-	22,736.05





# ACIS CLO 2014-4, Ltd. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX163804	Kronos T/L B	-	63,848.95	63,848.95	-	-	-	63,848.95
LX162675	Laureate Education T/L 2024	-	12,917.06	12,917.06	-	230,336.09	230,336.09	243,253.15
LX154098	Leslie's Poolmart T/L B	-	2,986.49	2,986.49	-	-	-	2,986.49
LX160334	Level 3 Financing T/L	-	27,741.06	27,741.06	-	-	-	27,741.06
LX136370	Libbey Glass T/L	-	12,205.42	12,205.42	-	-	-	12,205.42
LX138016	Liberty Cablevision T/L B (San Juan Cable)	-	11,383.60	11,383.60	-	-	-	11,383.60
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX171260	Lightstone Holdco T/L B	-	34,879.88	34,879.88	-	-	-	34,879.88
LX171261	Lightstone T/L C	-	1,922.95	1,922.95	-	-	-	1,922.95
LX162914	MA FinanceCo T/L B2	-	8,475.61	8,475.61	-	8,022.67	8,022.67	16,498.28
LX162202	MacDermid T/L B6	-	20,507.99	20,507.99	-	4,312,584.91	4,312,584.91	4,333,092.90
LX168182	Match Group T/L B	-	30,217.70	30,217.70	-	-	-	30,217.70
LX152400	McGraw-Hill Global Education Holdings T/L	-	27,069.23	27,069.23	-	-	-	27,069.23
LX172427	Mediacom T/L N	-	3,192.96	3,192.96	-	-	-	3,192.96
LX173656	Michaels Stores T/L B	-	2,627.01	2,627.01	-	-	-	2,627.01
LX145695	Minerals Technologies T/L B2 (Fixed)	-	-	-	-	-	-	-
LX155231	Mohegan Tribal T/L A	-	13,331.05	13,331.05	-	-	-	13,331.05
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	3,899.39	3,899.39	-	-	-	3,899.39
LX157681	National Financial Partners (NFP) T/L B	-	11,668.30	11,668.30	-	-	-	11,668.30
LX171717	NeuStar T/L B4 (03/18)	-	2,560.56	2,560.56	-	-	-	2,560.56
LX162460	Nielsen Finance T/L B4	-	2,010.83	2,010.83	-	-	-	2,010.83
LX162054	NN, Inc. Incremental T/L B	-	11,776.68	11,776.68	-	-	-	11,776.68
LX155280	NN, Inc T/L B (9/16)	-	18,256.06	18,256.06	-	-	-	18,256.06
LX153092	NRG Energy T/L B 6/16	-	838.48	838.48	-	-	-	838.48
LX174852	Numericable (Altice/YPSO) T/L B13	-	1,084.82	1,084.82	-	-	-	1,084.82
LX157595	Oberthur Technologies T/L B (USD)	-	-	-	-	-	-	-
LX157136	Ocwen T/L B	-	2,128.87	2,128.87	-	-	-	2,128.87
LX161654	Outfront Media T/L B (CBS Outdoor)	-	5,469.18	5,469.18	-	-	-	5,469.18
LX170070	Oxbow Carbon T/L B (12/17)	-	2,463.32	2,463.32	-	-	-	2,463.32
LX171402	Party City T/L	-	8,571.60	8,571.60	-	-	-	8,571.60





# ACIS CLO 2014-4 Ltd. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX135963	PGS Finance T/L B (Petroleum Geo)	-	-	-	-	-	-	-
LX159002	Prestige Brands T/L B4	-	2,796.86	2,796.86	-	18,390.23	18,390.23	21,187.09
LX155959	Quikrete T/L B	-	23,334.28	23,334.28	-	-	-	23,334.28
LX152098	Quorum Health T/L	-	32,171.61	32,171.61	-	-	-	32,171.61
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX152765	Riverbed Technology T/L 1st Lien	-	9,954.44	9,954.44	-	-	-	9,954.44
LX155106	RP Crown Parent (JDA Software) T/L B	-	6,249.88	6,249.88	-	-	-	6,249.88
LX176102	RR Donnelley & Sons T/L B	-	-	-	-	-	-	-
LX152375	Russell Investments T/L B	-	46,296.00	46,296.00	-	-	-	46,296.00
LX135384	Seadrill T/L B	-	-	-	-	-	-	-
LX156211	ServiceMaster T/L C	-	5,836.35	5,836.35	-	-	-	5,836.35
LX158094	Sinclair Television T/L B2	-	5,363.05	5,363.05	-	-	-	5,363.05
LX145736	Six Flags T/L B	-	23,372.31	23,372.31	-	-	-	23,372.31
LX151194	Solera T/L B	-	11,890.53	11,890.53	-	-	-	11,890.53
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX141908	Southeast PowerGen T/L B	-	1,001.22	1,001.22	-	-	-	1,001.22
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	-	-	-	-	-	-	-
LX169358	Springer Science T/L B13	-	10,463.26	10,463.26	-	-	-	10,463.26
LX159257	Sprint Communications T/L	-	8,137.86	8,137.86	-	-	-	8,137.86
LX160837	SS&C Technologies T/L B1 (03/17)	-	12,657.72	12,657.72	-	-	-	12,657.72
LX145044	StandardAero (DAE Aviation/VCSA) T/L	-	23,570.43	23,570.43	-	-	-	23,570.43
LX152816	Station Casinos T/L B (6/16)	-	10,979.72	10,979.72	-	-	-	10,979.72
LX171276	Syniverse Holdings T/L (01/18)	-	15,479.48	15,479.48	-	-	-	15,479.48
LX156377	Team Health Holdings T/L	-	11,151.63	11,151.63	-	-	-	11,151.63
LX159275	Telesat Canada T/L 2018 B-4	-	-	-	-	-	-	-
LX141526	Toys R Us T/L B4	-	69,062.08	69,062.08	-	-	-	69,062.08
LX173457	Transdigm 2018 New T/L F	-	15,569.72	15,569.72	-	-	-	15,569.72
LX145376	Tribune Media T/L B	-	-	-	-	-	-	-
LX159214	Tribune Media T/L C (01/17)	-	2,116.37	2,116.37	-	-	-	2,116.37
LX172243	Uber Technologies T/L (3/18)	-	11,554.08	11,554.08	-	-	-	11,554.08
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	-	4,035.68	4,035.68	-	-	-	4,035.68





# **Intra-Period Collection Account Detail**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D. Security Description		Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX173324	United Airlines T/L B (05/18)	-	1,807.31	1,807.31	-	-	-	1,807.31
LX161197	Univision Communications T/L C5	-	41,406.62	41,406.62	-	248,197.69	248,197.69	289,604.31
LX162476	Urban One T/L	-	7,679.07	7,679.07	-	-	-	7,679.07
LX153134	US Foods Second Incremental T/L	-	13,457.88	13,457.88	-	-	-	13,457.88
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	-	14,024.93	14,024.93	-	-	-	14,024.93
LX156640	Vertellus T/L 2nd Lien	-	3,879.52	3,879.52	-	-	-	3,879.52
LX155779	Vistra Operations (Tex Operations) Exit T/L B	-	23,745.86	23,745.86	-	-	-	23,745.86
LX157720	Vistra Operations Company T/L B (12/16)	-	10,367.78	10,367.78	-	-	-	10,367.78
LX144232	Wash Multifamily T/L (1st Lien)	-	15,682.47	15,682.47	-	-	-	15,682.47
LX165665	WEX T/L B-2 (Wright Express)	-	21,607.52	21,607.52	-	-	-	21,607.52
LX153816	WireCo WorldGroup T/L B	-	6,331.86	6,331.86	-	-	-	6,331.86
LX166414	Zayo Group T/L B2	-	2,123.08	2,123.08	-	-	-	2,123.08
LX159375	Ziggo Secured Finance T/L E	-	4,313.25	4,313.25	-	-	-	4,313.25
<b>Totals:</b>	<b>167</b>	<b>0.00</b>	<b>1,668,091.43</b>	<b>1,668,091.43</b>	<b>0.00</b>	<b>4,905,412.42</b>	<b>4,905,412.42</b>	<b>6,573,503.85</b>



**Proceeds Account Summary**As of Date: 02/21/2019  
Payment Date: 05/01/2019**Accounts Summary**

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Collection Account - Interest	5,707,862.85	1,873,619.39	5,769,454.55	1,812,027.69
Collection Account - Principal	75,808,322.47	64,157,765.04	80,642,899.25	59,323,188.26
Custodial Account	0.00	0.00	0.00	0.00
Expense Reserve Account	0.00	0.00	0.00	0.00
Hedge Account	0.00	0.00	0.00	0.00
Interest Reserve Account	0.00	0.00	0.00	0.00
Letter of Credit Reserve Account	0.00	0.00	0.00	0.00
Payment Account	0.00	64,960,027.89	64,960,027.89	0.00
Ramp-Up Account	0.00	0.00	0.00	0.00
Revolver Funding Account	0.00	0.00	0.00	0.00
<b>Totals:</b>	<b>81,516,185.32</b>	<b>130,991,412.32</b>	<b>151,372,381.69</b>	<b>61,135,215.95</b>

**Asset Summary**

Balance of Collection Account:	54,871,746.76
Balance of Custodial Account:	0.00
Balance of Expense Reserve Account:	0.00
Balance of Hedge Account:	0.00
Balance of Interest Reserve Account:	0.00
Balance of Letter of Credit Reserve Account:	0.00
Balance of Payment Account:	0.00
Balance of Ramp-Up Account:	0.00
Balance of Revolver Funding Account:	0.00
<b>Total:</b>	<b>54,871,746.76</b>

Account Summary: Based on Settlement Date

Asset Summary: Based on Trade Date





# Current Asset Characteristics - Part I

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	1011778 B.C. Unlimited Liability Company	16-Feb-24	4.74888%	2,652,750.00	-	2,652,750.00	0.56%
LX169636	84 Lumber T/L B-1	84 Lumber Company	25-Oct-23	7.76000%	2,549,604.44	-	2,549,604.44	0.54%
LX144914	Academy T/L B	Academy, Ltd.	01-Jul-22	6.51061%	8,170,676.88	-	8,170,676.88	1.74%
LX172091	Acadia Healthcare T/L B3	Acadia Healthcare Company, Inc.	11-Feb-22	4.99888%	3,872,403.39	-	3,872,403.39	0.82%
LX172092	Acadia Healthcare T/L B4	Acadia Healthcare Company, Inc.	16-Feb-23	4.99888%	1,913,120.93	-	1,913,120.93	0.41%
LX155961	Advanced Disposal T/L B	Advanced Disposal Services, Inc.	10-Nov-23	4.66863%	1,364,580.24	-	1,364,580.24	0.29%
LX138509	Advantage Sales 2nd lien T/L (Karman)	Advantage Sales & Marketing Inc.	25-Jul-22	8.99888%	1,952,323.24	-	1,952,323.24	0.42%
LX138508	Advantage Sales T/L 1st Lien (Karman)	Advantage Sales & Marketing Inc.	23-Jul-21	5.74888%	6,975,922.04	-	6,975,922.04	1.48%
LX163240	Advantage Sales T/L B Incremental	Advantage Sales & Marketing Inc.	23-Jul-21	5.74888%	2,174,030.17	-	2,174,030.17	0.46%
LX172523	AES Corporation T/L B (03/18)	AES Corporation, The	31-May-22	4.45600%	1,407,799.42	-	1,407,799.42	0.30%
LX159618	Al Mistral T/L (V. Group)	Al Mistral (Luxembourg) Subco Sarl	11-Mar-24	5.49888%	491,250.00	-	491,250.00	0.10%
LX171691	Air Medical T/L B	Air Medical Group Holdings, Inc.	28-Apr-22	5.74375%	9,181,934.62	-	9,181,934.62	1.95%
LX132200	Akorn T/L B	Akorn, Inc.	16-Apr-21	8.00000%	314,203.94	-	314,203.94	0.07%
LX164597	Albertson's T/L B5 (05/17)	Albertson's LLC	21-Dec-22	5.82163%	4,773,928.71	-	4,773,928.71	1.02%
LX176679	Albertson's T/L B7	Albertson's LLC	17-Nov-25	5.49888%	1,675,637.51	-	1,675,637.51	0.36%
LX161956	AlixPartners T/L B	AlixPartners, LLP	04-Apr-24	5.24888%	982,500.00	-	982,500.00	0.21%
LX155973	American Airlines Replacement T/L B (AMR)	American Airlines, Inc.	28-Apr-23	4.50000%	4,140,689.02	-	4,140,689.02	0.88%
LX165158	American Airlines T/L B (06/17)	American Airlines, Inc.	11-Oct-21	4.51688%	2,726,473.79	-	2,726,473.79	0.58%
LX172603	American Builders & Contractors T/L B-2	American Builders & Contractors Supply Co., Inc.	31-Oct-23	4.49888%	1,707,283.97	-	1,707,283.97	0.36%
LX171458	Apex Tool Group T/L B (02/18)	Apex Tool Group, LLC	01-Feb-22	6.24888%	1,987,261.16	-	1,987,261.16	0.42%
LX173667	Aramark Services T/L B-2	Aramark Services, Inc.	28-Mar-24	4.24888%	2,266,081.25	-	2,266,081.25	0.48%
LX151102	Armstrong World Industries T/L B	Armstrong World Industries, Inc.	31-Mar-23	5.37397%	644,785.36	-	644,785.36	0.14%
LX146680	Ascena Retail T/L B	Ascena Retail Group, Inc.	22-Aug-22	7.00000%	3,982,267.45	-	3,982,267.45	0.85%
LX171370	Berry Global (Berry Plastics) T/L Q	Berry Global Group, Inc.	01-Oct-22	4.61013%	4,225,318.63	-	4,225,318.63	0.90%
LX171678	Booz Allen T/L B	Booz Allen Hamilton Inc.	30-Jun-23	4.49888%	1,096,917.52	-	1,096,917.52	0.23%
LX161204	Boyd Gaming T/L B3	Boyd Gaming Corporation	15-Sep-23	4.65950%	909,069.12	-	909,069.12	0.19%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Bright Bidco B.V.	28-Jun-24	6.20448%	2,417,706.14	-	2,417,706.14	0.51%
LX174839	Brookfield WEC T/L (Westinghouse)	Brookfield WEC Holdings Inc.	01-Aug-25	6.24888%	2,000,000.00	-	2,000,000.00	0.43%
LX159595	Builders Firstsource T/L	Builders FirstSource, Inc.	29-Feb-24	5.80300%	3,280,917.47	-	3,280,917.47	0.70%
LX144710	Calpine Corporation T/L B-5	Calpine Corporation	15-Jan-24	5.31000%	430,982.12	-	430,982.12	0.09%
LX149099	Calpine Corporation T/L B-6	Calpine Corporation	15-Jan-23	5.31000%	992,327.38	-	992,327.38	0.21%





**Current Asset Characteristics - Part I**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX159606	Calpine T/L B8	Calpine Corporation	31-Dec-19	4.25000%	3,830,140.76	-	3,830,140.76	0.81%
LX161335	Capital Automotive 1st Lien T/L	Capital Automotive L.P.	25-Mar-24	5.00000%	3,824,423.36	-	3,824,423.36	0.81%
LX177791	Carestream Health T/L (12/18)	Onex Carestream Finance LP	28-Feb-21	8.24888%	2,267,456.55	-	2,267,456.55	0.48%
LX152766	Cengage Learning T/L B	Cengage Learning, Inc.	07-Jun-23	6.76900%	3,655,137.54	-	3,655,137.54	0.78%
LX161598	CenturyLink T/L B	CenturyLink, Inc.	31-Jan-25	5.24888%	2,419,419.24	-	2,419,419.24	0.51%
LX159695	Change Healthcare T/L	Change Healthcare Holdings, Inc.	01-Mar-24	5.24888%	4,157,738.09	-	4,157,738.09	0.88%
LX144540	CHS/Community Health T/L H	CHS/Community Health Systems, Inc.	27-Jan-21	5.95663%	2,356,506.49	-	2,356,506.49	0.50%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Coinamatic Canada Inc.	16-May-22	5.74888%	583,896.19	-	583,896.19	0.12%
LX148894	Commscope T/L Tranche 5	CommScope, Inc.	29-Dec-22	4.49888%	1,419,678.42	-	1,419,678.42	0.30%
LX174067	Cumulus Media T/L	Cumulus Media New Holdings Inc.	13-May-22	7.00000%	4,819,543.39	-	4,819,543.39	1.02%
LX161958	Cypress Intermediate (CCC Info) T/L B	Cypress Intermediate Holdings III, Inc.	29-Apr-24	5.50000%	492,500.00	-	492,500.00	0.10%
LX154380	Dayton Power T/L B	Dayton Power And Light Company (The)	22-Aug-22	4.50000%	563,500.00	-	563,500.00	0.12%
LX169099	Dell International T/L B	Dell International L.L.C.	07-Sep-23	4.50000%	1,804,054.54	-	1,804,054.54	0.38%
LX128948	Doncasters T/L	Doncasters Group Limited	09-Apr-20	6.30300%	2,406,956.82	-	2,406,956.82	0.51%
LX140953	Eastern Power (TPF II Power) T/L B	Eastern Power, LLC	02-Oct-23	6.24888%	1,314,675.85	-	1,314,675.85	0.28%
LX153086	EFS Cogen Holdings T/L B	EFS Cogen Holdings I LLC	28-Jun-23	5.98022%	1,090,492.74	-	1,090,492.74	0.23%
LX155237	Eldorado Resorts T/L B (03/17)	Eldorado Resorts, Inc.	17-Apr-24	4.84175%	494,870.70	-	494,870.70	0.11%
LX163026	Endo Luxembourg Finance T/L B	Endo Luxembourg Finance Company I S.a.r.l.	29-Apr-24	6.75000%	492,500.00	-	492,500.00	0.10%
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	ESH Hospitality, Inc.	30-Aug-23	4.49888%	1,311,451.94	-	1,311,451.94	0.28%
LX136501	Evergreen Skills T/L (First Lien)	Evergreen Skills Lux Sarl	28-Apr-21	7.24888%	7,243,865.42	-	7,243,865.42	1.54%
LX159615	ExamWorks T/L B1	Examworks Group Inc	27-Jul-23	5.74888%	925,725.07	-	925,725.07	0.20%
LX173032	Ferro T/L B-1	Ferro Corporation	14-Feb-24	5.05300%	736,931.25	-	736,931.25	0.16%
LX173033	Ferro T/L B2	Ferro Corporation	14-Feb-24	5.05300%	1,226,175.29	-	1,226,175.29	0.26%
LX173034	Ferro T/L B3	Ferro Corporation	14-Feb-24	5.05300%	1,200,086.47	-	1,200,086.47	0.26%
LX165177	First Data T/L 2022D	First Data Corporation	08-Jul-22	4.51900%	4,488,664.28	-	4,488,664.28	0.95%
LX169513	First Data T/L 2024A New Dollar	First Data Corporation	26-Apr-24	4.51900%	2,392,354.34	-	2,392,354.34	0.51%
LX173110	Fitness International (LA Fitness) T/L A (4/18)	Fitness International, LLC	18-Apr-23	5.24888%	487,500.03	-	487,500.03	0.10%
LX167187	Flexential Intermediate T/L B (Peak 10)	Flexential Intermediate Corporation	01-Aug-24	6.30300%	2,417,758.18	-	2,417,758.18	0.51%
LX155300	Fort Dearborn 1st Lien T/L	Fort Dearborn Company	19-Oct-23	6.78408%	1,349,918.29	-	1,349,918.29	0.29%
LX162521	Forterra Finance T/L (04/17)	Forterra Finance, LLC	25-Oct-23	5.49888%	493,686.85	-	493,686.85	0.10%
LX159841	Freedom Mortgage T/L B	Freedom Mortgage Corp.	23-Feb-22	7.24888%	2,400,000.00	-	2,400,000.00	0.51%





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Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX148220	Frontier Communications T/L 2	Frontier Communications Corporation	31-Mar-21	5.25000%	2,332,394.36	-	2,332,394.36	0.50%
LX155134	G-III Apparel Group T/L B (10/16)	G-III Apparel Group, Ltd.	01-Dec-22	7.76563%	1,065,897.56	-	1,065,897.56	0.23%
LX173608	Generac Power T/L B (6/2018)	Generac Power Systems, Inc.	31-May-23	4.25913%	2,496,849.83	-	2,496,849.83	0.53%
LX171577	Genworth Holdings T/L	Genworth Holdings Inc	07-Mar-23	6.98138%	496,250.00	-	496,250.00	0.11%
LX175013	GIP III Stetson T/L B	GIP III STETSON I, L.P.	18-Jul-25	6.73138%	1,455,274.33	-	1,455,274.33	0.31%
LX172106	Global Payments T/L B (03/18)	Global Payments Inc.	21-Apr-23	4.24888%	2,129,668.03	-	2,129,668.03	0.45%
LX168592	Golden Nugget T/L B (09/17)	Golden Nugget, Inc.	04-Oct-23	5.24440%	1,600,869.61	-	1,600,869.61	0.34%
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	Granite Acquisition, Inc.	19-Dec-22	10.05300%	2,279,918.04	-	2,279,918.04	0.48%
LX141384	Granite Acq T/L B (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	6.30300%	7,461,706.59	-	7,461,706.59	1.59%
LX141385	Granite Acq T/L C (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	6.30300%	1,722,548.41	-	1,722,548.41	0.37%
LX159621	Gray Television T/L B	Gray Television, Inc.	07-Feb-24	4.76400%	834,602.59	-	834,602.59	0.18%
LX158207	Grifols Worldwide Operations T/L B	Grifols Worldwide Operations USA Inc	31-Jan-25	4.66863%	1,228,125.00	-	1,228,125.00	0.26%
LX165794	Gruden Acquisition T/L	Gruden Acquisition, Inc.	18-Aug-22	8.30300%	4,398,242.28	-	4,398,242.28	0.94%
LX170998	Harbor Freight Tools T/L B (1/18)	Harbor Freight Tools USA, Inc.	18-Aug-23	4.99888%	4,094,160.52	-	4,094,160.52	0.87%
LX144819	HCA Inc T/L A5	HCA Inc.	10-Jun-20	3.99888%	6,397,335.39	-	6,397,335.39	1.36%
LX171927	HCA Inc T/L B11	HCA Inc.	17-Mar-23	4.24888%	1,485,597.98	-	1,485,597.98	0.32%
LX176498	HD Supply T/L B-5	HD Supply, Inc.	17-Oct-23	4.24888%	6,618,822.31	-	6,618,822.31	1.41%
LX159959	Infor US (Lawson) T/L B-6	Infor (US), Inc.	01-Feb-22	5.24888%	3,936,283.58	-	3,936,283.58	0.84%
LX164174	ION Media T/L (05/17)	ION Media Networks, Inc.	18-Dec-20	5.25000%	1,155,199.66	-	1,155,199.66	0.25%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	IQVIA Inc.	07-Mar-24	4.80300%	968,250.57	-	968,250.57	0.21%
LX153006	J.C. Penney T/L B	J.C. Penney Corporation, Inc.	23-Jun-23	6.95600%	1,079,688.75	-	1,079,688.75	0.23%
LX155217	Jo-Ann Stores T/L	Jo-Ann Stores, LLC	20-Oct-23	7.76100%	2,443,286.44	-	2,443,286.44	0.52%
LX164714	KAR Auction Services T/L B-4	KAR Auction Services, Inc.	11-Mar-21	5.06250%	1,337,082.20	-	1,337,082.20	0.28%
LX164715	KAR Auction Services T/L B-5	KAR Auction Services, Inc.	09-Mar-23	5.31250%	5,496,290.58	-	5,496,290.58	1.17%
LX146975	Kenan Advantage T/L B (Canadian)	Kenan Advantage Group, Inc.	01-Aug-22	5.49888%	250,389.63	-	250,389.63	0.05%
LX146807	Kenan Advantage T/L B (U.S.)	Kenan Advantage Group, Inc.	01-Aug-22	5.49888%	825,765.34	-	825,765.34	0.18%
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	Kinetic Concepts, Inc.	02-Feb-24	6.05300%	492,500.00	-	492,500.00	0.10%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Kronos Acquisition Holdings Inc.	15-May-23	6.49888%	4,048,083.57	-	4,048,083.57	0.86%
LX163804	Kronos T/L B	Kronos Incorporated	01-Nov-23	5.73625%	4,469,728.88	-	4,469,728.88	0.95%
LX162675	Laureate Education T/L 2024	Laureate Education, Inc.	26-Apr-24	5.99888%	608,358.24	-	608,358.24	0.13%
LX154098	Leslie's Poolmart T/L B	Leslie's Poolmart, Inc.	16-Aug-23	5.99888%	575,882.93	-	575,882.93	0.12%





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Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX160334	Level 3 Financing T/L	Level 3 Financing Inc	22-Feb-24	4.75600%	7,100,000.00	-	7,100,000.00	1.51%
LX136370	Libbey Glass T/L	Libbey Glass Inc.	09-Apr-21	5.51688%	2,416,019.88	-	2,416,019.88	0.51%
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Liberty Cablevision of Puerto Rico LLC	07-Jan-22	5.98875%	2,200,000.00	-	2,200,000.00	0.47%
LX159083	Life Time Fitness 2017 Refinancing T/L B	Life Time Fitness, Inc.	10-Jun-22	5.45663%	7,052,477.09	-	7,052,477.09	1.50%
LX171260	Lightstone Holdco T/L B	Lightstone Holdco LLC	30-Jan-24	6.24888%	6,457,780.57	-	6,457,780.57	1.37%
LX171261	Lightstone T/L C	Lightstone Holdco LLC	30-Jan-24	6.24888%	356,021.25	-	356,021.25	0.08%
LX162914	MA FinanceCo T/L B2	MA FinanceCo., LLC	19-Nov-21	4.74888%	4,832,795.97	-	4,832,795.97	1.03%
LX168182	Match Group T/L B	Match Group, Inc.	16-Nov-22	5.07813%	3,447,402.22	-	3,447,402.22	0.73%
LX152400	McGraw-Hill Global Education Holdings T/L	McGraw-Hill Global Education Holdings, LLC	04-May-22	6.49888%	4,819,596.32	-	4,819,596.32	1.02%
LX172427	Mediacom T/L N	Mediacom Illinois LLC	15-Feb-24	4.17000%	985,056.25	-	985,056.25	0.21%
LX173656	Michaels Stores T/L B	Michaels Stores, Inc.	30-Jan-23	5.00208%	847,013.27	-	847,013.27	0.18%
LX145695	Minerals Technologies T/L B2 (Fixed)	Minerals Technologies Inc.	09-May-21	4.75000%	5,689,496.58	-	5,689,496.58	1.21%
LX155231	Mohegan Tribal T/L A	Mohegan Tribal Gaming Authority	13-Oct-21	6.24888%	2,468,157.68	-	2,468,157.68	0.52%
LX152711	MPH Acquisition (Multiplan) T/L B	MPH Acquisition Holdings LLC	07-Jun-23	5.55300%	3,282,322.92	-	3,282,322.92	0.70%
LX165715	MTS Systems Corporation T/L B (06/17)	MTS Systems Corporation	05-Jul-23	5.74000%	738,521.55	-	738,521.55	0.16%
LX157681	National Financial Partners (NFP) T/L B	National Financial Partners Corporation	08-Jan-24	5.49888%	2,453,702.75	-	2,453,702.75	0.52%
LX171717	NeuStar T/L B4 (03/18)	NeuStar, Inc.	08-Aug-24	5.99888%	493,750.00	-	493,750.00	0.10%
LX162460	Nielsen Finance T/L B4	Nielsen Finance LLC	04-Oct-23	4.51688%	486,270.45	-	486,270.45	0.10%
LX155280	NN, Inc T/L B (9/16)	NN, Inc.	19-Oct-22	6.24888%	3,379,989.84	-	3,379,989.84	0.72%
LX162054	NN, Inc. Incremental T/L B	NN, Inc.	02-Apr-21	5.74888%	2,369,238.11	-	2,369,238.11	0.50%
LX153092	NRG Energy T/L B 6/16	NRG Energy, Inc.	30-Jun-23	4.24888%	227,909.41	-	227,909.41	0.05%
LX174852	Numericable (Altice/YPSO) T/L B13	Numericable U.S. LLC	14-Aug-26	6.48875%	3,000,000.00	-	3,000,000.00	0.64%
LX157595	Oberthur Technologies T/L B (USD)	Oberthur Technologies Group S.A.S.	10-Jan-24	6.55300%	491,250.00	-	491,250.00	0.10%
LX157136	Ocwen T/L B	Ocwen Loan Servicing, LLC	07-Dec-20	7.51900%	329,469.71	-	329,469.71	0.07%
LX161654	Outfront Media T/L B (CBS Outdoor)	Outfront Media Capital LLC	18-Mar-24	4.51375%	1,366,478.64	-	1,366,478.64	0.29%
LX170070	Oxbow Carbon T/L B (12/17)	Oxbow Carbon, LLC	04-Jan-23	5.99888%	475,000.00	-	475,000.00	0.10%
LX171402	Party City T/L	Party City Holdings Inc.	19-Aug-22	5.00000%	2,427,227.34	-	2,427,227.34	0.52%
LX135963	PGS Finance T/L B (Petroleum Geo)	PGS Finance, Inc.	19-Mar-21	5.31000%	2,455,892.86	-	2,455,892.86	0.52%
LX159002	Prestige Brands T/L B4	Prestige Brands, Inc.	26-Jan-24	4.49888%	701,587.20	-	701,587.20	0.15%
LX155959	Quikrete T/L B	QUIKRETE Holdings, Inc.	15-Nov-23	5.24888%	5,139,590.89	-	5,139,590.89	1.09%
LX152098	Quorum Health T/L	Quorum Health Corp	29-Apr-22	9.24888%	4,029,232.48	-	4,029,232.48	0.86%





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Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX159617	RadNet Management T/L B (01/17)	RadNet Management, Inc.	30-Jun-23	6.55423%	2,577,678.25	-	2,577,678.25	0.55%
LX152765	Riverbed Technology T/L 1st Lien	Riverbed Technology, Inc.	25-Apr-22	5.75000%	2,000,000.00	-	2,000,000.00	0.43%
LX155106	RP Crown Parent (JDA Software) T/L B	RP Crown Parent, LLC	12-Oct-23	5.24888%	1,376,593.96	-	1,376,593.96	0.29%
LX176102	RR Donnelley & Sons T/L B	R.R. Donnelley & Sons Company	04-Jan-24	7.51000%	922,000.00	-	922,000.00	0.20%
LX152375	Russell Investments T/L B	Russell Investments US Institutional Holdco, Inc.	01-Jun-23	5.74888%	9,313,851.93	-	9,313,851.93	1.98%
LX135384	Seadrill T/L B	Seadrill Operating LP	21-Feb-21	8.80300%	4,181.29	-	4,181.29	- %
LX156211	ServiceMaster T/L C	ServiceMaster Company, LLC (The)	08-Nov-23	4.99888%	1,349,499.44	-	1,349,499.44	0.29%
LX158094	Sinclair Television T/L B2	Sinclair Television Group, Inc.	03-Jan-24	4.75000%	1,302,940.07	-	1,302,940.07	0.28%
LX145736	Six Flags T/L B	Six Flags Theme Parks Inc.	30-Jun-22	4.50000%	2,072,752.64	-	2,072,752.64	0.44%
LX151194	Solera T/L B	Solera, LLC	03-Mar-23	5.24888%	2,618,998.96	-	2,618,998.96	0.56%
LX159036	Sophia / Ellucian T/L B	Sophia, L.P.	30-Sep-22	6.05300%	4,066,776.66	-	4,066,776.66	0.86%
LX141908	Southeast PowerGen T/L B	Southeast PowerGen, LLC	02-Dec-21	6.00000%	192,819.84	-	192,819.84	0.04%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Spin Holdco, Inc.	14-Nov-22	6.02894%	2,954,999.98	-	2,954,999.98	0.63%
LX169358	Springer Science T/L B13	Springer Science & Business Media S.A.	12-Aug-22	5.99888%	1,841,403.45	-	1,841,403.45	0.39%
LX159257	Sprint Communications T/L	Sprint Communications, Inc.	02-Feb-24	5.00000%	1,866,750.00	-	1,866,750.00	0.40%
LX160837	SS&C Technologies T/L B1 (03/17)	SS&C Technologies, Inc.	08-Jul-22	4.74888%	3,080,075.38	-	3,080,075.38	0.65%
LX145044	StandardAero (DAE Aviation/VCSA) T/L	StandardAero Aviation Holdings, Inc.	07-Jul-22	6.25000%	6,065,567.53	-	6,065,567.53	1.29%
LX152816	Station Casinos T/L B (6/16)	Station Casinos LLC	08-Jun-23	5.00000%	2,534,919.73	-	2,534,919.73	0.54%
LX171276	Syniverse Holdings T/L (01/18)	Syniverse Holdings, Inc.	09-Mar-23	7.48875%	2,393,969.85	-	2,393,969.85	0.51%
LX156377	Team Health Holdings T/L	Team Health Holdings, Inc.	06-Feb-24	5.24888%	2,456,250.00	-	2,456,250.00	0.52%
LX159275	Telesat Canada T/L 2018 B-4	Telesat Canada	17-Nov-23	5.31000%	7,486,993.20	-	7,486,993.20	1.59%
LX141526	Toys R Us T/L B4	Toys R Us-Delaware, Inc.	24-Apr-20	13.25000%	6,092,258.84	-	6,092,258.84	1.30%
LX173457	Transdigm 2018 New T/L F	Transdigm, Inc.	09-Jun-23	4.99888%	3,600,079.93	-	3,600,079.93	0.77%
LX145376	Tribune Media T/L B	Tribune Media Company	24-Dec-20	5.49888%	6,250,000.00	-	6,250,000.00	1.33%
LX159214	Tribune Media T/L C (01/17)	Tribune Media Company	29-Jan-24	5.49888%	445,047.04	-	445,047.04	0.09%
LX172243	Uber Technologies T/L (3/18)	Uber Technologies Inc	04-Apr-25	6.51688%	1,994,987.47	-	1,994,987.47	0.42%
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	UFC Holdings, LLC	18-Aug-23	5.75000%	1,196,938.78	-	1,196,938.78	0.25%
LX173324	United Airlines T/L B (05/18)	United Airlines, Inc.	01-Apr-24	4.24888%	491,250.00	-	491,250.00	0.10%
LX161197	Univision Communications T/L C5	Univision Communications Inc.	15-Mar-24	5.24888%	8,808,226.99	-	8,808,226.99	1.87%
LX162476	Urban One T/L	Urban One, Inc.	18-Apr-23	6.50000%	1,365,639.25	-	1,365,639.25	0.29%
LX153134	US Foods Second Incremental T/L	US Foods, Inc.	27-Jun-23	4.49888%	3,455,815.60	-	3,455,815.60	0.73%



ACIS CLO 2014-4 Ltd.  
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Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX167989	USI Incremental T/L	U.S.I., Inc.	16-May-24	5.80300%	987,500.00	-	987,500.00	0.21%
LX169239	VC GB Holdings T/L (Generation Brands)	VC GB Holdings, Inc.	28-Feb-24	5.49888%	2,949,274.05	-	2,949,274.05	0.63%
LX156640	Vertellus T/L 2nd Lien	Vertellus Holdings LLC	29-Oct-21	14.41000%	276,801.29	-	276,801.29	0.06%
LX155779	Vistra Operations (Tex Operations) Exit T/L B	Vistra Operations Company LLC	04-Aug-23	4.49888%	6,097,638.74	-	6,097,638.74	1.30%
LX157720	Vistra Operations Company T/L B (12/16)	Vistra Operations Company LLC	14-Dec-23	4.74888%	3,681,186.84	-	3,681,186.84	0.78%
LX144232	Wash Multifamily T/L (1st Lien)	Wash MultiFamily Acquisition, Inc.	16-May-22	5.74888%	3,155,007.75	-	3,155,007.75	0.67%
LX165665	WEX T/L B-2 (Wright Express)	WEX Inc.	30-Jun-23	4.74888%	5,257,879.87	-	5,257,879.87	1.12%
LX153816	WireCo WorldGroup T/L B	WireCo WorldGroup Inc.	29-Sep-23	7.49888%	977,500.00	-	977,500.00	0.21%
LX166414	Zayo Group T/L B2	Zayo Group, LLC	19-Jan-24	4.74888%	516,621.69	-	516,621.69	0.11%
LX159375	Ziggo Secured Finance T/L E	Ziggo Secured Finance Partnership	15-Apr-25	4.98875%	1,000,000.00	-	1,000,000.00	0.21%

Totals: 165

423,311,334.72

-

423,311,334.72





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	-	-	Yes	-	-	-	-
LX169636	84 Lumber T/L B-1	-	-	-	-	-	-	-
LX144914	Academy T/L B	-	-	-	-	-	-	-
LX172091	Acadia Healthcare T/L B3	-	-	-	-	-	-	-
LX172092	Acadia Healthcare T/L B4	-	-	-	-	-	-	-
LX155961	Advanced Disposal T/L B	-	-	-	-	-	-	-
LX138509	Advantage Sales 2nd lien T/L (Karman)	-	-	-	-	-	-	-
LX138508	Advantage Sales T/L 1st Lien (Karman)	-	-	-	-	-	-	-
LX163240	Advantage Sales T/L B Incremental	-	-	-	-	-	-	-
LX172523	AES Corporation T/L B (03/18)	-	-	-	-	-	-	-
LX159618	AI Mistral T/L (V. Group)	-	-	-	-	-	-	-
LX171691	Air Medical T/L B	-	-	-	-	-	-	-
LX132200	Akorn T/L B	-	-	-	-	-	-	-
LX164597	Albertson's T/L B5 (05/17)	-	-	-	-	-	-	-
LX176679	Albertson's T/L B7	-	-	-	-	-	-	-
LX161956	AlixPartners T/L B	-	-	Yes	-	-	-	-
LX155973	American Airlines Replacement T/L B (AMR)	-	-	-	-	-	-	-
LX165158	American Airlines T/L B (06/17)	-	-	-	-	-	-	-
LX172603	American Builders & Contractors T/L B-2	-	-	-	-	-	-	-
LX171458	Apex Tool Group T/L B (02/18)	-	-	-	-	-	-	-
LX173667	Aramark Services T/L B-2	-	-	-	-	-	-	-
LX151102	Armstrong World Industries T/L B	-	-	-	-	-	-	-
LX146680	Ascena Retail T/L B	-	-	-	-	-	-	-
LX171370	Berry Global (Berry Plastics) T/L Q	-	-	Yes	-	-	-	-
LX171678	Booz Allen T/L B	-	-	-	-	-	-	-
LX161204	Boyd Gaming T/L B3	-	-	-	-	-	-	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX174839	Brookfield WEC T/L (Westinghouse)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX144710	Calpine Corporation T/L B-5	-	-	Yes	-	-	-	-
LX149099	Calpine Corporation T/L B-6	-	-	-	-	-	-	-
LX159606	Calpine T/L B8	-	-	Yes	-	-	-	-





**Current Asset Characteristics - Part II**

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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX161335	Capital Automotive 1st Lien T/L	-	-	-	-	-	-	-
LX177791	Carestream Health T/L (12/18)	-	-	-	-	-	-	-
LX152766	Cengage Learning T/L B	-	-	-	-	-	-	-
LX161598	CenturyLink T/L B	-	-	-	-	-	-	-
LX159695	Change Healthcare T/L	-	-	-	-	-	-	-
LX144540	CHS/Community Health T/L H	-	-	-	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	-	Yes	-	-	-	-
LX148894	Commscope T/L Tranche 5	-	-	Yes	-	-	-	-
LX174067	Cumulus Media T/L	-	-	-	-	-	-	-
LX161958	Cypress Intermediate (CCC Info) T/L B	-	-	Yes	-	-	-	-
LX154380	Dayton Power T/L B	-	-	Yes	-	-	-	-
LX169099	Dell International T/L B	-	-	Yes	-	-	-	-
LX128948	Doncasters T/L	-	-	Yes	-	-	-	-
LX140953	Eastern Power (TPF II Power) T/L B	-	-	-	-	-	-	-
LX153086	EFS Cogen Holdings T/L B	-	-	Yes	-	-	-	-
LX155237	Eldorado Resorts T/L B (03/17)	-	-	Yes	-	-	-	-
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	-	-	-	-	-	-	-
LX136501	Evergreen Skills T/L (First Lien)	-	-	-	-	-	-	-
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX173033	Ferro T/L B2	-	-	-	-	-	-	-
LX173034	Ferro T/L B3	-	-	-	-	-	-	-
LX165177	First Data T/L 2022D	-	-	-	-	-	-	-
LX169513	First Data T/L 2024A New Dollar	-	-	-	-	-	-	-
LX173110	Fitness International (LA Fitness) T/L A (4/18)	-	-	-	-	-	-	-
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	Yes	-	-	-	-
LX155300	Fort Dearborn 1st Lien T/L	-	-	Yes	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	-	-	Yes	-	-	-	-
LX159841	Freedom Mortgage T/L B	-	-	-	-	-	-	-
LX148220	Frontier Communications T/L 2	-	-	-	-	-	-	-
LX155134	G-III Apparel Group T/L B (10/16)	-	-	-	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX173608	Generac Power T/L B (6/2018)	-	-	Yes	-	-	-	-
LX171577	Genworth Holdings T/L	-	-	-	-	-	-	-
LX175013	GIP III Stetson T/L B	-	-	-	-	-	-	-
LX172106	Global Payments T/L B (03/18)	-	-	-	-	-	-	-
LX168592	Golden Nugget T/L B (09/17)	-	-	-	-	-	-	-
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	-	-	-	-	-	-	-
LX141384	Granite Acq T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141385	Granite Acq T/L C (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	-	-	-	-	-	-
LX158207	Grifols Worldwide Operations T/L B	-	-	-	-	-	-	-
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX170998	Harbor Freight Tools T/L B (1/18)	-	-	-	-	-	-	-
LX144819	HCA Inc T/L A5	-	-	-	-	-	-	-
LX171927	HCA Inc T/L B11	-	-	-	-	-	-	-
LX176498	HD Supply T/L B-5	-	-	-	-	-	-	-
LX159959	Infor US (Lawson) T/L B-6	-	-	-	-	-	-	-
LX164174	ION Media T/L (05/17)	-	-	-	-	-	-	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-
LX153006	J.C. Penney T/L B	-	-	Yes	-	-	-	-
LX155217	Jo-Ann Stores T/L	-	-	Yes	-	-	-	-
LX164714	KAR Auction Services T/L B-4	-	-	-	-	-	-	-
LX164715	KAR Auction Services T/L B-5	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	-	-	-	-	-	-
LX146807	Kenan Advantage T/L B (U.S.)	-	-	-	-	-	-	-
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	-	-	-	-	-	-
LX163804	Kronos T/L B	-	-	-	-	-	-	-
LX162675	Laureate Education T/L 2024	-	-	-	-	-	-	-
LX154098	Leslie's Poolmart T/L B	-	-	-	-	-	-	-
LX160334	Level 3 Financing T/L	-	-	Yes	-	-	-	-
LX136370	Libbey Glass T/L	-	-	Yes	-	-	-	-
LX138016	Liberty Cablevision T/L B (San Juan Cable)	-	-	-	-	-	-	-





# Current Asset Characteristics - Part II

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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX171260	Lightstone Holdco T/L B	-	-	-	-	-	-	-
LX171261	Lightstone T/L C	-	-	-	-	-	-	-
LX162914	MA FinanceCo T/L B2	-	-	-	-	-	-	-
LX168182	Match Group T/L B	-	-	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	-	-	-	-	-	-	-
LX173656	Michaels Stores T/L B	-	-	Yes	-	-	-	-
LX145695	Minerals Technologies T/L B2 (Fixed)	-	-	-	-	-	-	-
LX155231	Mohegan Tribal T/L A	-	-	-	-	-	-	-
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	-	Yes	-	-	-	-
LX157681	National Financial Partners (NFP) T/L B	-	-	-	-	-	-	-
LX171717	NeuStar T/L B4 (03/18)	-	-	-	-	-	-	-
LX162460	Nielsen Finance T/L B4	-	-	Yes	-	-	-	-
LX155280	NN, Inc T/L B (9/16)	-	-	Yes	-	-	-	-
LX162054	NN, Inc. Incremental T/L B	-	-	Yes	-	-	-	-
LX153092	NRG Energy T/L B 6/16	-	-	-	-	-	-	-
LX174852	Numericable (Altice/YPSO) T/L B13	-	-	-	-	-	-	-
LX157595	Oberthur Technologies T/L B (USD)	-	-	Yes	-	-	-	-
LX157136	Ocwen T/L B	-	-	-	-	-	-	-
LX161654	Outfront Media T/L B (CBS Outdoor)	-	-	Yes	-	-	-	-
LX170070	Oxbow Carbon T/L B (12/17)	-	-	-	-	-	-	-
LX171402	Party City T/L	-	-	Yes	-	-	-	-
LX135963	PGS Finance T/L B (Petroleum Geo)	-	-	-	-	-	Yes	-
LX159002	Prestige Brands T/L B4	-	-	-	-	-	-	-
LX155959	Quikrete T/L B	-	-	-	-	-	-	-
LX152098	Quorum Health T/L	-	-	-	-	-	-	-
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX152765	Riverbed Technology T/L 1st Lien	-	-	-	-	-	-	-
LX155106	RP Crown Parent (JDA Software) T/L B	-	-	-	-	-	-	-
LX176102	RR Donnelley & Sons T/L B	-	-	-	-	-	-	-





**Current Asset Characteristics - Part II**

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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX152375	Russell Investments T/L B	-	-	Yes	-	-	-	-
LX135384	Seadrill T/L B	-	-	-	-	-	-	-
LX156211	ServiceMaster T/L C	-	-	-	-	-	-	-
LX158094	Sinclair Television T/L B2	-	-	-	-	-	-	-
LX145736	Six Flags T/L B	-	-	-	-	-	-	-
LX151194	Solera T/L B	-	-	-	-	-	-	-
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX141908	Southeast PowerGen T/L B	-	-	-	-	-	-	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	-	-	-	-	-	-	-
LX169358	Springer Science T/L B13	-	-	-	-	-	-	-
LX159257	Sprint Communications T/L	-	-	-	-	-	-	-
LX160837	SS&C Technologies T/L B1 (03/17)	-	-	-	-	-	-	-
LX145044	StandardAero (DAE Aviation/VCSA) T/L	-	-	-	-	-	-	-
LX152816	Station Casinos T/L B (6/16)	-	-	-	-	-	-	-
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	-	-	-	-	-	-	-
LX159275	Telesat Canada T/L 2018 B-4	-	-	-	-	-	-	-
LX141526	Toys R Us T/L B4	-	-	Yes	-	-	-	-
LX173457	Transdigm 2018 New T/L F	-	-	-	-	-	-	-
LX145376	Tribune Media T/L B	-	-	-	-	-	-	-
LX159214	Tribune Media T/L C (01/17)	-	-	-	-	-	-	-
LX172243	Uber Technologies T/L (3/18)	-	-	Yes	-	-	-	-
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	-	-	-	-	-	-	-
LX173324	United Airlines T/L B (05/18)	-	-	-	-	-	-	-
LX161197	Univision Communications T/L C5	-	-	-	-	-	-	-
LX162476	Urban One T/L	-	-	-	-	-	-	-
LX153134	US Foods Second Incremental T/L	-	-	-	-	-	-	-
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	-	-	-	-	-	-	-
LX156640	Vertellus T/L 2nd Lien	-	-	-	-	-	-	-
LX155779	Vistra Operations (Tex Operations) Exit T/L B	-	-	-	-	-	-	-
LX157720	Vistra Operations Company T/L B (12/16)	-	-	-	-	-	-	-





**ACIS CLO 2014-4 Ltd.**  
**Current Asset Characteristics - Part II**

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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX144232	Wash Multifamily T/L (1st Lien)	-	-	Yes	-	-	-	-
LX165665	WEX T/L B-2 (Wright Express)	-	-	-	-	-	-	-
LX153816	WireCo WorldGroup T/L B	-	-	-	-	-	-	-
LX166414	Zayo Group T/L B2	-	-	-	-	-	-	-
LX159375	Ziggo Secured Finance T/L E	-	-	-	-	-	-	-
<b>Totals:</b>		<b>165</b>						





**Current Asset Characteristics - Part III**

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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169636	84 Lumber T/L B-1	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
LX144914	Academy T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
LX172091	Acadia Healthcare T/L B3	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX172092	Acadia Healthcare T/L B4	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX155961	Advanced Disposal T/L B	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	
LX138509	Advantage Sales 2nd lien T/L (Karman)	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	2nd Lien Loan	
LX138508	Advantage Sales T/L 1st Lien (Karman)	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	Senior Secured Loan	
LX163240	Advantage Sales T/L B Incremental	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	Senior Secured Loan	
LX172523	AES Corporation T/L B (03/18)	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
LX159618	AI Mistral T/L (V. Group)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	
LX171691	Air Medical T/L B	United States	Transportation: Consumer	Health care	Term Loan	Senior Secured Loan	
LX132200	Akorn T/L B	United States	Healthcare & Pharmaceuticals	Drugs	Term Loan	Senior Secured Loan	
LX164597	Albertson's T/L B5 (05/17)	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	
LX176679	Albertson's T/L B7	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	
LX161956	AlixPartners T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155973	American Airlines Replacement T/L B (AMR)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	
LX165158	American Airlines T/L B (06/17)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	
LX172603	American Builders & Contractors T/L B-2	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
LX171458	Apex Tool Group T/L B (02/18)	United States	Consumer goods: Non-durable	Building & Development	Term Loan	Senior Secured Loan	
LX173667	Aramark Services T/L B-2	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	
LX151102	Armstrong World Industries T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
LX146680	Ascena Retail T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
LX171370	Berry Global (Berry Plastics) T/L Q	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171678	Booz Allen T/L B	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	
LX161204	Boyd Gaming T/L B3	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Netherlands	Capital Equipment	Automotive	Term Loan	Senior Secured Loan	
LX174839	Brookfield WEC T/L (Westinghouse)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
LX159595	Builders Firstsource T/L	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	
LX144710	Calpine Corporation T/L B-5	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX149099	Calpine Corporation T/L B-6	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	





**Current Asset Characteristics - Part III**

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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX159606	Calpine T/L B8	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX161335	Capital Automotive 1st Lien T/L	United States	Automotive	Building & Development	Term Loan	Senior Secured Loan	
LX177791	Carestream Health T/L (12/18)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX152766	Cengage Learning T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
LX161598	CenturyLink T/L B	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
LX159695	Change Healthcare T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX144540	CHS/Community Health T/L H	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX148894	Commscope T/L Tranche 5	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX174067	Cumulus Media T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
LX161958	Cypress Intermediate (CCC Info) T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX154380	Dayton Power T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169099	Dell International T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX128948	Doncasters T/L	United Kingdom	Capital Equipment	Aerospace & Defense	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX140953	Eastern Power (TPF II Power) T/L B	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	
LX153086	EFS Cogen Holdings T/L B	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155237	Eldorado Resorts T/L B (03/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX163026	Endo Luxembourg Finance T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	
LX136501	Evergreen Skills T/L (First Lien)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	
LX159615	ExamWorks T/L B1	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	
LX173032	Ferro T/L B-1	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	
LX173033	Ferro T/L B2	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	
LX173034	Ferro T/L B3	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	
LX165177	First Data T/L 2022D	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
LX169513	First Data T/L 2024A New Dollar	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
LX173110	Fitness International (LA Fitness) T/L A (4/18)	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
LX167187	Flexential Intermediate T/L B (Peak 10)	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155300	Fort Dearborn 1st Lien T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX162521	Forterra Finance T/L (04/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX159841	Freedom Mortgage T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	





**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX148220	Frontier Communications T/L 2	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
LX155134	G-III Apparel Group T/L B (10/16)	United States	Consumer goods: Non-durable	Clothing/textiles	Term Loan	Senior Secured Loan	
LX173608	Generac Power T/L B (6/2018)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171577	Genworth Holdings T/L	United States	Banking, Finance, Insurance & Real Estate	Life Insurance	Term Loan	Senior Secured Loan	
LX175013	GIP III Stetson T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	
LX172106	Global Payments T/L B (03/18)	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
LX168592	Golden Nugget T/L B (09/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	2nd Lien Loan	
LX141384	Granite Acq T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	
LX141385	Granite Acq T/L C (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	
LX159621	Gray Television T/L B	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
LX158207	Grifols Worldwide Operations T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX165794	Gruden Acquisition T/L	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	
LX170998	Harbor Freight Tools T/L B (1/18)	United States	Consumer goods: Durable	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
LX144819	HCA Inc T/L A5	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX171927	HCA Inc T/L B11	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX176498	HD Supply T/L B-5	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	
LX159959	Infor US (Lawson) T/L B-6	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	
LX164174	ION Media T/L (05/17)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	
LX153006	J.C. Penney T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155217	Jo-Ann Stores T/L	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX164714	KAR Auction Services T/L B-4	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	
LX164715	KAR Auction Services T/L B-5	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	
LX146975	Kenan Advantage T/L B (Canadian)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	
LX146807	Kenan Advantage T/L B (U.S.)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	United States	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	
LX163804	Kronos T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	
LX162675	Laureate Education T/L 2024	United States	Services: Consumer	Publishing	Term Loan	Senior Secured Loan	
LX154098	Leslie's Poolmart T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
LX160334	Level 3 Financing T/L	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX136370	Libbey Glass T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan





**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX138016	Liberty Cablevision T/L B (San Juan Cable)	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
LX159083	Life Time Fitness 2017 Refinancing T/L B	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
LX171260	Lightstone Holdco T/L B	United States	Energy: Oil & Gas	Utilities	Term Loan	Senior Secured Loan	
LX171261	Lightstone T/L C	United States	Energy: Oil & Gas	Utilities	Term Loan	Senior Secured Loan	
LX162914	MA FinanceCo T/L B2	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	
LX168182	Match Group T/L B	United States	Media: Diversified & Production	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	
LX152400	McGraw-Hill Global Education Holdings T/L	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
LX172427	Mediacom T/L N	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	
LX173656	Michaels Stores T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX145695	Minerals Technologies T/L B2 (Fixed)	United States	Metals & Mining	Chemicals & plastics	Term Loan	Senior Secured Loan	
LX155231	Mohegan Tribal T/L A	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	
LX152711	MPH Acquisition (Multiplan) T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	
LX165715	MTS Systems Corporation T/L B (06/17)	United States	Aerospace & Defense	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX157681	National Financial Partners (NFP) T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
LX171717	NeuStar T/L B4 (03/18)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
LX162460	Nielsen Finance T/L B4	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155280	NN, Inc T/L B (9/16)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX162054	NN, Inc. Incremental T/L B	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX153092	NRG Energy T/L B 6/16	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	
LX174852	Numericable (Altice/YPSO) T/L B13	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
LX157595	Oberthur Technologies T/L B (USD)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX157136	Ocwen T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
LX161654	Outfront Media T/L B (CBS Outdoor)	United States	Media: Broadcasting & Subscription	Publishing	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX170070	Oxbow Carbon T/L B (12/17)	United States	Metals & Mining	Oil & gas	Term Loan	Senior Secured Loan	
LX171402	Party City T/L	United States	Retail	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX135963	PGS Finance T/L B (Petroleum Geo)	United States	Utilities: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	
LX159002	Prestige Brands T/L B4	United States	Consumer goods: Non-durable	Drugs	Term Loan	Senior Secured Loan	
LX155959	Quikrete T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	
LX152098	Quorum Health T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	
LX159617	RadNet Management T/L B (01/17)	United States	Services: Consumer	Health care	Term Loan	Senior Secured Loan	





# Current Asset Characteristics - Part III

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX152765	Riverbed Technology T/L 1st Lien	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	
LX155106	RP Crown Parent (JDA Software) T/L B	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	
LX176102	RR Donnelley & Sons T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
LX152375	Russell Investments T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX135384	Seadrill T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	
LX156211	ServiceMaster T/L C	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	
LX158094	Sinclair Television T/L B2	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
LX145736	Six Flags T/L B	United States	Hotel, Gaming & Leisure	Leisure	Term Loan	Senior Secured Loan	
LX151194	Solera T/L B	United States	Services: Business	goods/activities/movies	Term Loan	Senior Secured Loan	
LX159036	Sophia / Ellucian T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	
LX141908	Southeast PowerGen T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	United States	Consumer goods: Non-durable	Business equipment & services	Term Loan	Senior Secured Loan	
LX169358	Springer Science T/L B13	Germany	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
LX159257	Sprint Communications T/L	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
LX160837	SS&C Technologies T/L B1 (03/17)	United States	Banking, Finance, Insurance & Real Estate	Electronics/electrical	Term Loan	Senior Secured Loan	
LX145044	StandardAero (DAE Aviation/VCSA) T/L	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	
LX152816	Station Casinos T/L B (6/16)	United States	Hotel, Gaming & Leisure	Leisure	Term Loan	Senior Secured Loan	
LX171276	Syniverse Holdings T/L (01/18)	United States	Telecommunications	goods/activities/movies	Term Loan	Senior Secured Loan	
LX156377	Team Health Holdings T/L	United States	Healthcare & Pharmaceuticals	Business equipment & services	Term Loan	Senior Secured Loan	
LX159275	Telesat Canada T/L 2018 B-4	United States	Telecommunications	Conglomerates	Term Loan	Senior Secured Loan	
LX141526	Toys R Us T/L B4	United States	Retail	Telecommunications	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX173457	Transdigm 2018 New T/L F	United States	Aerospace & Defense	Retailers (except food & drug)	Term Loan	Senior Secured Loan	
LX145376	Tribune Media T/L B	United States	Media: Advertising, Printing & Publishing	Aerospace & Defense	Term Loan	Senior Secured Loan	
LX159214	Tribune Media T/L C (01/17)	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	
LX172243	Uber Technologies T/L (3/18)	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	United States	Services: Business	Leisure	Term Loan	Senior Secured Loan	
LX173324	United Airlines T/L B (05/18)	United States	Transportation: Consumer	goods/activities/movies	Term Loan	Senior Secured Loan	
LX161197	Univision Communications T/L C5	United States	Media: Diversified & Production	Air transport	Term Loan	Senior Secured Loan	
				Radio & Television	Term Loan	Senior Secured Loan	





# ACIS CLO 2014-4 Ltd. Current Asset Characteristics - Part III

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX162476	Urban One T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	
LX153134	US Foods Second Incremental T/L	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	
LX167989	USI Incremental T/L	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
LX169239	VC GB Holdings T/L (Generation Brands)	United States	Consumer goods: Durable	Conglomerates	Term Loan	Senior Secured Loan	
LX156640	Vertellus T/L 2nd Lien	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	2nd Lien Loan	
LX155779	Vistra Operations (Tex Operations) Exit T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
LX157720	Vistra Operations Company T/L B (12/16)	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	
LX144232	Wash Multifamily T/L (1st Lien)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX165665	WEX T/L B-2 (Wright Express)	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	
LX153816	WireCo WorldGroup T/L B	United States	Capital Equipment	Building & Development	Term Loan	Senior Secured Loan	
LX166414	Zayo Group T/L B2	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	
LX159375	Ziggo Secured Finance T/L E	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	

Totals: 165





# Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	Floating	1,187,752.11	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	26,724.42
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	Floating	1,464,997.89	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	32,962.45
LX169636	84 Lumber T/L B-1	Floating	2,549,604.44	LIBOR (1 month)	2.51%	5.25%	5.25%	1.00%	133,854.23
LX144914	Academy T/L B	Floating	2,498,792.58	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	99,951.70
LX144914	Academy T/L B	Floating	1,448,924.87	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	57,956.99
LX144914	Academy T/L B	Floating	1,599,227.22	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	63,969.09
LX144914	Academy T/L B	Floating	2,623,732.21	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	104,949.29
LX172091	Acadia Healthcare T/L B3	Floating	3,872,403.39	LIBOR (1 month)	2.50%	2.50%	2.50%		96,810.08
LX172092	Acadia Healthcare T/L B4	Floating	1,913,120.93	LIBOR (1 month)	2.50%	2.50%	2.50%		47,828.02
LX155961	Advanced Disposal T/L B	Floating	1,364,580.24	LIBOR (1 week)	2.42%	2.25%	2.25%	0.75%	30,703.06
LX138509	Advantage Sales 2nd lien T/L (Karman)	Floating	1,952,323.24	LIBOR (1 month)	2.50%	6.50%	6.50%	1.00%	126,901.01
LX138508	Advantage Sales T/L 1st Lien (Karman)	Floating	6,957,708.14	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	226,125.51
LX138508	Advantage Sales T/L 1st Lien (Karman)	Floating	18,213.90	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	591.95
LX163240	Advantage Sales T/L B Incremental	Floating	5,517.84	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	179.33
LX163240	Advantage Sales T/L B Incremental	Floating	2,168,512.33	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	70,476.65
LX172523	AES Corporation T/L B (03/18)	Floating	1,407,799.42	LIBOR (3 months)	2.71%	1.75%	1.75%		24,636.49
LX159618	Al Mistral T/L (V. Group)	Floating	491,250.00	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	14,737.50
LX171691	Air Medical T/L B	Floating	9,181,934.62	LIBOR (1 month)	2.49%	3.25%	3.25%	1.00%	298,412.88
LX132200	Akorn T/L B	Floating	314,203.94	LIBOR (1 month)	2.50%	5.50%	5.50%	1.00%	17,281.22
LX164597	Albertson's T/L B5 (05/17)	Floating	4,773,928.71	LIBOR (3 months)	2.82%	3.00%	3.00%	0.75%	143,217.86
LX176679	Albertson's T/L B7	Floating	1,675,637.51	LIBOR (1 month)	2.50%	3.00%	3.00%	0.75%	50,269.13
LX161956	AlixPartners T/L B	Floating	982,500.00	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	27,018.75
LX155973	American Airlines Replacement T/L B (AMR)	Floating	4,140,689.02	LIBOR (1 month)	2.50%	2.00%	2.00%		82,813.78
LX165158	American Airlines T/L B (06/17)	Floating	2,726,473.79	LIBOR (1 month)	2.52%	2.00%	2.00%		54,529.48
LX172603	American Builders & Contractors T/L B-2	Floating	1,707,283.97	LIBOR (1 month)	2.50%	2.00%	2.00%	0.75%	34,145.68
LX171458	Apex Tool Group T/L B (02/18)	Floating	1,987,261.16	LIBOR (1 month)	2.50%	3.75%	3.75%	1.25%	74,522.29
LX173667	Aramark Services T/L B-2	Floating	2,266,081.25	LIBOR (1 month)	2.50%	1.75%	1.75%		39,656.42
LX151102	Armstrong World Industries T/L B	Floating	265,207.35	LIBOR (3 months)	2.80%	2.75%	2.75%	0.75%	7,293.20
LX151102	Armstrong World Industries T/L B	Floating	379,578.01	LIBOR (1 month)	2.50%	2.75%	2.75%	0.75%	10,438.40
LX146680	Ascena Retail T/L B	Floating	3,982,267.45	LIBOR (1 month)	2.50%	4.50%	4.50%	0.75%	179,202.04
LX171370	Berry Global (Berry Plastics) T/L Q	Floating	4,225,318.63	LIBOR (2 months)	2.61%	2.00%	2.00%		84,506.37
LX171678	Booz Allen T/L B	Floating	1,096,917.52	LIBOR (1 month)	2.50%	2.00%	2.00%		21,938.35
LX161204	Boyd Gaming T/L B3	Floating	909,069.12	LIBOR (1 week)	2.41%	2.25%	2.25%		20,454.06
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	1,634,479.00	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	57,206.77





# Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	348,100.95	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	12,183.53
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	435,126.19	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	15,229.42
LX174839	Brookfield WEC T/L (Westinghouse)	Floating	2,000,000.00	LIBOR (1 month)	2.50%	3.75%	3.75%	0.75%	75,000.00
LX159595	Builders Firstsource T/L	Floating	3,280,917.47	LIBOR (3 months)	2.80%	3.00%	3.00%	1.00%	98,427.52
LX144710	Calpine Corporation T/L B-5	Floating	430,982.12	LIBOR (3 months)	2.81%	2.50%	2.50%		10,774.55
LX149099	Calpine Corporation T/L B-6	Floating	992,327.38	LIBOR (3 months)	2.81%	2.50%	2.50%		24,808.18
LX159606	Calpine T/L B8	Floating	3,830,140.76	LIBOR (1 month)	2.50%	1.75%	1.75%		67,027.46
LX161335	Capital Automotive 1st Lien T/L	Floating	3,824,423.36	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	95,610.58
LX177791	Carestream Health T/L (12/18)	Floating	2,267,456.55	LIBOR (1 month)	2.50%	5.75%	5.75%	1.00%	130,378.75
LX152766	Cengage Learning T/L B	Floating	3,655,137.54	LIBOR (1 month)	2.52%	4.25%	4.25%	1.00%	155,343.35
LX161598	CenturyLink T/L B	Floating	2,419,419.24	LIBOR (1 month)	2.50%	2.75%	2.75%		66,534.03
LX159695	Change Healthcare T/L	Floating	1,024,209.07	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	28,165.75
LX159695	Change Healthcare T/L	Floating	666,730.94	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	18,335.10
LX159695	Change Healthcare T/L	Floating	1,924,006.81	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	52,910.19
LX159695	Change Healthcare T/L	Floating	542,791.27	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	14,926.76
LX144540	CHS/Community Health T/L H	Floating	2,356,506.49	LIBOR (3 months)	2.71%	3.25%	3.25%	1.00%	76,586.46
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Floating	583,896.19	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	18,976.63
LX148894	Commscope T/L Tranche 5	Floating	1,419,678.42	LIBOR (1 month)	2.50%	2.00%	2.00%		28,393.57
LX174067	Cumulus Media T/L	Floating	4,819,543.39	LIBOR (1 month)	2.50%	4.50%	4.50%	1.00%	216,879.45
LX161958	Cypress Intermediate (CCC Info) T/L B	Floating	492,500.00	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	14,775.00
LX154380	Dayton Power T/L B	Floating	563,500.00	LIBOR (1 month)	2.50%	2.00%	2.00%	0.75%	11,270.00
LX169099	Dell International T/L B	Floating	1,804,054.54	LIBOR (1 month)	2.50%	2.00%	2.00%	0.75%	36,081.09
LX128948	Doncasters T/L	Floating	1,986,083.10	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	69,512.91
LX128948	Doncasters T/L	Floating	420,873.72	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	14,730.58
LX140953	Eastern Power (TPF II Power) T/L B	Floating	1,314,675.85	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	49,300.34
LX153086	EFS Cogen Holdings T/L B	Floating	809,840.85	LIBOR (3 months)	2.81%	3.25%	3.25%	1.00%	26,319.83
LX153086	EFS Cogen Holdings T/L B	Floating	280,651.89	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	9,121.19
LX155237	Eldorado Resorts T/L B (03/17)	Floating	56,896.55	LIBOR (2 months)	2.56%	2.25%	2.25%		1,280.17
LX155237	Eldorado Resorts T/L B (03/17)	Floating	231,594.83	LIBOR (2 months)	2.63%	2.25%	2.25%		5,210.88
LX155237	Eldorado Resorts T/L B (03/17)	Floating	206,379.32	LIBOR (2 months)	2.56%	2.25%	2.25%		4,643.53
LX163026	Endo Luxembourg Finance T/L B	Floating	492,500.00	LIBOR (1 month)	2.50%	4.25%	4.25%	0.75%	20,931.25
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	Floating	1,311,451.94	LIBOR (1 month)	2.50%	2.00%	2.00%		26,229.04
LX136501	Evergreen Skills T/L (First Lien)	Floating	3,719,798.68	LIBOR (1 month)	2.50%	4.75%	4.75%	1.00%	176,690.44
LX136501	Evergreen Skills T/L (First Lien)	Floating	3,524,066.74	LIBOR (1 month)	2.50%	4.75%	4.75%	1.00%	167,393.17
LX159615	ExamWorks T/L B1	Floating	925,725.07	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	30,086.06





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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX173032	Ferro T/L B-1	Floating	736,931.25	LIBOR (3 months)	2.80%	2.25%	2.25%		16,580.95
LX173033	Ferro T/L B2	Floating	1,226,175.29	LIBOR (3 months)	2.80%	2.25%	2.25%		27,588.94
LX173034	Ferro T/L B3	Floating	1,200,086.47	LIBOR (3 months)	2.80%	2.25%	2.25%		27,001.95
LX165177	First Data T/L 2022D	Floating	4,488,664.28	LIBOR (1 month)	2.52%	2.00%	2.00%		89,773.29
LX169513	First Data T/L 2024A New Dollar	Floating	2,392,354.34	LIBOR (1 month)	2.52%	2.00%	2.00%		47,847.09
LX173110	Fitness International (LA Fitness) T/L A (4/18)	Floating	487,500.03	LIBOR (1 month)	2.50%	2.75%	2.75%		13,406.25
LX167187	Flexential Intermediate T/L B (Peak 10)	Floating	2,417,758.18	LIBOR (3 months)	2.80%	3.50%	3.50%		84,621.54
LX155300	Fort Dearborn 1st Lien T/L	Floating	797,688.74	LIBOR (3 months)	2.79%	4.00%	4.00%	1.00%	31,907.55
LX155300	Fort Dearborn 1st Lien T/L	Floating	47,229.94	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	1,889.20
LX155300	Fort Dearborn 1st Lien T/L	Floating	504,999.61	LIBOR (3 months)	2.79%	4.00%	4.00%	1.00%	20,199.98
LX162521	Forterra Finance T/L (04/17)	Floating	493,686.85	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	14,810.61
LX159841	Freedom Mortgage T/L B	Floating	860,600.63	LIBOR (1 month)	2.50%	4.75%	4.75%	1.00%	40,878.53
LX159841	Freedom Mortgage T/L B	Floating	1,539,399.37	LIBOR (1 month)	2.50%	4.75%	4.75%	1.00%	73,121.47
LX148220	Frontier Communications T/L 2	Floating	2,332,394.36	LIBOR (1 month)	2.50%	2.75%	2.75%		64,140.84
LX155134	G-III Apparel Group T/L B (10/16)	Floating	799,423.17	LIBOR (1 month)	2.50%	5.25%	5.25%	1.00%	41,969.72
LX155134	G-III Apparel Group T/L B (10/16)	Floating	266,474.39	LIBOR (1 month)	2.56%	5.25%	5.25%	1.00%	13,989.91
LX173608	Generac Power T/L B (6/2018)	Floating	2,496,849.83	LIBOR (1 month)	2.51%	1.75%	1.75%	0.75%	43,694.87
LX171577	Genworth Holdings T/L	Floating	496,250.00	LIBOR (1 month)	2.48%	4.50%	4.50%	1.00%	22,331.25
LX175013	GIP III Stetson T/L B	Floating	1,455,274.33	LIBOR (1 month)	2.48%	4.25%	4.25%		61,849.16
LX172106	Global Payments T/L B (03/18)	Floating	2,129,668.03	LIBOR (1 month)	2.50%	1.75%	1.75%		37,269.19
LX168592	Golden Nugget T/L B (09/17)	Floating	708,499.64	LIBOR (1 month)	2.49%	2.75%	2.75%	0.75%	19,483.74
LX168592	Golden Nugget T/L B (09/17)	Floating	892,369.97	LIBOR (1 month)	2.50%	2.75%	2.75%	0.75%	24,540.17
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	Floating	2,279,918.04	LIBOR (3 months)	2.80%	7.25%	7.25%	1.00%	165,294.06
LX141384	Granite Acq T/L B (Wheelabrator)	Floating	7,461,706.59	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	261,159.73
LX141385	Granite Acq T/L C (Wheelabrator)	Floating	1,722,548.41	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	60,289.19
LX159621	Gray Television T/L B	Floating	834,602.59	LIBOR (1 month)	2.51%	2.25%	2.25%		18,778.56
LX158207	Grifols Worldwide Operations T/L B	Floating	1,228,125.00	LIBOR (1 week)	2.42%	2.25%	2.25%		27,632.81
LX165794	Gruden Acquisition T/L	Floating	4,398,242.28	LIBOR (3 months)	2.80%	5.50%	5.50%	1.00%	241,903.33
LX170998	Harbor Freight Tools T/L B (1/18)	Floating	4,094,160.52	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	102,354.01
LX144819	HCA Inc T/L A5	Floating	6,397,335.39	LIBOR (1 month)	2.50%	1.50%	1.50%		95,960.03
LX171927	HCA Inc T/L B11	Floating	1,485,597.98	LIBOR (1 month)	2.50%	1.75%	1.75%		25,997.96
LX176498	HD Supply T/L B-5	Floating	6,618,822.31	LIBOR (1 month)	2.50%	1.75%	1.75%		115,829.39
LX159959	Infor US (Lawson) T/L B-6	Floating	3,936,283.58	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	108,247.80
LX164174	ION Media T/L (05/17)	Floating	1,155,199.66	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	31,767.99
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	Floating	968,250.57	LIBOR (3 months)	2.80%	2.00%	2.00%	0.75%	19,365.01





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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX153006	J.C. Penney T/L B	Floating	1,079,688.75	LIBOR (3 months)	2.71%	4.25%	4.25%	1.00%	45,886.77
LX155217	Jo-Ann Stores T/L	Floating	2,443,286.44	LIBOR (6 months)	2.76%	5.00%	5.00%	1.00%	122,164.32
LX164714	KAR Auction Services T/L B-4	Floating	1,337,082.20	LIBOR (3 months)	2.81%	2.25%	2.25%		30,084.35
LX164715	KAR Auction Services T/L B-5	Floating	5,496,290.58	LIBOR (3 months)	2.81%	2.50%	2.50%		137,407.26
LX146975	Kenan Advantage T/L B (Canadian)	Floating	250,389.63	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	7,511.69
LX146807	Kenan Advantage T/L B (U.S.)	Floating	825,765.34	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	24,772.96
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	Floating	492,500.00	LIBOR (3 months)	2.80%	3.25%	3.25%	1.00%	16,006.25
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	506,354.44	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	20,254.18
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	880,616.41	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	35,224.66
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,091,922.70	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	43,676.91
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,569,190.02	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	62,767.60
LX163804	Kronos T/L B	Floating	4,469,728.88	LIBOR (3 months)	2.74%	3.00%	3.00%	1.00%	134,091.87
LX162675	Laureate Education T/L 2024	Floating	608,358.24	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	21,292.54
LX154098	Leslie's Poolmart T/L B	Floating	575,882.93	LIBOR (1 month)	2.50%	3.50%	3.50%		20,155.90
LX160334	Level 3 Financing T/L	Floating	7,100,000.00	LIBOR (1 month)	2.51%	2.25%	2.25%		159,750.00
LX136370	Libbey Glass T/L	Floating	2,416,019.88	LIBOR (1 month)	2.52%	3.00%	3.00%	0.75%	72,480.60
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Floating	2,200,000.00	LIBOR (1 month)	2.49%	3.50%	3.50%	1.00%	77,000.00
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	7,052,477.09	LIBOR (3 months)	2.71%	2.75%	2.75%	1.00%	193,943.12
LX171260	Lightstone Holdco T/L B	Floating	6,457,780.57	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	242,166.77
LX171261	Lightstone T/L C	Floating	356,021.25	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	13,350.80
LX162914	MA FinanceCo T/L B2	Floating	4,832,795.97	LIBOR (1 month)	2.50%	2.25%	2.25%		108,737.91
LX168182	Match Group T/L B	Floating	3,447,402.22	LIBOR (2 months)	2.58%	2.50%	2.50%		86,185.06
LX152400	McGraw-Hill Global Education Holdings T/L	Floating	4,819,596.32	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	192,783.85
LX172427	Mediacom T/L N	Floating	985,056.25	LIBOR (1 week)	2.42%	1.75%	1.75%		17,238.48
LX173656	Michaels Stores T/L B	Floating	38,239.98	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	956.00
LX173656	Michaels Stores T/L B	Floating	382,399.73	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	9,559.99
LX173656	Michaels Stores T/L B	Floating	204,581.71	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	5,114.54
LX173656	Michaels Stores T/L B	Floating	221,791.85	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	5,544.80
LX155231	Mohegan Tribal T/L A	Floating	2,468,157.68	LIBOR (1 month)	2.50%	3.75%	3.75%		92,555.91
LX152711	MPH Acquisition (Multiplan) T/L B	Floating	3,282,322.92	LIBOR (3 months)	2.80%	2.75%	2.75%	1.00%	90,263.88
LX165715	MTS Systems Corporation T/L B (06/17)	Floating	738,521.55	LIBOR (1 month)	2.49%	3.25%	3.25%	0.75%	24,001.95
LX157681	National Financial Partners (NFP) T/L B	Floating	2,453,702.75	LIBOR (1 month)	2.50%	3.00%	3.00%		73,611.08
LX171717	NeuStar T/L B4 (03/18)	Floating	493,750.00	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	17,281.25





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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX162460	Nielsen Finance T/L B4	Floating	486,270.45	LIBOR (1 month)	2.52%	2.00%	2.00%		9,725.41
LX155280	NN, Inc T/L B (9/16)	Floating	3,379,989.84	LIBOR (1 month)	2.50%	3.75%	3.75%	0.75%	126,749.62
LX162054	NN, Inc. Incremental T/L B	Floating	2,369,238.11	LIBOR (1 month)	2.50%	3.25%	3.25%		77,000.24
LX153092	NRG Energy T/L B 6/16	Floating	227,909.41	LIBOR (1 month)	2.50%	1.75%	1.75%		3,988.41
LX174852	Numericable (Altice/YPSO) T/L B13	Floating	3,000,000.00	LIBOR (1 month)	2.49%	4.00%	4.00%		120,000.00
LX157595	Oberthur Technologies T/L B (USD)	Floating	491,250.00	LIBOR (3 months)	2.80%	3.75%	3.75%		18,421.88
LX157136	Ocwen T/L B	Floating	329,469.71	LIBOR (1 month)	2.52%	5.00%	5.00%	1.00%	16,473.49
LX161654	Outfront Media T/L B (CBS Outdoor)	Floating	1,366,478.64	LIBOR (1 month)	2.51%	2.00%	2.00%		27,329.57
LX170070	Oxbow Carbon T/L B (12/17)	Floating	475,000.00	LIBOR (1 month)	2.50%	3.50%	3.50%		16,625.00
LX171402	Party City T/L	Floating	661,146.40	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	16,528.66
LX171402	Party City T/L	Floating	1,211,305.74	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	30,282.64
LX171402	Party City T/L	Floating	65,173.69	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	1,629.34
LX171402	Party City T/L	Floating	63,399.09	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	1,584.98
LX171402	Party City T/L	Floating	426,202.42	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	10,655.06
LX135963	PGS Finance T/L B (Petroleum Geo)	Floating	2,455,892.86	LIBOR (3 months)	2.81%	2.50%	2.50%	0.75%	61,397.32
LX159002	Prestige Brands T/L B4	Floating	701,587.20	LIBOR (1 month)	2.50%	2.00%	2.00%		14,031.74
LX155959	Quikrete T/L B	Floating	5,139,590.89	LIBOR (1 month)	2.50%	2.75%	2.75%		141,338.75
LX152098	Quorum Health T/L	Floating	4,029,232.48	LIBOR (1 month)	2.50%	6.75%	6.75%	1.00%	271,973.19
LX159617	RadNet Management T/L B (01/17)	Floating	36,305.32	Prime	5.50%	3.75%	5.51%		2,001.78
LX159617	RadNet Management T/L B (01/17)	Floating	2,541,372.93	LIBOR (3 months)	2.78%	3.75%	3.75%	1.00%	95,301.48
LX152765	Riverbed Technology T/L 1st Lien	Floating	2,000,000.00	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	65,000.00
LX155106	RP Crown Parent (JDA Software) T/L B	Floating	1,376,593.96	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	37,856.33
LX176102	RR Donnelley & Sons T/L B	Floating	922,000.00	LIBOR (1 month)	2.51%	5.00%	5.00%		46,100.00
LX152375	Russell Investments T/L B	Floating	9,313,851.93	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	302,700.19
LX135384	Seadrill T/L B	Floating	4,181.29	LIBOR (3 months)	2.80%	6.00%	6.00%	1.00%	250.88
LX156211	ServiceMaster T/L C	Floating	1,349,499.44	LIBOR (1 month)	2.50%	2.50%	2.50%		33,737.49
LX158094	Sinclair Television T/L B2	Floating	1,302,940.07	LIBOR (1 month)	2.50%	2.25%	2.25%		29,316.15
LX145736	Six Flags T/L B	Floating	2,072,752.64	LIBOR (3 months)	2.75%	1.75%	1.75%		36,273.17
LX151194	Solera T/L B	Floating	2,618,998.96	LIBOR (1 month)	2.50%	2.75%	2.75%		72,022.47
LX159036	Sophia / Ellucian T/L B	Floating	4,066,776.66	LIBOR (3 months)	2.80%	3.25%	3.25%	1.00%	132,170.24
LX141908	Southeast PowerGen T/L B	Floating	192,819.84	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	6,748.69
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Floating	2,954,999.98	LIBOR (3 months)	2.78%	3.25%	3.25%	1.00%	96,037.50
LX169358	Springer Science T/L B13	Floating	254,875.27	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	8,920.63
LX169358	Springer Science T/L B13	Floating	128,629.26	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	4,502.02
LX169358	Springer Science T/L B13	Floating	1,457,898.92	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	51,026.46





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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX159257	Sprint Communications T/L	Floating	1,866,750.00	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	46,668.75
LX160837	SS&C Technologies T/L B1 (03/17)	Floating	3,080,075.38	LIBOR (1 month)	2.50%	2.25%	2.25%		69,301.70
LX145044	StandardAero (DAE Aviation/VCSA) T/L	Floating	6,065,567.53	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	227,458.78
LX152816	Station Casinos T/L B (6/16)	Floating	2,534,919.73	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	63,372.99
LX171276	Syniverse Holdings T/L (01/18)	Floating	2,393,969.85	LIBOR (1 month)	2.49%	5.00%	5.00%	1.00%	119,698.49
LX156377	Team Health Holdings T/L	Floating	2,456,250.00	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	67,546.88
LX159275	Telesat Canada T/L 2018 B-4	Floating	7,486,993.20	LIBOR (3 months)	2.81%	2.50%	2.50%	0.75%	187,174.83
LX173457	Transdigm 2018 New T/L F	Floating	3,600,079.93	LIBOR (1 month)	2.50%	2.50%	2.50%		90,002.00
LX145376	Tribune Media T/L B	Floating	6,250,000.00	LIBOR (1 month)	2.50%	3.00%	3.00%	0.75%	187,500.00
LX159214	Tribune Media T/L C (01/17)	Floating	445,047.04	LIBOR (1 month)	2.50%	3.00%	3.00%	0.75%	13,351.41
LX172243	Uber Technologies T/L (3/18)	Floating	1,994,987.47	LIBOR (1 month)	2.52%	4.00%	4.00%	1.00%	79,799.50
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	Floating	1,196,938.78	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	38,900.51
LX173324	United Airlines T/L B (05/18)	Floating	491,250.00	LIBOR (1 month)	2.50%	1.75%	1.75%		8,596.88
LX161197	Univision Communications T/L C5	Floating	8,808,226.99	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	242,226.24
LX162476	Urban One T/L	Floating	1,365,639.25	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	54,625.57
LX153134	US Foods Second Incremental T/L	Floating	3,455,815.60	LIBOR (1 month)	2.50%	2.00%	2.00%		69,116.31
LX167989	USI Incremental T/L	Floating	987,500.00	LIBOR (3 months)	2.80%	3.00%	3.00%		29,625.00
LX169239	VC GB Holdings T/L (Generation Brands)	Floating	2,949,274.05	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	88,478.22
LX156640	Vertellus T/L 2nd Lien	Floating	276,801.29	LIBOR (1 week)	2.41%	12.00%	12.00%	1.00%	33,216.15
LX155779	Vistra Operations (Tex Operations) Exit T/L B	Floating	6,097,638.74	LIBOR (1 month)	2.50%	2.00%	2.00%		121,952.77
LX157720	Vistra Operations Company T/L B (12/16)	Floating	3,681,186.84	LIBOR (1 month)	2.50%	2.25%	2.25%		82,826.70
LX144232	Wash Multifamily T/L (1st Lien)	Floating	3,155,007.75	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	102,537.75
LX165665	WEX T/L B-2 (Wright Express)	Floating	5,257,879.87	LIBOR (1 month)	2.50%	2.25%	2.25%		118,302.30
LX153816	WireCo WorldGroup T/L B	Floating	977,500.00	LIBOR (1 month)	2.50%	5.00%	5.00%	1.00%	48,875.00
LX166414	Zayo Group T/L B2	Floating	516,621.69	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	11,623.99
LX159375	Ziggo Secured Finance T/L E	Floating	1,000,000.00	LIBOR (1 month)	2.49%	2.50%	2.50%		25,000.00

<b>Totals:</b>	<b>198</b>	<b>411,529,579.30</b>	<b>3.10%</b>	<b>12,743,110.09</b>
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**ACIS CLO 2014-4 Ltd.**  
**Weighted Average Coupon**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Coupon Type	Principal Balance	Cash Coupon
LX145695	Minerals Technologies T/L B2 (Fixed)	Fixed	5,689,496.58	4.75%
Totals:		1	5,689,496.58	4.75%





**Rating Detail**  
As of Date: 02/21/2019  
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Security I.D.	Security Description	Moody's				S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Rec Rate
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3		Ba3	B1		50.00		B+	30.00
LX169636	84 Lumber T/L B-1		B3	B2		40.00		B+	30.00
LX144914	Academy T/L B		Caa2	Caa1		40.00		CCC+	20.00
LX172091	Acadia Healthcare T/L B3		Ba2	B1		60.00		B	50.00
LX172092	Acadia Healthcare T/L B4		Ba2	B1		60.00		B	50.00
LX155961	Advanced Disposal T/L B		Ba3	B1		50.00		BB-	65.00
LX138509	Advantage Sales 2nd lien T/L (Karman)	CW-	Caa2	B3	16-Jan-19	15.00		B	2.00
LX138508	Advantage Sales T/L 1st Lien (Karman)	CW-	B2	B3	16-Jan-19	50.00		B	30.00
LX163240	Advantage Sales T/L B Incremental	CW-	B2	B3	16-Jan-19	50.00		B	30.00
LX172523	AES Corporation T/L B (03/18)		Baa3	Ba1		50.00		BB+	65.00
LX159618	AI Mistral T/L (V. Group)		B2	B3		50.00		B	30.00
LX171691	Air Medical T/L B		B1	B2		50.00		B	30.00
LX132200	Akorn T/L B		Caa1	Caa1		45.00		B-	30.00
LX164597	Albertson's T/L B5 (05/17)		Ba2	B1		60.00		B	65.00
LX176679	Albertson's T/L B7		Ba2	B1		60.00		B	65.00
LX161956	AlixPartners T/L B		B2	B2		45.00		B+	30.00
LX155973	American Airlines Replacement T/L B (AMR)		Ba1	Ba3		60.00		BB-	65.00
LX165158	American Airlines T/L B (06/17)		Ba1	Ba3		60.00		BB-	65.00
LX172603	American Builders & Contractors T/L B-2		B1	B1		45.00		BB	50.00
LX171458	Apex Tool Group T/L B (02/18)		B2	B3		50.00		B	30.00
LX173667	Aramark Services T/L B-2		Ba1	Ba2		50.00		BB+	65.00
LX151102	Armstrong World Industries T/L B		Ba3	Ba3		45.00		BB+	50.00
LX146680	Ascena Retail T/L B		Ba3	Ba3		45.00		B	50.00
LX171370	Berry Global (Berry Plastics) T/L Q		Ba2	Ba3		50.00		BB+	65.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-4 Ltd.

# Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX171678	Booz Allen T/L B		Ba1	Ba2		50.00		BB		30.00
LX161204	Boyd Gaming T/L B3		Ba3	B2		60.00		B+		65.00
LX171142	Bright Bidco (Lumileds) T/L B (02/18)		B1	B1		45.00		B		30.00
LX174839	Brookfield WEC T/L (Westinghouse)		B2	B2		45.00		B		30.00
LX159595	Builders Firstsource T/L		B3	B2		40.00		BB-		30.00
LX144710	Calpine Corporation T/L B-5		Ba2	Ba3		50.00		B+		65.00
LX149099	Calpine Corporation T/L B-6		Ba2	Ba3		50.00		B+		65.00
LX159606	Calpine T/L B8		Ba2	Ba3		50.00		B+		65.00
LX161335	Capital Automotive 1st Lien T/L		B1	B2		50.00		B		30.00
LX177791	Carestream Health T/L (12/18)		B1	B3		60.00		B		30.00
LX152766	Cengage Learning T/L B		B2	B3		50.00		B-		50.00
LX161598	CenturyLink T/L B		Ba3	Ba3		45.00		BB		65.00
LX159695	Change Healthcare T/L		B1	B2		50.00		B+		30.00
LX144540	CHS/Community Health T/L H		Caa1	Caa3		60.00		CCC+		50.00
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien		B2	B3		50.00		B		30.00
LX148894	Commscope T/L Tranche 5		Baa3	Ba3		60.00		BB-		65.00
LX174067	Cumulus Media T/L		B3	B3		45.00		B-		50.00
LX161958	Cypress Intermediate (CCC Info) T/L B		B2	B3		50.00		B-		50.00
LX154380	Dayton Power T/L B		A3	Ba1		60.00		BBB-		75.00
LX169099	Dell International T/L B		Baa3	Ba1		50.00		BB+		50.00
LX128948	Doncasters T/L		Caa1	Caa1		45.00		CCC+		20.00
LX140953	Eastern Power (TPF II Power) T/L B		B1	B2		50.00		B+		30.00
LX153086	EFS Cogen Holdings T/L B		Ba3	B1		50.00		B+		65.00
LX155237	Eldorado Resorts T/L B (03/17)		Ba1	B1		60.00		B+		65.00

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<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-4 Ltd.

# Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX163026	Endo Luxembourg Finance T/L B		Ba2	B2		60.00		B		65.00
LX173466	ESH Hospitality (Extended Stay) T/L B (New)		Ba2	Ba3		50.00		BB-		65.00
LX136501	Evergreen Skills T/L (First Lien)		B3	Caa1		50.00		CCC+		30.00
LX159615	ExamWorks T/L B1		B1	B2		50.00		B		30.00
LX173032	Ferro T/L B-1		Ba3	Ba3		45.00		BB-		30.00
LX173033	Ferro T/L B2		Ba3	Ba3		45.00		BB-		30.00
LX173034	Ferro T/L B3		Ba3	Ba3		45.00		BB-		30.00
LX165177	First Data T/L 2022D	CW+	Ba1	Ba2	16-Jan-19	50.00	CW+	BB	16-Jan-19	50.00
LX169513	First Data T/L 2024A New Dollar	CW+	Ba1	Ba2	16-Jan-19	50.00	CW+	BB	16-Jan-19	50.00
LX173110	Fitness International (LA Fitness) T/L A (4/18)		B1	B2		50.00		B+		50.00
LX167187	Flexential Intermediate T/L B (Peak 10)		B2	B3		50.00		B-		30.00
LX155300	Fort Dearborn 1st Lien T/L		B2	B3		50.00		B-		30.00
LX162521	Forterra Finance T/L (04/17)		B3	B3		45.00		B-		20.00
LX159841	Freedom Mortgage T/L B		Ba2	B1		60.00		B-		65.00
LX148220	Frontier Communications T/L 2		B2	B3		50.00		CCC+		65.00
LX155134	G-III Apparel Group T/L B (10/16)		Ba3	Ba3		45.00		BB-		50.00
LX173608	Generac Power T/L B (6/2018)		Ba2	Ba2		45.00		BB-		30.00
LX171577	Genworth Holdings T/L		Ba3	B2		60.00		B		45.00
LX175013	GIP III Stetson T/L B		Ba3	Ba3		45.00		B+		30.00
LX172106	Global Payments T/L B (03/18)		Ba2	Ba2		45.00		BB+		50.00
LX168592	Golden Nugget T/L B (09/17)		Ba3	B2		60.00		B		50.00
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)		B3	B1		15.00		B+		2.00
LX141384	Granite Acq T/L B (Wheelabrator)		B1	B1		45.00		B+		30.00
LX141385	Granite Acq T/L C (Wheelabrator)		B1	B1		45.00		B+		30.00

## Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-4 Ltd.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX159621	Gray Television T/L B		Ba2	B1		60.00		B+		65.00
LX158207	Grifols Worldwide Operations T/L B		Ba2	Ba3		50.00		BB		50.00
LX165794	Gruden Acquisition T/L		B2	B3		50.00		B-		30.00
LX170998	Harbor Freight Tools T/L B (1/18)		Ba3	Ba3		45.00		BB-		30.00
LX144819	HCA Inc T/L A5		Baa3	Ba1		50.00		BB+		65.00
LX171927	HCA Inc T/L B11		Baa3	Ba1		50.00		BB+		65.00
LX176498	HD Supply T/L B-5		Ba2	Ba2		45.00		BB+		65.00
LX159959	Infor US (Lawson) T/L B-6	CW+	Ba3	B2	18-Jan-19	60.00		B-		50.00
LX164174	ION Media T/L (05/17)		B1	B1		45.00		BB-		30.00
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)		Ba1	Ba2		50.00		BB+		50.00
LX153006	J.C. Penney T/L B		B1	B3		60.00		B-		50.00
LX155217	Jo-Ann Stores T/L		B1	B2		50.00		B		30.00
LX164714	KAR Auction Services T/L B-4	CW-	Ba3	B2	01-Mar-18	60.00		BB-		30.00
LX164715	KAR Auction Services T/L B-5	CW-	Ba3	B2	01-Mar-18	60.00		BB-		30.00
LX146975	Kenan Advantage T/L B (Canadian)		B1	B2		50.00		B		50.00
LX146807	Kenan Advantage T/L B (U.S.)		B1	B2		50.00		B		50.00
LX159619	Kinetic Concepts (Acelity) (1/17) T/L		B1	B2		50.00		B		30.00
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)		B1	B3		60.00		CCC+		30.00
LX163804	Kronos T/L B		B2	B3		50.00		B-		50.00
LX162675	Laureate Education T/L 2024		B2	B2		45.00		B		50.00
LX154098	Leslie's Poolmart T/L B		B2	B3		50.00		B		20.00
LX160334	Level 3 Financing T/L		Ba1	Ba3		60.00		BB		65.00
LX136370	Libbey Glass T/L		B2	B2		45.00		B		30.00
LX138016	Liberty Cablevision T/L B (San Juan Cable)		B2	B3		50.00		B		30.00

Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-4 Ltd.

# Rating Detail

As of Date: 02/21/2019  
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Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX159083	Life Time Fitness 2017 Refinancing T/L B		B1	B2		50.00		B		65.00
LX171260	Lightstone Holdco T/L B		Ba3	B1		50.00		B+		50.00
LX171261	Lightstone T/L C		Ba3	B1		50.00		B+		50.00
LX162914	MA FinanceCo T/L B2		B1	B1		45.00		BB-		30.00
LX168182	Match Group T/L B		Ba2	Ba2		45.00		BB		65.00
LX152400	McGraw-Hill Global Education Holdings T/L		B1	B2		50.00		B		50.00
LX172427	Mediacom T/L N		Ba2	Ba2		45.00		BB		50.00
LX173656	Michaels Stores T/L B		Ba2	Ba2		45.00		BB-		65.00
LX145695	Minerals Technologies T/L B2 (Fixed)		Ba2	Ba2		45.00		BB		50.00
LX155231	Mohegan Tribal T/L A		B1	B2		50.00		B-		45.00
LX152711	MPH Acquisition (Multiplan) T/L B		B1	B3		60.00		B+		30.00
LX165715	MTS Systems Corporation T/L B (06/17)		B1	B1		45.00		BB-		30.00
LX157681	National Financial Partners (NFP) T/L B		B2	B3		50.00		B		30.00
LX171717	NeuStar T/L B4 (03/18)		B1	B2		50.00		B		65.00
LX162460	Nielsen Finance T/L B4		Ba1	Ba3		60.00		BB		65.00
LX155280	NN, Inc T/L B (9/16)		B2	B3		50.00		B		30.00
LX162054	NN, Inc. Incremental T/L B		B2	B3		50.00		B		30.00
LX153092	NRG Energy T/L B 6/16		Baa3	Ba2		60.00		BB		65.00
LX174852	Numericable (Altice/YPSO) T/L B13		B2	B2		45.00		B		30.00
LX157595	Oberthur Technologies T/L B (USD)		B2	B2		45.00		B-		30.00
LX157136	Ocwen T/L B		B2	Caa1		60.00		B-		65.00
LX161654	Outfront Media T/L B (CBS Outdoor)		Ba1	Ba3		60.00		BB-		65.00
LX170070	Oxbow Carbon T/L B (12/17)		B1	B2		50.00		BB-		50.00
LX171402	Party City T/L		Ba2	Ba3		50.00		B+		50.00

## Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-4, Ltd.

# Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX135963	PGS Finance T/L B (Petroleum Geo)		B3	B3		45.00		CCC		45.00
LX159002	Prestige Brands T/L B4		Ba3	B2		60.00		B+		65.00
LX155959	Quikrete T/L B		B1	B1		45.00		BB-		20.00
LX152098	Quorum Health T/L		B1	B3		60.00		B-		30.00
LX159617	RadNet Management T/L B (01/17)		B1	B2		50.00		B		30.00
LX152765	Riverbed Technology T/L 1st Lien		B2	B3		50.00		B		50.00
LX155106	RP Crown Parent (JDA Software) T/L B		B1	B2		50.00		B		30.00
LX176102	RR Donnelley & Sons T/L B		B1	B2		50.00		B		50.00
LX152375	Russell Investments T/L B		Ba2	Ba2		45.00		BB-		20.00
LX135384	Seadrill T/L B		Caa2	Caa2		45.00		CCC+		30.00
LX156211	ServiceMaster T/L C		Baa3	Ba3		60.00		BB-		65.00
LX158094	Sinclair Television T/L B2		Ba1	Ba3		60.00		BB-		65.00
LX145736	Six Flags T/L B		Ba1	B1		60.00		BB		65.00
LX151194	Solera T/L B		Ba3	B2		60.00		B-		50.00
LX159036	Sophia / Ellucian T/L B		B2	B3		50.00		B-		50.00
LX141908	Southeast PowerGen T/L B		Ba3	B1		50.00		B-		30.00
LX165477	Spin Holdco (Coinmach) T/L B (02/18)		B2	B3		50.00		B		30.00
LX169358	Springer Science T/L B13		B2	B2		45.00		B		30.00
LX159257	Sprint Communications T/L	CW+	Ba1	B1	29-Apr-18	60.00	CW+	B+	30-Apr-18	65.00
LX160837	SS&C Technologies T/L B1 (03/17)		Ba3	Ba3		45.00		BB		30.00
LX145044	StandardAero (DAE Aviation/VCSA) T/L		B2	B3		50.00		B		30.00
LX152816	Station Casinos T/L B (6/16)		Ba3	B1		50.00		B+		50.00
LX171276	Syniverse Holdings T/L (01/18)		B2	B3		50.00		B		20.00
LX156377	Team Health Holdings T/L		B2	B3		50.00		B		30.00

## Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-4, Ltd.

### Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX159275	Telesat Canada T/L 2018 B-4		Ba3	B1		50.00		BB-		30.00
LX141526	Toys R Us T/L B4	DEF	Caa3	Caa3	20-Sep-17	45.00	DEF	NR	20-Sep-17	37.00
LX173457	Transdigm 2018 New T/L F		Ba3	B1		50.00		B+		30.00
LX145376	Tribune Media T/L B		Ba3	B1		50.00		BB-		65.00
LX159214	Tribune Media T/L C (01/17)		Ba3	B1		50.00		BB-		65.00
LX172243	Uber Technologies T/L (3/18)		-	-		-		-		-
LX153867	UFC Holdings (Zuffa) 1st Lien T/L		B1	B2		50.00		B		50.00
LX173324	United Airlines T/L B (05/18)		Baa3	Ba2		60.00		BB		65.00
LX161197	Univision Communications T/L C5		B2	B2		45.00		B		30.00
LX162476	Urban One T/L		B2	B3		50.00		B-		30.00
LX153134	US Foods Second Incremental T/L	CW-	B1	B1	30-Jul-18	45.00		BB+		50.00
LX167989	USI Incremental T/L		B2	B3		50.00		B		30.00
LX169239	VC GB Holdings T/L (Generation Brands)		B2	B2		45.00		B		30.00
LX156640	Vertellus T/L 2nd Lien		Caa3	Caa3		30.00		CCC-		16.00
LX155779	Vistra Operations (Tex Operations) Exit T/L B		Ba1	Ba2		50.00		BB		65.00
LX157720	Vistra Operations Company T/L B (12/16)		Ba1	Ba2		50.00		BB		65.00
LX144232	Wash Multifamily T/L (1st Lien)		B2	B3		50.00		B		30.00
LX165665	WEX T/L B-2 (Wright Express)		Ba3	Ba3		45.00		BB-		30.00
LX153816	WireCo WorldGroup T/L B		B3	B3		45.00		B		50.00
LX166414	Zayo Group T/L B2	CW-	Ba3	B3	08-Nov-18	60.00		B+		65.00
LX159375	Ziggo Secured Finance T/L E		B1	B1		45.00		B+		30.00

Totals: 165

#### Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





Rating Change History

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Principal Balance	Moody's			S & P		
			Curr	Date	Action (1)	Curr	Date	Action (1)
LX144914	Academy T/L B	8,170,676.88	Caa2	29-Jan-19	DNG			
LX148894	Commscope T/L Tranche 5	1,419,678.42	Baa3	29-Jan-19	OFF(CW-)			
LX151102	Armstrong World Industries T/L B	644,785.36	Ba3	29-Jan-19	UPG			
LX154098	Leslie's Poolmart T/L B	575,882.93	B2	30-Jan-19	DNG			
LX159375	Ziggo Secured Finance T/L E	1,000,000.00				B+	31-Jan-19	DNG
LX159618	AI Mistral T/L (V. Group)	491,250.00	B2	07-Feb-19	DNG			
LX159695	Change Healthcare T/L	4,157,738.09	B1	30-Jan-19	DNG			
LX171717	NeuStar T/L B4 (03/18)	493,750.00	WR	11-Feb-19	DNG			
LX171717	NeuStar T/L B4 (03/18)	493,750.00	B1	14-Feb-19	UPG			
LX173457	Transdigm 2018 New T/L F	3,600,079.93	Ba3	29-Jan-19	DNG			
LX173457	Transdigm 2018 New T/L F	3,600,079.93	Ba3	29-Jan-19	OFF(CW-)	B+	29-Jan-19	OFF(CW-)

Totals: 11 24,647,671.54

Upgrades: 2 Aggregate Balance: 1,138,535.36

Downgrades: 7 Aggregate Balance: 18,489,377.83

**Asset Status Legend: (1)**  
**DNG** - Downgrade      **N** - Notched / Implied Rating      **CW-** - Credit Watch with negative implications  
**UPG** - Upgrade      **E** - Credit Estimate      **CW+** - Credit Watch with positive implications  
**WDR** - Withdrawn      **S** - Shadow Rated      **DEF** - In Default





## Caa/CCC Obligations

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Moody's			S & P		
		Rating	Rating Type	Principal Balance	Rating	Rating Type	Principal Balance
LX144914	Academy T/L B	Caa2	MR	8,170,676.88	CCC+	SCC	8,170,676.88
LX138509	Advantage Sales 2nd lien T/L (Karman)	Caa2	MR	1,952,323.24	B	SCC	-
LX132200	Akorn T/L B	Caa1	MR	314,203.94	B-	SCC	-
LX144540	CHS/Community Health T/L H	Caa1	MR	2,356,506.49	CCC+	SCC	2,356,506.49
LX128948	Doncasters T/L	Caa1	MR	2,406,956.82	CCC+	SCC	2,406,956.82
LX136501	Evergreen Skills T/L (First Lien)	B3	MR	-	CCC+	SCC	7,243,865.42
LX148220	Frontier Communications T/L 2	B2	MR	-	CCC+	SCC	2,332,394.36
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	B1	MR	-	CCC+	SCC	4,048,083.57
LX135963	PGS Finance T/L B (Petroleum Geo)	B3	MR	-	CCC	SCC	2,455,892.86
LX135384	Seadrill T/L B	Caa2	MR	4,181.29	CCC+	SCC	4,181.29
LX156640	Vertellus T/L 2nd Lien	Caa3	MR	276,801.29	CCC-	SCC	276,801.29

<b>Totals:</b>	<b>11</b>	<b>15,481,649.95</b>	<b>29,295,358.98</b>
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**Rating Type Legend:**

<b>SS</b> - Senior Secured	<b>RE</b> - Rating Estimate	<b>MSUS</b> - Moody's Senior	<b>SSUS</b> - S&P Senior Unsecured
<b>IR</b> - Issuer	<b>SH</b> - Shadow Rating	<b>MSI</b> - Moody's Senior Implied	<b>SCC</b> - S&P Corporate Credit
	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured

**Asset Status Legend:**

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications

**DOR** Derived from other rating agency





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As of Date: 02/21/2019

Payment Date: 05/01/2019

<b>Totals:</b>	<b>0</b>	<b>-</b>
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**Current Pay Obligations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



LoanX I.D.	Issue Name	Principal Balance	% of Collateral Principal Amount	Market Value
LX144540	CHS/Community Health T/L H	2,356,506.49	0.50%	2,320,734.72
<b>Totals:</b>		<b>2,356,506.49</b>		<b>2,320,734.72</b>





**ACIS CLO 2014-4 Ltd.**  
**Defaulted/Deferring Obligations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Asset Description	Date of Action	Par Amount	Moody's Recovery Amount	S&P Recovery Amount	Market Value	Applicable Value
LX141526	Toys R Us T/L B4	Defaulted	18-Sep-17	6,092,258.84	2,741,516.48	2,254,135.77	3,076,590.71	2,254,135.77
Totals:				6,092,258.84	2,741,516.48	2,254,135.77	3,076,590.71	2,254,135.77





Discount Obligations

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's Default Probability Rating	Purchase Price	Principal Balance
LX144914	Academy T/L B	Caa1	79.00	15,651.77
LX144914	Academy T/L B	Caa1	79.00	15,651.77
LX144914	Academy T/L B	Caa1	79.00	16,434.36
LX144914	Academy T/L B	Caa1	79.00	16,434.36
LX144914	Academy T/L B	Caa1	79.00	10,017.13
LX144914	Academy T/L B	Caa1	79.00	10,017.13
LX144914	Academy T/L B	Caa1	79.00	9,075.68
LX144914	Academy T/L B	Caa1	79.00	9,075.68
Totals:				8102,357.90





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As of Date: 02/21/2019

Payment Date: 05/01/2019

<b>Totals:</b>	<b>0</b>
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**Hedge Calculations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



		Party A				Party B				
Nbr	P / I	Notional Amount	Rate	Current Days	Current Payment	Notional Amount	Rate	Current Days	Current Payment	Net Payment





**ACIS CLO 2014-4 Ltd.**

**ETB Subsidiary**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Blocker Subsidiary Name	Security or Obligation Held	Issuer	Asset	Amount	Collateral that has been transferred in and/or out
ACIS CLO 2014-4 Chemical Holdings, LLC		Vertellus Holdings	Common	221,441.00	In - 10/31/2016
Cash Held:				0.00	
Total:				221,441.00	





Equity Securities

As of Date: 02/21/2019  
Payment Date: 05/01/2019



CUSIP	Security Description	Asset Description	# of Units/Shares
75957V104	FGI Operating Company - C/S	Equity	25,911
31660T201	Fieldwood Energy - C/S	Equity	9,214

Totals: 2





**ACIS CLO 2014-4 Ltd.**  
**Trading Plans**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Obigor	Sale/Purchase	Rating	Maturity	Trade Date	Settle Date	Plan Number
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Total:



**Stratifications - Characteristics**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments &amp; Defaulted Obligations)

**Distribution of Principal Balances**

Current Principal Balances	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
0 to 500,000.00	23	9,206,403.54	2.21 %	4.39	6.04%	B1
500,000.00 to 1,000,000.00	22	17,827,394.00	4.27 %	4.62	5.41%	Ba3
1,000,000.00 to 1,500,000.00	23	29,546,731.79	7.08 %	4.33	5.37%	Ba3
1,500,000.00 to 2,000,000.00	13	24,066,240.29	5.77 %	4.39	5.87%	B1
2,000,000.00 to 2,500,000.00	25	58,913,596.99	14.12 %	3.54	5.93%	B1
2,500,000.00 to 3,000,000.00	9	24,564,699.20	5.89 %	4.47	5.76%	B1
3,000,000.00 to 3,500,000.00	7	23,081,531.18	5.53 %	3.96	5.38%	B1
3,500,000.00 to 4,000,000.00	8	30,381,922.85	7.28 %	3.55	5.38%	Ba3
4,000,000.00 to 4,500,000.00	10	42,118,634.41	10.10 %	3.99	5.96%	Ba3
4,500,000.00 to 5,000,000.00	4	19,245,864.39	4.61 %	3.24	6.02%	B1
5,000,000.00 to 5,500,000.00	3	15,893,761.34	3.81 %	4.34	5.11%	Ba3
5,500,000.00 to 6,000,000.00	1	5,689,496.58	1.36 %	2.24	4.75%	Ba2
6,000,000.00 to 6,500,000.00	5	31,268,322.23	7.49 %	3.16	5.30%	Ba2
6,500,000.00 to 7,000,000.00	2	13,594,744.35	3.26 %	3.49	5.02%	B1
7,000,000.00 to 7,500,000.00	5	36,345,042.30	8.71 %	3.57	5.82%	B1
7,500,000.00 to 8,000,000.00	-	-	-	-	-	-
8,000,000.00 to 8,500,000.00	1	8,170,676.88	1.96 %	3.34	6.51%	Caa2
8,500,000.00 to 9,000,000.00	1	8,808,226.99	2.11 %	5.10	5.25%	B2
9,000,000.00 to 9,500,000.00	2	18,495,786.54	4.43 %	3.72	5.75%	Ba3
9,500,000.00 to 10,000,000.00	-	-	-	-	-	-
10,000,000.00 to 10,500,000.00	-	-	-	-	-	-
10,500,000.00 to 11,000,000.00	-	-	-	-	-	-
11,000,000.00 to 11,050,000.00	-	-	-	-	-	-
11,050,000.00 to 12,000,000.00	-	-	-	-	-	-
12,000,000.00 to 99,999,999.00	-	-	-	-	-	-
<b>Total</b>	<b>164</b>	<b>417,219,075.85</b>	<b>100.00 %</b>	<b>3.84</b>	<b>5.65%</b>	<b>B1</b>

**Distribution of Coupon Type**

Collateral Type	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Fixed	1	5,689,496.58	1.36 %	2.24	4.75%	Ba2
Floating	163	411,529,579.27	98.64 %	3.86	5.66%	B1
<b>Total</b>	<b>164</b>	<b>417,219,075.85</b>	<b>100.00 %</b>	<b>3.84</b>	<b>5.65%</b>	<b>B1</b>

**Distribution of Fixed Rates**

Coupon Rate	# of Assets	Principal Balance	% of Balance	Weighted Average	
				Avg Life	Rating(1)
0.000% to 5.000%	1	5,689,496.58	100.00 %	2.24	Ba2
5.001% to 5.500%	-	-	-	-	-
5.501% to 6.000%	-	-	-	-	-
6.001% to 6.500%	-	-	-	-	-
6.501% to 7.000%	-	-	-	-	-
7.001% to 7.500%	-	-	-	-	-
7.501% to 8.000%	-	-	-	-	-
8.001% to 8.500%	-	-	-	-	-
8.501% to 9.000%	-	-	-	-	-
9.001% to 9.500%	-	-	-	-	-
9.501% to 10.000%	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>5,689,496.58</b>	<b>100.00 %</b>	<b>2.24</b>	<b>Ba2</b>

**Distribution of Spread Rates**

Coupon Rate	# of Assets	Principal Balance	% of Balance	Weighted Average	
				Avg Life	Rating(1)
-0.500% to 0.000%	-	-	-	-	-
0.000% to 0.500%	-	-	-	-	-
0.500% to 1.000%	-	-	-	-	-
1.000% to 1.500%	1	6,397,335.39	1.55 %	1.27	-
1.500% to 2.000%	28	62,964,355.53	15.30 %	4.01	Ba1
2.000% to 2.500%	34	85,395,258.95	20.75 %	4.23	Ba2
2.500% to 3.000%	31	80,706,498.84	19.61 %	4.12	Ba3
3.000% to 3.500%	28	72,390,232.67	17.59 %	3.34	Ba3
3.500% to 4.000%	17	51,847,283.90	12.60 %	4.13	Ba3
4.000% to 4.500%	7	15,980,661.46	3.88 %	3.87	Baa3
4.500% to 99.000%	17	35,847,952.53	8.71 %	3.29	B1
<b>Total</b>	<b>163</b>	<b>411,529,579.27</b>	<b>100.00 %</b>	<b>3.86</b>	<b>Ba3</b>

(1) Based on the definition of "Rating" in the Indenture





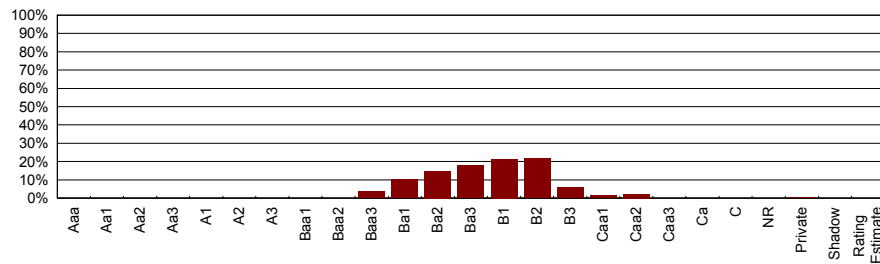
## Stratifications - Ratings

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

### Distribution of Moody's Ratings

Moody's (1)	# of Assets	Principal Balance	% of Balance
Aaa		0.00	-
Aa1		0.00	-
Aa2		0.00	-
Aa3		0.00	-
A1		0.00	-
A2		0.00	-
A3	1	563,500.00	0.14 %
Baa1		0.00	-
Baa2		0.00	-
Baa3	8	14,583,124.60	3.50 %
Ba1	16	42,548,318.85	10.20 %
Ba2	22	61,935,926.71	14.84 %
Ba3	31	75,207,490.20	18.03 %
B1	34	89,624,083.55	21.48 %
B2	36	91,179,066.05	21.85 %
B3	8	24,100,928.47	5.78 %
Caa1	3	5,077,667.25	1.22 %
Caa2	3	10,127,181.41	2.43 %
Caa3	1	276,801.29	0.07 %
Ca		0.00	-
C		0.00	-
NR		0.00	-
Private	1	1,994,987.47	0.48 %
Shadow		0.00	-
Rating Estimate		0.00	-
<b>Total</b>	<b>164</b>	<b>417,219,075.85</b>	<b>100.00 %</b>

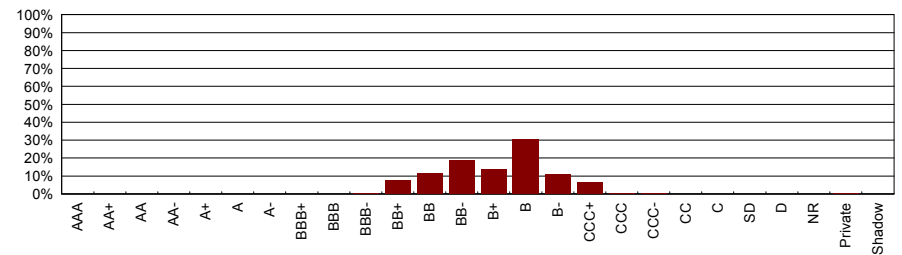


■ Current

(1) Based on the definition of "Rating" in the Indenture

### Distribution of S&P Ratings

S&P (1)	# of Assets	Principal Balance	% of Balance
AAA		0.00	-
AA+		0.00	-
AA		0.00	-
AA-		0.00	-
A+		0.00	-
A		0.00	-
A-		0.00	-
BBB+		0.00	-
BBB		0.00	-
BBB-	1	563,500.00	0.14 %
BB+	11	31,403,529.08	7.53 %
BB	17	46,691,802.86	11.19 %
BB-	28	77,858,076.10	18.66 %
B+	27	56,390,011.81	13.52 %
B	50	127,632,773.30	30.59 %
B-	20	45,389,036.25	10.88 %
CCC+	7	26,562,664.83	6.37 %
CCC	1	2,455,892.86	0.59 %
CCC-	1	276,801.29	0.07 %
CC		0.00	-
C		0.00	-
SD		0.00	-
D		0.00	-
NR		0.00	-
Private	1	1,994,987.47	0.48 %
Shadow		0.00	-
<b>Total</b>	<b>164</b>	<b>417,219,075.85</b>	<b>100.00 %</b>



■ Current





## Stratifications - Industries

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments &amp; Defaulted Obligations)

## Distribution of Moody's Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Aerospace & Defense	6	18,368,249.34	4.40 %	3.71	5.23%	Ba3
Automotive	6	18,402,011.56	4.41 %	3.99	5.59%	B1
Banking, Finance, Insurance & Real Estate	11	33,329,416.28	7.99 %	4.09	5.28%	Ba2
Beverage, Food & Tobacco	5	14,824,213.07	3.55 %	4.63	5.04%	Ba3
Capital Equipment	7	17,189,327.87	4.12 %	2.98	6.40%	B2
Chemicals, Plastics, & Rubber	4	3,439,994.30	0.82 %	4.75	5.81%	B1
Construction & Building	6	12,534,951.51	3.00 %	4.81	5.83%	B2
Consumer goods: Durable	2	7,043,434.57	1.69 %	4.68	5.21%	B1
Consumer goods: Non-durable	5	10,757,829.47	2.58 %	3.85	6.32%	B1
Containers, Packaging & Glass	3	7,991,256.79	1.92 %	3.36	5.25%	B1
Energy: Electricity	6	14,097,251.04	3.38 %	3.28	6.85%	B1
Energy: Oil & Gas	4	8,273,257.44	1.98 %	5.03	6.34%	Ba3
Environmental Industries	1	1,364,580.24	0.33 %	4.66	4.67%	Ba3
Healthcare & Pharmaceuticals	13	31,462,970.24	7.54 %	3.22	5.72%	Ba3
High Tech Industries	7	21,602,139.63	5.18 %	3.58	5.38%	B1
Hotel, Gaming & Leisure	9	18,932,068.53	4.54 %	3.57	5.25%	Ba3
Media: Advertising, Printing & Publishing	10	29,521,730.25	7.08 %	2.94	6.21%	B2
Media: Broadcasting & Subscription	8	13,874,260.19	3.33 %	4.04	5.85%	B1
Media: Diversified & Production	2	12,255,629.21	2.94 %	4.73	5.20%	B1
Metals & Mining	2	6,164,496.58	1.48 %	2.34	4.85%	Ba2
Retail	7	19,526,043.06	4.68 %	3.63	6.52%	B3
Services: Business	6	9,974,736.30	2.39 %	4.42	5.41%	B1
Services: Consumer	5	8,274,439.87	1.98 %	3.77	5.90%	B1
Telecommunications	12	32,823,928.90	7.87 %	4.87	5.47%	Ba3
Transportation: Cargo	4	5,965,647.25	1.43 %	3.59	7.57%	B2
Transportation: Consumer	2	9,673,184.62	2.32 %	3.27	5.67%	B1
Utilities: Electric	8	17,196,395.10	4.12 %	3.54	4.58%	Ba1
Utilities: Oil & Gas	1	2,455,892.86	0.59 %	2.08	5.31%	B3
Wholesale	2	9,899,739.78	2.37 %	4.73	4.76%	B1
<b>Total</b>	<b>164</b>	<b>417,219,075.85</b>	<b>100.00 %</b>	<b>3.84</b>	<b>5.65%</b>	<b>B1</b>

## Distribution of S&amp;P Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Aerospace & Defense	4	13,169,521.80	3.16 %	3.28	5.77%	BB+
Air transport	3	7,358,412.81	1.76 %	3.66	4.49%	BBB-
Automotive	4	11,246,066.39	2.70 %	4.43	5.69%	BB
Building & Development	11	29,223,875.81	7.00 %	4.67	5.45%	BB
Business equipment & services	13	34,317,173.51	8.23 %	3.37	5.89%	BB
Cable & satellite television	2	1,985,056.25	0.48 %	5.59	4.58%	BB-
Chemicals & plastics	5	9,129,490.88	2.19 %	3.19	5.15%	BBB-
Clothing/textiles	1	1,065,897.56	0.26 %	3.83	7.77%	BB-
Conglomerates	2	5,405,524.05	1.30 %	4.94	5.39%	B
Containers & glass products	3	7,991,256.79	1.92 %	3.36	5.25%	BBB-
Cosmetics/toiletries	1	4,048,083.57	0.97 %	4.23	6.50%	CCC+
Drugs	2	1,015,791.14	0.24 %	4.13	5.58%	B
Ecological services & equipment	1	1,364,580.24	0.33 %	4.66	4.67%	-
Electronics/electrical	11	29,610,534.76	7.10 %	3.39	5.82%	B+
Financial intermediaries	9	29,753,090.90	7.13 %	4.16	5.30%	BB
Food service	3	8,374,646.85	2.01 %	4.69	4.51%	BB
Food/drug retailers	2	6,449,566.22	1.55 %	4.54	5.74%	BB-
Health care	16	45,628,427.73	10.94 %	3.31	5.75%	BB-
Industrial equipment	4	8,984,599.33	2.15 %	3.48	5.52%	B+
Leisure goods/activities/movies	7	19,219,217.82	4.61 %	3.57	5.18%	BBB
Life Insurance	1	496,250.00	0.12 %	3.99	6.98%	-
Lodging & casinos	5	6,784,419.05	1.63 %	3.79	5.36%	BB+
Oil & gas	4	4,390,348.48	1.05 %	3.42	5.86%	AAA
Publishing	9	20,394,291.68	4.89 %	3.34	6.02%	BBB
Radio & Television	6	19,330,952.29	4.63 %	4.28	5.80%	BB+
Retailers (except food & drug)	7	21,192,976.24	5.08 %	3.82	6.40%	B
Surface transport	4	5,965,647.25	1.43 %	3.59	7.57%	B-
Telecommunications	8	25,215,928.49	6.04 %	4.97	5.26%	BB
Utilities	16	38,107,447.96	9.13 %	3.69	5.72%	BB+
<b>Total</b>	<b>164</b>	<b>417,219,075.85</b>	<b>100.00 %</b>	<b>3.84</b>	<b>5.65%</b>	<b>BB</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





**General Information**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



**General Information**

**Sec. 5.1(g) Event of Default calculation (Minimum 102.5%)**

Aggregate Principal Balance of Collateral Obligations:	423,311,334.69
Amounts on deposit in the Collection Account and the Ramp-Up Account:	53,059,719.07
Less:	
Aggregate Principal Balance of Defaulted Obligations:	6,092,258.84
Plus:	
Aggregate Market Value of Defaulted Obligations:	3,076,590.71
	<hr/>
Collateral Principal Amount:	473,355,385.63
Divided by:	
Aggregate Outstanding Amount of the Class A Notes:	296,000,000.00
<b>Result:</b>	<b>159.9%</b>





**General Information**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



**Description**

Weighted Average Moody's Rating Factor:	2,825
Weighted Average Adjusted Moody's Rating Factor w/o the Rating Factor Adjustment Amount:	2,556
Weighted Average Floating Spread determined as if the Libor Floor of each Libor Floor Obligation were equal to zero:	3.10%
Excess Weighted Average Coupon:	0.00%
Excess Weighted Average Floating Spread:	0.04%
S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	42.2%
S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	51.7%
S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	57.5%
S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	63.8%
S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	69.5%
S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	74.9%





**Disclaimer**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



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## **ACIS CLO 2014-4, Ltd.**

Monthly Report

As of September 21, 2020





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As of Date: 09/21/2020  
Payment Date: 11/02/2020



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## Notice

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Each Holder of a Floating Rate Note (other than those issued pursuant to Regulation S) or any interest therein is required at all times to be (A) either (x) a "Qualified Institutional Buyer" within the meaning of Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "Securities Act") or (y) in the case of the Class D Notes and the Class E Notes only, an "Institutional Accredited Investor" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act or an entity all of the Investors in which are such accredited investors and (B) a "Qualified Purchaser" within the meaning of Section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and each such Holder (i) is not formed for the purpose of investing in the Notes (unless all of its beneficial owners are Qualified Purchasers), (ii) is not a dealer described in paragraph (a)(1)(ii) of Rule 144A (unless such Holder owns and invests on a discretionary basis at least U.S.\$25 million in securities of issuers that are not affiliated persons of such dealer), (iii) is not a plan referred to in paragraph (a)(1)(i)(D) or (E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such plan (unless investment decisions are made solely by the fiduciary, trustee or sponsor of such plan), (iv) each account for which it is holding Notes is holding Notes in at least the minimum denomination set forth in this Indenture and (v) will provide written notice of the foregoing and any other applicable transfer restrictions to any transferee of a Note or any interest therein. Each Holder of a Subordinated Note (other than those issued pursuant to Regulation S) or any interest therein is required at all times to be (i) either (A) a "Qualified Institutional Buyer" within the meaning of Rule 144A under the Securities Act who is also a "Qualified Purchaser" within the meaning of Section 3(c)(7) of the Investment Company Act and each such Holder (i) is not formed for the purpose of investing in the Notes (unless all of its beneficial owners are Qualified Purchasers), (ii) is not a dealer described in paragraph (a)(1)(ii) of Rule 144A (unless such Holder owns and invests on a discretionary basis at least U.S.\$25 million in securities of issuers that are not affiliated persons of such dealer), (iii) is not a plan referred to in paragraph (a)(1)(i)(D) or (E) of Rule 144A or a trust fund referred to in paragraph (a)(1)(i)(F) of Rule 144A that holds the assets of such plan (unless investment decisions are made solely by the fiduciary, trustee or sponsor of such plan), (iv) each account for which it is holding Notes is holding Notes in at least the minimum denomination set forth in this Indenture and (v) will provide written notice of the foregoing and any other applicable transfer restrictions to any transferee of a Note or any interest therein or (B) an "Accredited Investor" as defined in Rule 501(a) of Regulation D under the Securities Act who is also a "Knowledgeable Employee" as defined for purposes of Rule 3c-5 of the Investment Company Act or a corporation, partnership, limited liability company or other entity (other than a trust) each shareholder, partner, member or other equity owner of which is an Accredited Investor that a Knowledgeable Employee. The Notes (other than those issued pursuant to Regulation S) and any interest therein may only be transferred to a transferee that can make the foregoing representations, as applicable, and the Co-Issuers have the right, at any time, to force any Holder of a Note who is not a Qualified Institutional Buyer, Institutional Accredited Investor, Qualified Purchaser, Accredited Investor and/or Knowledgeable Employee, as applicable, to sell or redeem its Notes.





**ACIS CLO 2014-4, Ltd.**  
**Executive Summary**  
 As of Date: 09/21/2020  
 Payment Date: 11/02/2020

Contact Information			Electronic Reports			Relevant Dates				
Issuer:	ACIS CLO 2014-4, Ltd.		Issue ID: .....		ACIS1404	Closing Date:		05-Jun-14		
Co-Issuer:	ACIS CLO 2014-4, LLC		Monthly Data File Name:			First Payment Date:		03-Nov-14		
Investment Advisor:	Acis Capital Management, LP		ACIS1404_09/21/20_D_3.CSV		Test History Standard	Interim Ramp-Up Date:		21-Jul-14		
Rated By:	Moody's Investors Service, Inc.		ACIS1404_09/21/20_D_4.CSV		Holdings Standard	Investment Period End Date:		21-Jul-14		
	S&P Global Ratings		ACIS1404_09/21/20_D_2.CSV		Transaction Details Standard	Reinvestment Period End Date:		05-Jun-19		
Account Manager:	Taylor Potts		ACIS1404_09/21/20_D_12.CSV		Amortization	Scheduled Termination Date:		01-May-26		
Phone:	312/332-7830		ACIS1404_09/21/20_D_13.CSV		Cash Account Summary					
Email:	taylor.potts@usbank.com									

Asset Positions			Account Balances			Note Information					
Position	Current Count	Current	Account	Currency	Balance	Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon
Delayed Draw Loan	-	-	Collection Account - Interest	USD	1,361,278.41	Class A	296,000,000.00	65,160,094.26	275,230.81	0.25100 %	1.67100 %
Revolving Credit	-	-	Collection Account - Principal	USD	12,548,863.26	Class B	68,000,000.00	68,000,000.00	347,387.44	0.25100 %	2.02100 %
Term Loan	77	224,088,705.19	Custodial Account	USD	0.00	Class C	33,000,000.00	33,000,000.00	233,650.08	0.25100 %	2.80100 %
Cash	-	12,548,863.26	Expense Reserve Account	USD	0.00	Class D	28,500,000.00	28,500,000.00	241,411.63	0.25100 %	3.35100 %
Settled Par Amount	-	224,158,647.93	Hedge Account	USD	0.00	Class E	20,500,000.00	20,500,000.00	261,740.01	0.25100 %	5.05100 %
			Interest Reserve Account	USD	0.00	Class F	4,000,000.00	4,000,000.00	54,610.11	0.25100 %	5.40100 %
			Letter of Credit Reserve Account	USD	0.00	Sub Notes	50,750,000.00	50,750,000.00	N/A	N/A	N/A
			Payment Account	USD	0.00	Totals:	500,750,000.00	269,910,094.26	1,414,030.08		
			Ramp-Up Account	USD	0.00						
			Revolver Funding Account	USD	0.00						

Coverage Tests					Quality Tests				
Test Name	Current Threshold	09/21/2020 Current	Result	08/21/2020 Prior	Test Name	Current Threshold	09/21/2020 Current	Result	08/21/2020 Prior
Class A/B Overcollateralization Test	123.20%	169.90%	Pass	170.15%	Minimum Weighted Average Coupon Test	5.00%	-	N/A	-
Class C Overcollateralization Test	114.20%	136.15%	Pass	136.36%	Moody's Weighted Average Recovery Rate Test	44.00%	49.0%	Pass	48.9%
Class D Overcollateralization Test	108.00%	116.22%	Pass	116.39%	Minimum Floating Spread Test	3.20%	3.90%	Pass	3.92%
Class E Overcollateralization Test	104.70%	105.15%	Pass	105.30%	Moody's Diversity Test	45	33	Fail	34
Class A/B Interest Coverage Test	120.00%	376.75%	Pass	375.35%	Maximum Moody's Rating Factor Test	3,020	4,087	Fail	4,176
Class C Interest Coverage Test	115.00%	273.95%	Pass	272.93%	Weighted Average Life Test	1.70	2.75	Fail	2.83
Class D Interest Coverage Test	110.00%	213.70%	Pass	212.90%					
Class E Interest Coverage Test	105.00%	172.55%	Pass	171.91%					





## Note Summary Information

As of Date: 09/21/2020  
Payment Date: 11/02/2020



### Note Information

Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon	Moody's		S&P	
						Orig	Curr	Orig	Curr
Class A	296,000,000.00	65,160,094.26	275,230.81	0.25100%	1.67100%	Aaa	Aaa	AAA	AAA
Class B	68,000,000.00	68,000,000.00	347,387.44	0.25100%	2.02100%	NR	NR	AA	AA
Class C	33,000,000.00	33,000,000.00	233,650.08	0.25100%	2.80100%	NR	NR	A	A
Class D	28,500,000.00	28,500,000.00	241,411.63	0.25100%	3.35100%	NR	NR	BBB	BBB
Class E	20,500,000.00	20,500,000.00	261,740.01	0.25100%	5.05100%	NR	NR	BB	B
Class F	4,000,000.00	4,000,000.00	54,610.11	0.25100%	5.40100%	NR	NR	B+	B-
Sub Notes	50,750,000.00	50,750,000.00	N/A	N/A	N/A	NR	NR	NR	NR
<b>Totals:</b>	<b>500,750,000.00</b>	<b>269,910,094.26</b>	<b>1,414,030.08</b>						

### Asset Positions

Position	Curr Count	Current	Prior Count	Prior
Delayed Draw Loan	-	-	-	-
Revolving Credit	-	-	-	-
Term Loan	77	224,088,705.19	77	226,238,666.76
Cash	-	12,548,863.26	-	10,398,901.98
<b>Totals:</b>	<b>77</b>	<b>236,637,568.45</b>	<b>77</b>	<b>236,637,568.74</b>

### Test Summary

Test Type	Pass	Fail	N/A
Coverage	8	0	1
Quality	2	3	1
Portfolio Profile	40	5	0
<b>Totals:</b>	<b>50</b>	<b>8</b>	<b>2</b>

(1) Cash is based on Trade Date





## Coverage and Quality Tests

As of Date: 09/21/2020  
Payment Date: 11/02/2020

### Coverage Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Overcollateralization Test	170.15%	169.90%	123.20%	Minimum	Pass
2	Class C Overcollateralization Test	136.36%	136.15%	114.20%	Minimum	Pass
3	Class D Overcollateralization Test	116.39%	116.22%	108.00%	Minimum	Pass
4	Class E Overcollateralization Test	105.30%	105.15%	104.70%	Minimum	Pass
5	Class A/B Interest Coverage Test	375.35%	376.75%	120.00%	Minimum	Pass
6	Class C Interest Coverage Test	272.93%	273.95%	115.00%	Minimum	Pass
7	Class D Interest Coverage Test	212.90%	213.70%	110.00%	Minimum	Pass
8	Class E Interest Coverage Test	171.91%	172.55%	105.00%	Minimum	Pass

### Collateral Quality Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Minimum Weighted Average Coupon Test	-	-	5.00%	Minimum	N/A
2	Moody's Weighted Average Recovery Rate Test	48.9%	49.0%	44.00%	Minimum	Pass
3	Minimum Floating Spread Test	3.92%	3.90%	3.20%	Minimum	Pass
4	S&P CDO Monitor Test	*** See S&P CDO Monitor Report ***				
5	Moody's Diversity Test	34	33	45	Minimum	Fail
6	Maximum Moody's Rating Factor Test	4,176	4,087	3,020	Maximum	Fail
7	Weighted Average Life Test	2.83	2.75	1.70	Maximum	Fail

N/A - Not Applicable for the Current Measurement Date





# Concentration Limitations

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
1	Senior Secured Loans, Cash and Eligible Investments	98.10% / 229,789,423.51	98.09% / 228,607,559.24	90.00%	Minimum	Pass
2	Second Lien Loans	1.90% / 4,443,264.96	1.91% / 4,443,264.96	10.00%	Maximum	Pass
3	Senior Secured Bonds, High Yield Bonds or Senior Secured Notes	-	-	0.00%	Maximum	Pass
4	Single obligor - zero above 2.5%	4.82% / 11,301,602.00	4.85% / 11,301,602.00	2.50%	Maximum	Fail
5	Single obligor - five above 2%	3.42% / 8,020,802.51	3.44% / 8,020,802.50	2.00%	Maximum	Fail
6	Moody's Rating of "Caa1" or below	22.97% / 53,797,962.40	22.58% / 52,616,098.41	7.50%	Maximum	Fail
7	S&P Rating of "CCC+" or below	22.69% / 53,139,347.53	26.60% / 61,986,605.05	7.50%	Maximum	Fail
8	Collateral Obligations that pay interest less frequently than semi-annually	-	-	3.00%	Maximum	Pass
9	Non-Quarterly Assets	-	-	7.50%	Maximum	Pass
10	DIP Loans	-	-	7.50%	Maximum	Pass
11	DIP Loans - Single obligor	-	-	2.00%	Maximum	Pass
12	Unfunded Commitments of Delayed Drawdown Loans and Funded and Unfunded Commitments Revolving Loans	-	-	15.00%	Maximum	Pass
13	Participation Interests	-	-	10.00%	Maximum	Pass
14	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aaa	-	-	20.00%	Maximum	Pass
15	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa1	-	-	20.00%	Maximum	Pass
16	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa2	-	-	20.00%	Maximum	Pass
17	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa3	-	-	15.00%	Maximum	Pass
18	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A1	-	-	10.00%	Maximum	Pass
19	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A2 and P-1	-	-	5.00%	Maximum	Pass
20	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A2 or below	-	-	0.00%	Maximum	Pass
21	Moody's Counterparty Criteria - Individual Counterparty Limit - Aaa	-	-	20.00%	Maximum	Pass
22	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa1	-	-	10.00%	Maximum	Pass
23	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa2	-	-	10.00%	Maximum	Pass
24	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa3	-	-	10.00%	Maximum	Pass
25	Moody's Counterparty Criteria - Individual Counterparty Limit - A1	-	-	5.00%	Maximum	Pass
26	Moody's Counterparty Criteria - Individual Counterparty Limit - A2 and P-1	-	-	5.00%	Maximum	Pass
27	Moody's Counterparty Criteria - Individual Counterparty Limit - A2 or below	-	-	0.00%	Maximum	Pass
28	Third Party Credit Exposure	-	-	20.00%	Maximum	Pass
29	S&P Third Party Credit Exposure Limit - Aggregate Percentage - below AA	-	-	5.00%	Maximum	Pass
30	Moody's Rating derived from an S&P Rating	-	-	10.00%	Maximum	Pass
31	S&P Rating derived from a Moody's Rating	-	-	10.00%	Maximum	Pass





# **Concentration Limitations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
32	Limitation on Collateral Obligations issued by Non-Emerging Market Obligors	100.00% / 223,833,786.49	100.00% / 220,501,960.94	100.00%	Minimum	Pass
33	Obligors Domiciled outside the United States	1.94% / 4,533,083.57	1.37% / 3,182,440.01	10.00%	Maximum	Pass
34	Obligors Domiciled in the United Kingdom and Canada	1.73% / 4,048,083.57	1.16% / 2,697,440.01	10.00%	Maximum	Pass
35	Obligors Domiciled in Norway, Sweden, Australia, Germany and the Netherlands	-	-	5.00%	Maximum	Pass
36	All Tax Jurisdictions	0.21% / 485,000.00	0.21% / 485,000.00	10.00%	Maximum	Pass
37	Any individual Tax Jurisdiction	0.2% / 485,000.00	0.2% / 485,000.00	3.00%	Maximum	Pass
38	Largest S&P Industry Classification - one up to 15%	18.39% / 43,068,410.53	18.48% / 43,068,410.53	15.00%	Maximum	Fail
39	Largest S&P Industry Classification - two up to 12%	7.49% / 17,534,232.59	7.52% / 17,534,232.59	12.00%	Maximum	Pass
40	Largest S&P Industry Classification - 10%, with exception of three	6.30% / 14,751,058.22	6.33% / 14,751,058.22	10.00%	Maximum	Pass
41	Deferrable Securities	-	-	3.00%	Maximum	Pass
42	Pre-funded Letter of Credit	-	-	3.00%	Maximum	Pass
43	Cov-Lite Loans	6.98% / 16,342,047.29	7.01% / 16,339,871.08	60.00%	Maximum	Pass
44	Floating Rate Obligations, Cash and Eligible Investments	100.00% / 234,232,688.47	100.00% / 233,050,824.20	95.00%	Minimum	Pass
45	Current Pay Obligations	-	-	2.50%	Maximum	Pass





**ACIS CLO 2014-4, Ltd.**  
**Standard & Poor's CDO Monitor**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Portfolio Statistics

Number of Assets:	75
Number of Obligors:	70
Total Principal Balance of Collateral Debt Securities:	220,501,960.93
Weighted Average Maturity (in years):	2.80
Weighted Average Rating:	B
S&P Default Measure (Annualized Expected Portfolio Default Rate):	8.802%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	5.936%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	1.68

Class Statistics

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Test Results
Class A	296,000,000.00	AAA		31.128%	61.439%	PASS





# Interest Coverage Ratio Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



	Calculation	Ratio	Minimum	Result
Class A/B	A/ (B+C+D+E)	376.75%	120.00%	Pass
Class C	A/ (B+C+D+E+F)	273.95%	115.00%	Pass
Class D	A/ (B+C+D+E+F+G)	213.70%	110.00%	Pass
Class E	A/ (B+C+D+E+F+G+H)	172.55%	105.00%	Pass

## Received:

Scheduled Interest Proceeds and Fees Received:	1,359,840.07	
Interest on Eligible Investments:	1,438.34	
Amendment and waiver fees, late payment fees and other fees (except Turbo Payment Amounts):	0.00	
Amounts from the Expense Reserve Account:	0.00	
Principal Proceeds treated as Interest Proceeds:	0.00	
Payment received with respect to any Hedge Agreement:	0.00	
Commitment fees and other similar fees:	0.00	
Amounts from the Ramp-Up Account:	0.00	
Amounts from the Interest Reserve Account:	0.00	
		1,361,278.41

## Projected:

Scheduled Interest:	1,094,526.30	
Reinvestment Income:	0.00	
Reinvestment Income on Eligible Investments:	0.00	
		1,094,526.30

## Less:

Taxes, Registration, and Filing Fees Owed by the Issuer or the Co-Issuer:	0.00	
Fees, Expenses and Indemnities to the Trustee:	11,135.58	
Fees, Expenses and Indemnities to the Collateral Administrator:	0.00	
Fees, Expenses and Indemnities to the Bank:	0.00	
Fees, Expenses and Indemnities to Independent accountants, agents, and counsel of the Issuer and any ETB Subsidiary:	0.00	
Fees and Expenses to the Rating Agencies:	0.00	
Fees, Expenses and Indemnities in relation to Petition Expenses:	0.00	
Fees, Expenses and Indemnities to the Portfolio Manager:	0.00	
Fees, Expenses, and Indemnities to the Administrator:	0.00	
Amounts due and payable to any other person permitted under the Indenture:	0.00	
Accrued and Unpaid Senior Management Fee:	98,947.12	
		110,082.71
		<b>2,345,722.00 (A)</b>





# Interest Coverage Ratio Detail

As of Date: 09/21/2020  
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## Denominator:

Amounts due to any Hedge Counterparty, excluding termination amounts:	0.00 (B)
Amounts due to any Hedge Counterparty pursuant to an early termination:	0.00 (C)
Class A Notes Interest Distribution Amount:	275,230.81 (D)
Class B Notes Interest Distribution Amount:	347,387.44 (E)
Class C Notes Interest Distribution Amount, including any interest on Deferred Interest:	233,650.08 (F)
Class D Notes Interest Distribution Amount, including any interest on Deferred Interest:	241,411.63 (G)
Class E Notes Interest Distribution Amount, including any interest on Deferred Interest:	261,740.01 (H)





# Overcollateralization Ratio Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



	Calculation	Ratio	Minimum	Result
Class A/B	A/(B+C)	169.90%	123.20%	Pass
Class C	A/(B+C+D)	136.15%	114.20%	Pass
Class D	A/(B+C+D+E)	116.22%	108.00%	Pass
Class E	A/(B+C+D+E+F)	105.15%	104.70%	Pass
Interest Reinvestment	A/(B+C+D+E+F+G)	103.23%	104.80%	N/A

## Collateral:

Aggregate Principal Balance of the Collateral Obligations:	224,088,705.19	
Available Principal Amounts:	12,548,863.26	
Unpaid Principal Financed Accrued Interest:	0.00	
		236,637,568.45

## Less:

Aggregate Principal Balance of Defaulted Obligations:	3,586,744.26	
Aggregate Principal Balance of Discounted Obligations:	0.00	
Aggregate Principal Balance of Deferring Securities:	0.00	
CCC/Caa Par Reduction Amount:	7,540,279.59	
		11,127,023.85

## Plus:

Lesser of Market Value and (i) S&P Recovery Amount and (ii) Moody's Recovery Amount of Defaulted Securities:	724,309.54	
Lesser of (i) S&P Collateral Value (ii) Moody's Collateral Value of Deferring Securities:	0.00	
Purchase Price of Discount Obligations:	0.00	
		724,309.54

Adjusted Collateral Principal Amount: **226,234,854.14 (A)**

## Notes:

Aggregate Principal Amount of the Class A Notes:	65,160,094.26 (B)
Aggregate Principal Amount of the Class B Notes:	68,000,000.00 (C)
Aggregate Principal Amount of the Class C Notes, including Deferred Interest:	33,000,000.00 (D)
Aggregate Principal Amount of the Class D Notes, including Deferred Interest:	28,500,000.00 (E)
Aggregate Principal Amount of the Class E Notes, including Deferred Interest:	20,500,000.00 (F)
Aggregate Principal Amount of the Class F Notes, including Deferred Interest:	4,000,000.00 (G)





# **Caa/CCC Excess Haircut Detail**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

## **Caa Excess Calculation:**

Balance of Caa Obligations	52,616,098.41
Less: Threshold	17,478,811.81
Caa Excess	35,137,286.60
Market Value of Excess	28,061,550.52
Caa Excess Adjustment Amount	7,075,736.08

## **CCC Excess Calculation:**

Balance of CCC Obligations	61,986,605.05
Less: Threshold	17,478,811.81
CCC Excess	44,507,793.24
Market Value of Excess	36,967,513.65
CCC Excess Adjustment Amount	7,540,279.59

The greater of the Caa and CCC  
Excess Adjustment Amounts: 7,540,279.59

Caa Excess Obligation	Principal Balance	Caa Excess	Market Price	Market Value	CCC Excess Obligation	Principal Balance	CCC Excess	Market Price	Market Value
McGraw-Hill Global Education Holdings T/L	2,337,176.97	2,015,354.65	85.68	1,726,796.17	Almonde (Misys) T/L B	526,526.43	25,949.88	94.25	24,457.76
McGraw-Hill Global Education Holdings T/L	1,136,983.68	1,136,983.68	85.68	974,190.36	Almonde (Misys) T/L B	479,139.06	479,139.06	94.25	451,588.56
McGraw-Hill Global Education Holdings T/L	3,441,228.27	3,441,228.27	85.68	2,948,513.21	Almonde (Misys) T/L B	2,576,004.07	2,576,004.07	94.25	2,427,883.84
Cengage Learning T/LB	1,468,940.65	1,468,940.65	85.05	1,249,334.02	Life Time Fitness 2017 Refinancing T/L B	168,212.46	168,212.46	92.88	156,227.33
Cengage Learning T/LB	1,640,317.08	1,640,317.08	85.05	1,395,089.68	Life Time Fitness 2017 Refinancing T/L B	972,431.04	972,431.04	92.88	903,145.32
Cengage Learning T/LB	489,646.91	489,646.91	85.05	416,444.70	Life Time Fitness 2017 Refinancing T/L B	2,182,500.00	2,182,500.00	92.88	2,026,996.88
American Tire Distributors T/L B	15,840.88	15,840.88	84.82	13,436.39	Life Time Fitness 2017 Refinancing T/L B	1,212,500.00	1,212,500.00	92.88	1,126,109.38
American Tire Distributors T/L B	3,176,045.61	3,176,045.61	84.82	2,693,953.65	Life Time Fitness 2017 Refinancing T/L B	483,781.40	483,781.40	92.88	449,311.98
American Tire Distributors T/L B	393,751.11	393,751.11	84.82	333,983.63	Life Time Fitness 2017 Refinancing T/L B	965,137.83	965,137.83	92.88	896,371.76
Team Health Holdings T/L	2,961,734.70	2,961,734.70	84.35	2,498,223.22	Life Time Fitness 2017 Refinancing T/L B	477,724.99	477,724.99	92.88	443,687.09
Team Health Holdings T/L	1,974,489.80	1,974,489.80	84.35	1,665,482.15	Life Time Fitness 2017 Refinancing T/L B	465,208.72	465,208.72	92.88	432,062.60
Team Health Holdings T/L	1,165,677.46	1,165,677.46	84.35	983,248.94	Life Time Fitness 2017 Refinancing T/L B	433.54	433.54	92.88	402.65
Team Health Holdings T/L	967,500.00	967,500.00	84.35	816,086.25	Life Time Fitness 2017 Refinancing T/L B	2,506.27	2,506.27	92.88	2,327.70
Team Health Holdings T/L	1,451,250.00	1,451,250.00	84.35	1,224,129.38	Life Time Fitness 2017 Refinancing T/L B	5,625.00	5,625.00	92.88	5,224.22
Syniverse Holdings T/L (01/18)	2,962,121.20	2,962,121.20	77.44	2,293,807.41	Life Time Fitness 2017 Refinancing T/L B	3,125.00	3,125.00	92.88	2,902.35





**Caa/CCC Excess Haircut Detail**

As of Date: 09/21/2020  
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Syniverse Holdings T/L (01/18)	1,187,802.99	1,187,802.99	77.44	919,810.88	Life Time Fitness 2017 Refinancing T/L B	1,246.86	1,246.86	92.88	1,158.02
Syniverse Holdings T/L (01/18)	2,357,788.95	2,357,788.95	77.44	1,825,824.61	Life Time Fitness 2017 Refinancing T/L B	2,487.47	2,487.47	92.88	2,310.24
Envision Healthcare (Enterprise Merger) T/L B	3,949,874.70	3,949,874.70	73.60	2,907,107.78	Life Time Fitness 2017 Refinancing T/L B	1,231.25	1,231.25	92.88	1,143.52
Bright Bidco (Lumileds) T/L B (02/18)	348,100.95	348,100.95	49.40	171,947.95	Life Time Fitness 2017 Refinancing T/L B	1,198.99	1,198.99	92.88	1,113.56
Bright Bidco (Lumileds) T/L B (02/18)	435,126.19	435,126.19	49.40	214,934.93	Flexential Intermediate T/L B (Peak 10)	967,321.68	967,321.68	86.50	836,733.25
Bright Bidco (Lumileds) T/L B (02/18)	1,597,710.82	1,597,710.82	49.40	789,205.24	Flexential Intermediate T/L B (Peak 10)	2,381,032.78	2,381,032.78	86.50	2,059,593.35
					McGraw-Hill Global Education Holdings T/L	2,849,748.19	2,849,748.19	85.68	2,441,721.24
					McGraw-Hill Global Education Holdings T/L	2,337,176.97	2,337,176.97	85.68	2,002,539.97
					McGraw-Hill Global Education Holdings T/L	1,136,983.68	1,136,983.68	85.68	974,190.36
					McGraw-Hill Global Education Holdings T/L	3,441,228.27	3,441,228.27	85.68	2,948,513.21
					Cengage Learning T/LB	1,468,940.65	1,468,940.65	85.05	1,249,334.02
					Cengage Learning T/LB	1,640,317.08	1,640,317.08	85.05	1,395,089.68
					Cengage Learning T/LB	489,646.91	489,646.91	85.05	416,444.70
					American Tire Distributors T/L B	15,840.88	15,840.88	84.82	13,436.39
					American Tire Distributors T/L B	3,176,045.61	3,176,045.61	84.82	2,693,953.65
					American Tire Distributors T/L B	393,751.11	393,751.11	84.82	333,983.63
					Urban One T/L	1,344,789.79	1,344,789.79	83.65	1,124,916.66
					Syniverse Holdings T/L (01/18)	2,962,121.20	2,962,121.20	77.44	2,293,807.41
					Syniverse Holdings T/L (01/18)	1,187,802.99	1,187,802.99	77.44	919,810.88
					Syniverse Holdings T/L (01/18)	2,357,788.95	2,357,788.95	77.44	1,825,824.61
					Envision Healthcare (Enterprise Merger) T/L B	3,949,874.70	3,949,874.70	73.60	2,907,107.78
					Bright Bidco (Lumileds) T/L B (02/18)	348,100.95	348,100.95	49.40	171,947.95
					Bright Bidco (Lumileds) T/L B (02/18)	435,126.19	435,126.19	49.40	214,934.93
					Bright Bidco (Lumileds) T/L B (02/18)	1,597,710.82	1,597,710.82	49.40	789,205.24
<b>Total:</b>	<b>39</b>	<b>35,137,286.60</b>		<b>28,061,550.52</b>			<b>44,507,793.24</b>		<b>36,967,513.65</b>





**Assets: Purchased**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Primary Asset Type	Par Amount	Purchase Price	Cost	Accrued Interest Amount	Trade Date
			-	-	-	-	
Totals:			0				









# Intra-Period Collection Account Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D. Security Description		Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX144914	Academy T/L B	35,991.19	33,075.58	69,066.77	-	-	-	69,066.77
LX172091	Acadia Healthcare T/L B3	8,660.96	7,772.80	16,433.76	-	-	-	16,433.76
LX172092	Acadia Healthcare T/L B4	4,281.33	3,842.29	8,123.62	-	-	-	8,123.62
LX179893	Adient US T/L B	23,108.45	10,046.23	33,154.68	-	-	-	33,154.68
LX155961	Advanced Disposal T/L B	3,837.73	3,054.12	6,891.85	9,834.81	9,834.81	19,669.62	26,561.47
LX161956	AlixPartners T/L B	2,231.32	2,002.50	4,233.82	-	-	-	4,233.82
LX163228	Almonde (Misys) T/L B	41,301.00	34.02	41,335.02	-	9,721.74	9,721.74	51,056.76
LX155973	American Airlines Replacement T/L B (AMR)	10,982.87	10,895.46	21,878.33	-	-	-	21,878.33
LX172399	American Greetings T/L (3/18)	16,283.19	14,707.39	30,990.58	-	9,168.77	9,168.77	40,159.35
LX143787	American Tire Distributors T/L B	23,362.84	21,101.92	44,464.76	-	-	-	44,464.76
LX173667	Aramark Services T/L B-2	2,766.42	2,830.31	5,596.73	-	-	-	5,596.73
LX183349	Berry Global (Berry Plastics) T/L W	7,961.88	7,842.28	15,804.16	-	-	-	15,804.16
LX171932	Boardriders T/L B	22,710.33	-	22,710.33	3,022.67	-	3,022.67	25,733.00
LX189759	Boardriders T/L B2	-	-	-	-	-	-	-
LX174341	Boxer Parent Company T/L	7,530.86	6,775.77	14,306.63	-	-	-	14,306.63
LX161204	Boyd Gaming T/L B3	1,395.55	1,117.00	2,512.55	-	-	-	2,512.55
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	3,764.39	3,764.39	-	-	-	3,764.39
LX144710	Calpine Corporation T/L B-5	887.81	798.59	1,686.40	-	-	-	1,686.40
LX152766	Cengage Learning T/L B	48,285.31	-	48,285.31	-	-	-	48,285.31
LX159695	Change Healthcare T/L	28,851.28	345.86	29,197.14	-	-	-	29,197.14
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	2,103.68	1,900.10	4,003.78	-	-	-	4,003.78
LX177266	ConvergeOne T/L (01/19)	8,806.62	7,928.07	16,734.69	-	-	-	16,734.69
LX161958	Cypress Intermediate (CCC Info) T/L B	1,670.56	1,508.89	3,179.45	-	-	-	3,179.45
LX167193	Diamond T/L	47,437.93	31.12	47,469.05	-	-	-	47,469.05
LX162899	Diebold T/L B (New Dollar)	12,307.81	11,538.58	23,846.39	-	-	-	23,846.39
LX155237	Eldorado Resorts T/L B (03/17)	-	4,222.14	4,222.14	-	-	-	4,222.14
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	13,361.08	12,015.48	25,376.56	-	-	-	25,376.56
LX173582	Epic Y-Grade T/L B	24,500.00	10,888.89	35,388.89	-	-	-	35,388.89
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-





# ACIS CLO 2014-4 Ltd. Intra-Period Collection Account Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D. Security Description		Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX173033	Ferro T/L B2	-	-	-	-	-	-	-
LX173034	Ferro T/L B3	-	-	-	-	-	-	-
LX174544	Financial & Risk T/L B (Refinitiv/Thompson Reuters)	8,745.33	7,859.56	16,604.89	-	-	-	16,604.89
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	11,272.90	11,391.27	22,664.17	-	544,182.86	544,182.86	566,847.03
LX155134	G-III Apparel Group T/L B (10/16)	7,587.12	-	7,587.12	1,065,897.56	-	1,065,897.56	1,073,484.68
LX175013	GIP III Stetson T/L B	1,855.15	1,350.86	3,206.01	2,094.37	-	2,094.37	5,300.38
LX171691	Global Medical Response T/L B	-	109,044.91	109,044.91	-	-	-	109,044.91
LX168592	Golden Nugget T/L B (09/17)	6,627.94	4,132.45	10,760.39	-	-	-	10,760.39
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	1,852.19	1,617.35	3,469.54	-	-	-	3,469.54
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX176498	HD Supply T/L B-5	10,824.88	9,690.50	20,515.38	-	-	-	20,515.38
LX173879	IBC Capital T/L B1 (Goodpack)	-	12,362.35	12,362.35	-	-	-	12,362.35
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	1,607.72	1,439.24	3,046.96	-	-	-	3,046.96
LX146975	Kenan Advantage T/L B (Canadian)	849.08	766.91	1,615.99	-	-	-	1,615.99
LX146807	Kenan Advantage T/L B (U.S.)	2,800.25	2,529.26	5,329.51	-	-	-	5,329.51
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	34,296.27	17,494.89	51,791.16	-	1,350,643.56	1,350,643.56	1,402,434.72
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	43,513.78	-	43,513.78	-	-	-	43,513.78
LX136370	Libbey Glass T/L	-	-	-	-	-	-	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	65,836.13	65,836.13	-	-	-	65,836.13
LX173565	Lifescan Global T/L	-	-	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	1,003.86	854.08	1,857.94	-	220,555.56	220,555.56	222,413.50
LX155231	Mohegan Tribal T/L A	-	14,256.76	14,256.76	-	-	-	14,256.76
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	1,109.67	1,002.29	2,111.96	-	2,176.21	2,176.21	4,288.17
LX169275	Navistar T/L B (10/17)	6,280.27	6,424.30	12,704.57	5,063.29	-	5,063.29	17,767.86





# **Intra-Period Collection Account Detail**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D. Security Description		Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX162460	Nielsen Finance T/L B4	928.96	860.08	1,789.04	-	-	-	1,789.04
LX155280	NN, Inc T/L B (9/16)	18,611.88	16,810.73	35,422.61	-	-	-	35,422.61
LX159002	Prestige Brands T/L B4	1,093.49	952.08	2,045.57	16,551.21	3,678.05	20,229.26	22,274.83
LX169594	Rackspace T/L B (11/17)	39,929.88	-	39,929.88	-	-	-	39,929.88
LX159617	RadNet Management T/L B (01/17)	28,645.91	-	28,645.91	-	-	-	28,645.91
LX155106	RP Crown Parent (JDA Software) T/L B	4,377.21	-	4,377.21	1,355,523.64	-	1,355,523.64	1,359,900.85
LX176102	RR Donnelley & Sons T/L B	4,049.57	3,645.59	7,695.16	-	-	-	7,695.16
LX152375	Russell Investments T/L B	-	-	-	-	-	-	-
LX158094	Sinclair Television T/L B2	2,684.67	2,414.89	5,099.56	-	-	-	5,099.56
LX151194	Solera T/L B	6,502.07	5,838.50	12,340.57	-	-	-	12,340.57
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	31,643.91	-	31,643.91	-	-	-	31,643.91
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	27,514.61	24,851.90	52,366.51	-	-	-	52,366.51
LX172243	Uber Technologies T/L (3/18)	8,460.04	7,641.33	16,101.37	-	-	-	16,101.37
LX173324	United Airlines T/L B (05/18)	803.24	719.06	1,522.30	-	-	-	1,522.30
LX161197	Univision Communications T/L C5	25,022.13	22,600.63	47,622.76	-	-	-	47,622.76
LX162476	Urban One T/L	5,790.07	5,229.74	11,019.81	-	-	-	11,019.81
LX153134	US Foods Second Incremental T/L	5,649.89	5,057.82	10,707.71	-	-	-	10,707.71
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	10,009.70	9,041.02	19,050.72	-	-	-	19,050.72
LX165578	Veritas US T/L B1 (06/17)	41,471.78	-	41,471.78	5,322,581.40	-	5,322,581.40	5,364,053.18
LX144232	Wash Multifamily T/L (1st Lien)	11,366.97	10,266.94	21,633.91	-	-	-	21,633.91
LX165396	WideOpenWest T/L B (6/17)	4,361.00	4,361.00	8,722.00	-	-	-	8,722.00
<b>Totals:</b>	<b>85</b>	<b>819,761.39</b>	<b>568,384.20</b>	<b>1,388,145.59</b>	<b>7,780,568.95</b>	<b>2,149,961.56</b>	<b>9,930,530.51</b>	<b>11,318,676.10</b>





## Proceeds Account Summary

As of Date: 09/21/2020  
Payment Date: 11/02/2020



### Accounts Summary

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Collection Account - Interest	798,115.17	588,052.13	24,888.89	1,361,278.41
Collection Account - Principal	8,086,506.70	4,462,356.55	0.00	12,548,863.25
Custodial Account	0.00	0.00	0.00	0.00
Expense Reserve Account	0.00	0.00	0.00	0.00
Hedge Account	0.00	0.00	0.00	0.00
Interest Reserve Account	0.00	0.00	0.00	0.00
Letter of Credit Reserve Account	0.00	0.00	0.00	0.00
Payment Account	0.00	0.00	0.00	0.00
Ramp-Up Account	0.00	0.00	0.00	0.00
Revolver Funding Account	0.00	0.00	0.00	0.00
<b>Totals:</b>	<b>8,884,621.87</b>	<b>5,050,408.68</b>	<b>24,888.89</b>	<b>13,910,141.66</b>

### Asset Summary

Balance of Collection Account:	13,910,141.67
Balance of Custodial Account:	0.00
Balance of Expense Reserve Account:	0.00
Balance of Hedge Account:	0.00
Balance of Interest Reserve Account:	0.00
Balance of Letter of Credit Reserve Account:	0.00
Balance of Payment Account:	0.00
Balance of Ramp-Up Account:	0.00
Balance of Revolver Funding Account:	0.00
<b>Total:</b>	<b>13,910,141.67</b>

Account Summary: Based on Settlement Date

Asset Summary: Based on Trade Date





**Current Asset Characteristics - Part I**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX144914	Academy T/L B	Academy, Ltd.	01-Jul-22	5.00000%	8,020,802.50	-	8,020,802.50	3.44%
LX172091	Acadia Healthcare T/L B3	Acadia Healthcare Company, Inc.	11-Feb-22	2.65638%	3,755,397.57	-	3,755,397.57	1.61%
LX172092	Acadia Healthcare T/L B4	Acadia Healthcare Company, Inc.	16-Feb-23	2.65638%	1,856,387.91	-	1,856,387.91	0.80%
LX179893	Adient US T/L B	Adient US LLC	06-May-24	4.42800%	3,917,430.03	-	3,917,430.03	1.68%
LX155961	Advanced Disposal T/L B	Advanced Disposal Services, Inc.	10-Nov-23	3.00000%	1,303,987.07	-	1,303,987.07	0.56%
LX161956	AlixPartners T/L B	AlixPartners, LLP	04-Apr-24	2.65638%	967,500.00	-	967,500.00	0.42%
LX163228	Almonde (Misys) T/L B	Almonde, Inc.	13-Jun-24	4.50000%	3,581,669.56	-	3,581,669.56	1.54%
LX155973	American Airlines Replacement T/L B (AMR)	American Airlines, Inc.	28-Apr-23	2.15638%	6,035,566.60	-	6,035,566.60	2.59%
LX172399	American Greetings T/L (3/18)	American Greetings Corporation	05-Apr-24	5.50000%	3,428,923.29	-	3,428,923.29	1.47%
LX143787	American Tire Distributors T/L B	American Tire Distributors Inc	02-Sep-24	8.50000%	3,585,637.60	-	3,585,637.60	1.54%
LX173667	Aramark Services T/L B-2	Aramark Services, Inc.	28-Mar-24	1.90328%	1,666,081.25	-	1,666,081.25	0.71%
LX183349	Berry Global (Berry Plastics) T/L W	Berry Global, Inc.	03-Oct-22	2.15550%	4,225,318.63	-	4,225,318.63	1.81%
LX189759	Boardriders T/L B2	Boardriders, Inc.	23-Apr-24	8.24600%	1,181,863.98	-	1,181,863.98	0.51%
LX174341	Boxer Parent Company T/L	Boxer Parent Company, Inc.	02-Oct-25	4.40638%	1,974,937.35	-	1,974,937.35	0.85%
LX161204	Boyd Gaming T/L B3	Boyd Gaming Corporation	15-Sep-23	2.35600%	607,917.50	-	607,917.50	0.26%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Bright Bidco B.V.	28-Jun-24	4.57200%	2,380,937.96	-	2,380,937.96	1.02%
LX159595	Builders Firstsource T/L	Builders FirstSource, Inc.	29-Feb-24	4.00000%	372,302.69	-	372,302.69	0.16%
LX144710	Calpine Corporation T/L B-5	Calpine Corporation	15-Jan-24	2.41000%	424,282.94	-	424,282.94	0.18%
LX152766	Cengage Learning T/L B	Cengage Learning, Inc.	07-Jun-23	5.25000%	3,598,904.64	-	3,598,904.64	1.54%
LX159695	Change Healthcare T/L	Change Healthcare Holdings, Inc.	01-Mar-24	3.50000%	3,225,608.57	-	3,225,608.57	1.38%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Coinamatic Canada Inc.	16-May-22	4.25000%	574,820.11	-	574,820.11	0.25%
LX177266	ConvergeOne T/L (01/19)	ConvergeOne Holdings Corp.	04-Jan-26	5.15638%	1,975,000.00	-	1,975,000.00	0.85%
LX161958	Cypress Intermediate (CCC Info) T/L B	Cypress Intermediate Holdings III, Inc.	29-Apr-24	4.00000%	485,000.00	-	485,000.00	0.21%
LX167193	Diamond T/L	Diamond (BC) B.V.	06-Sep-24	3.26036%	4,936,708.85	-	4,936,708.85	2.12%
LX162899	Diebold T/L B (New Dollar)	Diebold Inc	06-Nov-23	2.93750%	4,713,631.04	-	4,713,631.04	2.02%
LX163026	Endo Luxembourg Finance T/L B	Endo Luxembourg Finance Company I S.a.r.l.	29-Apr-24	5.00000%	485,000.00	-	485,000.00	0.21%
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Envision Healthcare Corporation	10-Oct-25	3.90638%	3,949,874.70	-	3,949,874.70	1.69%
LX159615	ExamWorks T/L B1	Examworks Group Inc	27-Jul-23	4.32200%	911,556.25	-	911,556.25	0.39%
LX173032	Ferro T/L B-1	Ferro Corporation	14-Feb-24	2.55788%	725,793.75	-	725,793.75	0.31%
LX173033	Ferro T/L B2	Ferro Corporation	14-Feb-24	2.55788%	1,207,643.69	-	1,207,643.69	0.52%
LX173034	Ferro T/L B3	Ferro Corporation	14-Feb-24	2.55788%	1,181,949.13	-	1,181,949.13	0.51%





# Current Asset Characteristics - Part I

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX174544	Financial & Risk T/L B (Refinitiv/Thompson Reuters)	Financial & Risk US Holdings, Inc.	01-Oct-25	3.40638%	2,962,406.00	-	2,962,406.00	1.27%
LX167187	Flexential Intermediate T/L B (Peak 10)	Flexential Intermediate Corporation	01-Aug-24	3.80788%	3,348,354.46	-	3,348,354.46	1.44%
LX162521	Forterra Finance T/L (04/17)	Forterra Finance, LLC	25-Oct-23	4.00000%	2,728,593.51	-	2,728,593.51	1.17%
LX171691	Global Medical Response T/L B	Global Medical Response, Inc.	28-Apr-22	4.25000%	10,030,156.17	-	10,030,156.17	4.30%
LX168592	Golden Nugget T/L B (09/17)	Golden Nugget, Inc.	04-Oct-23	3.25000%	1,534,214.99	-	1,534,214.99	0.66%
LX141384	Granite Acq 1st T/L B (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	4.50000%	9,033,187.04	-	9,033,187.04	3.88%
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	Granite Acquisition, Inc.	19-Dec-22	8.25000%	2,268,414.96	-	2,268,414.96	0.97%
LX159621	Gray Television T/L B	Gray Television, Inc.	07-Feb-24	2.40513%	834,602.59	-	834,602.59	0.36%
LX165794	Gruden Acquisition T/L	Gruden Acquisition, Inc.	18-Aug-22	6.50000%	4,330,228.20	-	4,330,228.20	1.86%
LX176498	HD Supply T/L B-5	HD Supply, Inc.	17-Oct-23	1.90638%	6,519,291.13	-	6,519,291.13	2.80%
LX173879	IBC Capital T/L B1 (Goodpack)	IBC Capital Limited	11-Sep-23	3.98325%	1,191,712.84	-	1,191,712.84	0.51%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	IQVIA Inc.	07-Mar-24	1.90638%	968,250.57	-	968,250.57	0.42%
LX146975	Kenan Advantage T/L B (Canadian)	Kenan Advantage Group, Inc.	01-Aug-22	4.00000%	246,508.35	-	246,508.35	0.11%
LX146807	Kenan Advantage T/L B (U.S.)	Kenan Advantage Group, Inc.	01-Aug-22	4.00000%	812,975.26	-	812,975.26	0.35%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Kronos Acquisition Holdings Inc.	15-May-23	5.00000%	2,697,440.01	-	2,697,440.01	1.16%
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Lanai Holdings III, Inc.	29-Aug-22	5.75000%	2,961,240.30	-	2,961,240.30	1.27%
LX136370	Libbey Glass T/L	Libbey Glass Inc.	09-Apr-21	-	2,404,880.28	-	2,404,880.28	1.03%
LX159083	Life Time Fitness 2017 Refinancing T/L B	Life Time, Inc.	10-Jun-22	3.75000%	6,945,350.83	-	6,945,350.83	2.98%
LX173565	Lifescan Global T/L	Lifescan Global Corporation	01-Oct-24	7.17525%	2,174,850.00	-	2,174,850.00	0.93%
LX152400	McGraw-Hill Global Education Holdings T/L	McGraw-Hill Global Education Holdings, LLC	04-May-22	5.00000%	9,765,137.11	-	9,765,137.11	4.19%
LX172427	Mediacom T/L N	Mediacom Illinois LLC	15-Feb-24	1.86000%	435,390.46	-	435,390.46	0.19%
LX152711	MPH Acquisition (Multiplan) T/L B	MPH Acquisition Holdings LLC	07-Jun-23	3.75000%	1,869,590.23	-	1,869,590.23	0.80%
LX165715	MTS Systems Corporation T/L B (06/17)	MTS Systems Corporation	05-Jul-23	4.00000%	319,987.09	-	319,987.09	0.14%
LX169275	Navistar T/L B (10/17)	Navistar, Inc.	06-Nov-24	3.66000%	1,974,683.55	-	1,974,683.55	0.85%
LX162460	Nielsen Finance T/L B4	Nielsen Finance LLC	04-Oct-23	2.15425%	478,846.47	-	478,846.47	0.21%
LX155280	NN, Inc T/L B (9/16)	NN, Inc.	19-Oct-22	6.50000%	3,325,198.50	-	3,325,198.50	1.43%
LX159002	Prestige Brands T/L B4	Prestige Brands, Inc.	26-Jan-24	2.15638%	562,740.97	-	562,740.97	0.24%
LX169594	Rackspace T/L B (11/17)	Rackspace Hosting, Inc.	03-Nov-23	4.00000%	3,949,109.40	-	3,949,109.40	1.69%
LX159617	RadNet Management T/L B (01/17)	RadNet Management, Inc.	30-Jun-23	4.75000%	2,359,846.30	-	2,359,846.30	1.01%
LX176102	RR Donnelley & Sons T/L B	R.R. Donnelley & Sons Company	04-Jan-24	5.15638%	908,170.00	-	908,170.00	0.39%





## Current Asset Characteristics - Part I

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX152375	Russell Investments T/L B	Russell Investments US Institutional Holdco, Inc.	01-Jun-23	3.82200%	8,226,997.64	-	8,226,997.64	3.53%
LX158094	Sinclair Television T/L B2	Sinclair Television Group, Inc.	03-Jan-24	2.41000%	1,282,997.09	-	1,282,997.09	0.55%
LX151194	Solera T/L B	Solera, LLC	03-Mar-23	2.93792%	2,578,603.06	-	2,578,603.06	1.11%
LX159036	Sophia / Ellucian T/L B	Sophia, L.P.	30-Sep-22	4.25000%	3,740,930.12	-	3,740,930.12	1.61%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Spin Holdco, Inc.	14-Nov-22	4.25000%	2,909,999.98	-	2,909,999.98	1.25%
LX171276	Syniverse Holdings T/L (01/18)	Syniverse Holdings, Inc.	09-Mar-23	6.00000%	6,507,713.14	-	6,507,713.14	2.79%
LX156377	Team Health Holdings T/L	Team Health Holdings, Inc.	06-Feb-24	3.75000%	8,520,651.96	-	8,520,651.96	3.66%
LX172243	Uber Technologies T/L (3/18)	Uber Technologies Inc	04-Apr-25	5.00000%	1,964,912.29	-	1,964,912.29	0.84%
LX173324	United Airlines T/L B (05/18)	United Airlines, Inc.	01-Apr-24	1.90638%	483,750.00	-	483,750.00	0.21%
LX161197	Univision Communications T/L C5	Univision Communications Inc.	15-Mar-24	3.75000%	7,748,788.96	-	7,748,788.96	3.32%
LX162476	Urban One T/L	Urban One, Inc.	18-Apr-23	5.00000%	1,344,789.79	-	1,344,789.79	0.58%
LX153134	US Foods Second Incremental T/L	US Foods, Inc.	27-Jun-23	1.90638%	3,402,649.18	-	3,402,649.18	1.46%
LX167989	USI Incremental T/L	U.S.I., Inc.	16-May-24	3.30788%	972,500.00	-	972,500.00	0.42%
LX169239	VC GB Holdings T/L (Generation Brands)	VC GB Holdings, Inc.	28-Feb-24	4.00000%	2,906,042.91	-	2,906,042.91	1.25%
LX144232	Wash Multifamily T/L (1st Lien)	Wash MultiFamily Acquisition, Inc.	16-May-22	4.25000%	3,105,966.09	-	3,105,966.09	1.33%
LX165396	WideOpenWest T/L B (6/17)	WideOpenWest Finance, LLC	18-Aug-23	4.25000%	1,191,620.26	-	1,191,620.26	0.51%
<b>Totals:</b>					<b>224,088,705.20</b>	<b>-</b>	<b>224,088,705.20</b>	





**Current Asset Characteristics - Part II**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX144914	Academy T/L B	-	-	-	-	-	-	-
LX172091	Acadia Healthcare T/L B3	-	-	-	-	-	-	-
LX172092	Acadia Healthcare T/L B4	-	-	-	-	-	-	-
LX179893	Adient US T/L B	-	-	-	-	-	-	-
LX155961	Advanced Disposal T/L B	-	-	-	-	-	-	-
LX161956	AlixPartners T/L B	-	-	-	-	-	-	-
LX163228	Almonde (Misys) T/L B	-	-	-	-	-	-	-
LX155973	American Airlines Replacement T/L B (AMR)	-	-	-	-	-	-	-
LX172399	American Greetings T/L (3/18)	-	-	-	-	-	-	-
LX143787	American Tire Distributors T/L B	-	-	-	-	-	-	-
LX173667	Aramark Services T/L B-2	-	-	-	-	-	-	-
LX183349	Berry Global (Berry Plastics) T/L W	-	-	-	-	-	-	-
LX189759	Boardriders T/L B2	-	First Lien Last Out Loan	-	-	-	-	-
LX174341	Boxer Parent Company T/L	-	-	-	-	-	-	-
LX161204	Boyd Gaming T/L B3	-	-	-	-	-	-	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX144710	Calpine Corporation T/L B-5	-	-	-	-	-	-	-
LX152766	Cengage Learning T/L B	-	-	-	-	-	-	-
LX159695	Change Healthcare T/L	-	-	-	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	-	-	-	-	-	-
LX177266	ConvergeOne T/L (01/19)	-	-	-	-	-	-	-
LX161958	Cypress Intermediate (CCC Info) T/L B	-	-	-	-	-	-	-
LX167193	Diamond T/L	-	-	Yes	-	-	-	-
LX162899	Diebold T/L B (New Dollar)	-	-	-	-	-	-	-
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	-	-	-	-	-	-	-
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX173033	Ferro T/L B2	-	-	-	-	-	-	-
LX173034	Ferro T/L B3	-	-	-	-	-	-	-
LX174544	Financial & Risk T/L B (Refinitiv/Thompson Reuters)	-	-	-	-	-	-	-





**Current Asset Characteristics - Part II**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	-	-	-	-	-	-	-
LX171691	Global Medical Response T/L B	-	-	-	-	-	-	-
LX168592	Golden Nugget T/L B (09/17)	-	-	-	-	-	-	-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	-	-	-	-	-	-
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX176498	HD Supply T/L B-5	-	-	-	-	-	-	-
LX173879	IBC Capital T/L B1 (Goodpack)	-	-	-	-	-	-	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	-	-	-	-	-	-
LX146807	Kenan Advantage T/L B (U.S.)	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	-	-	-	-	-	-
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	-	-	-	-	-	-	-
LX136370	Libbey Glass T/L	-	-	-	-	-	-	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX173565	Lifescan Global T/L	-	First Lien Last Out Loan	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	-	-	-	-	-	-	-
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	-	Yes	-	-	-	-
LX169275	Navistar T/L B (10/17)	-	-	Yes	-	-	-	-
LX162460	Nielsen Finance T/L B4	-	-	-	-	-	-	-
LX155280	NN, Inc T/L B (9/16)	-	-	-	-	-	-	-
LX159002	Prestige Brands T/L B4	-	-	-	-	-	-	-
LX169594	Rackspace T/L B (11/17)	-	-	-	-	-	-	-
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX176102	RR Donnelley & Sons T/L B	-	-	-	-	-	-	-
LX152375	Russell Investments T/L B	-	-	-	-	-	-	-
LX158094	Sinclair Television T/L B2	-	-	-	-	-	-	-
LX151194	Solera T/L B	-	-	-	-	-	-	-



ACIS CLO 2014-4 Ltd.  
Current Asset Characteristics - Part IIAs of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX159036	Sophia / Ellucian T/L B	-	-	Yes	-	-	-	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	-	-	-	-	-	-	-
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	-	-	-	-	-	-	-
LX172243	Uber Technologies T/L (3/18)	-	-	Yes	-	-	-	-
LX173324	United Airlines T/L B (05/18)	-	-	-	-	-	-	-
LX161197	Univision Communications T/L C5	-	-	-	-	-	-	-
LX162476	Urban One T/L	-	-	-	-	-	-	-
LX153134	US Foods Second Incremental T/L	-	-	Yes	-	-	-	-
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	-	-	-	-	-	-	-
LX144232	Wash Multifamily T/L (1st Lien)	-	-	-	-	-	-	-
LX165396	WideOpenWest T/L B (6/17)	-	-	-	-	-	-	-

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**Totals:** 77

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**Current Asset Characteristics - Part III**

As of Date: 09/21/2020  
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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX144914	Academy T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX172091	Acadia Healthcare T/L B3	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX172092	Acadia Healthcare T/L B4	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX179893	Adient US T/L B	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX155961	Advanced Disposal T/L B	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	-
LX161956	AlixPartners T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
LX163228	Almonde (Misys) T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX155973	American Airlines Replacement T/L B (AMR)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX172399	American Greetings T/L (3/18)	United States	Consumer goods: Durable	Home furnishings	Term Loan	Senior Secured Loan	-
LX143787	American Tire Distributors T/L B	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX173667	Aramark Services T/L B-2	United States	Services: Business	Food service	Term Loan	Senior Secured Loan	-
LX183349	Berry Global (Berry Plastics) T/L W	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	-
LX189759	Boardriders T/L B2	United States	Consumer goods: Durable	Clothing/textiles	Term Loan	2nd Lien Loan	-
LX174341	Boxer Parent Company T/L	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX161204	Boyd Gaming T/L B3	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	-
LX159595	Builders Firstsource T/L	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	-
LX144710	Calpine Corporation T/L B-5	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX152766	Cengage Learning T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX159695	Change Healthcare T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-
LX177266	ConvergeOne T/L (01/19)	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX161958	Cypress Intermediate (CCC Info) T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX167193	Diamond T/L	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX162899	Diebold T/L B (New Dollar)	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX163026	Endo Luxembourg Finance T/L B	Luxembourg	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX159615	ExamWorks T/L B1	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX173032	Ferro T/L B-1	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX173033	Ferro T/L B2	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-





### Current Asset Characteristics - Part III

As of Date: 09/21/2020  
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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX173034	Ferro T/L B3	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX174544	Financial & Risk T/L B (Refinitiv/Thompson Reuters)	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
LX167187	Flexential Intermediate T/L B (Peak 10)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX162521	Forterra Finance T/L (04/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX171691	Global Medical Response T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX168592	Golden Nugget T/L B (09/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	2nd Lien Loan	-
LX159621	Gray Television T/L B	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX165794	Gruden Acquisition T/L	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX176498	HD Supply T/L B-5	United States	Wholesale	Industrial equipment	Term Loan	Senior Secured Loan	-
LX173879	IBC Capital T/L B1 (Goodpack)	United States	Transportation: Cargo	Containers & glass products	Term Loan	Senior Secured Loan	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX146975	Kenan Advantage T/L B (Canadian)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX146807	Kenan Advantage T/L B (U.S.)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Canada	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX136370	Libbey Glass T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	United States	Services: Consumer	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX173565	Lifescan Global T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	2nd Lien Loan	-
LX152400	McGraw-Hill Global Education Holdings T/L	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX172427	Mediacom T/L N	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX152711	MPH Acquisition (Multiplan) T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX165715	MTS Systems Corporation T/L B (06/17)	United States	Construction & Building	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169275	Navistar T/L B (10/17)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX162460	Nielsen Finance T/L B4	United States	Services: Business	Publishing	Term Loan	Senior Secured Loan	-
LX155280	NN, Inc T/L B (9/16)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	-
LX159002	Prestige Brands T/L B4	United States	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
LX169594	Rackspace T/L B (11/17)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX159617	RadNet Management T/L B (01/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX176102	RR Donnelley & Sons T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX152375	Russell Investments T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX158094	Sinclair Television T/L B2	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX151194	Solera T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
LX159036	Sophia / Ellucian T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	United States	Consumer goods: Non-durable	Business equipment & services	Term Loan	Senior Secured Loan	-
LX171276	Syniverse Holdings T/L (01/18)	United States	Services: Business	Telecommunications	Term Loan	Senior Secured Loan	-
LX156377	Team Health Holdings T/L	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX172243	Uber Technologies T/L (3/18)	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX173324	United Airlines T/L B (05/18)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX161197	Univision Communications T/L C5	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX162476	Urban One T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX153134	US Foods Second Incremental T/L	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX167989	USI Incremental T/L	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX169239	VC GB Holdings T/L (Generation Brands)	United States	Consumer goods: Durable	Conglomerates	Term Loan	Senior Secured Loan	-
LX144232	Wash Multifamily T/L (1st Lien)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-
LX165396	WideOpenWest T/L B (6/17)	United States	Media: Broadcasting & Subscription	Telecommunications	Term Loan	Senior Secured Loan	-

**Totals: 77**





# Weighted Average Spread

As of Date: 09/21/2020  
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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX144914	Academy T/L B	Floating	2,770,450.63	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	131,568.70
LX144914	Academy T/L B	Floating	845,768.24	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	40,165.53
LX144914	Academy T/L B	Floating	2,736,937.13	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	129,977.14
LX144914	Academy T/L B	Floating	1,642,162.27	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	77,986.29
LX144914	Academy T/L B	Floating	25,484.23	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	1,210.25
LX172091	Acadia Healthcare T/L B3	Floating	3,755,397.57	LIBOR (1 month)	0.16%	2.50%	2.50%		93,884.94
LX172092	Acadia Healthcare T/L B4	Floating	1,856,387.91	LIBOR (1 month)	0.16%	2.50%	2.50%		46,409.70
LX179893	Adient US T/L B	Floating	989,250.01	LIBOR (3 months)	0.24%	4.25%	4.25%		42,043.13
LX179893	Adient US T/L B	Floating	2,928,180.02	LIBOR (1 month)	0.16%	4.25%	4.25%		124,447.65
LX155961	Advanced Disposal T/L B	Floating	1,303,987.07	LIBOR (1 week)	0.75%	2.25%	2.75%	0.75%	35,846.60
LX161956	AlixPartners T/L B	Floating	967,500.00	LIBOR (1 month)	0.16%	2.50%	2.50%		24,187.50
LX163228	Almonde (Misys) T/L B	Floating	2,576,004.07	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	109,454.41
LX163228	Almonde (Misys) T/L B	Floating	479,139.06	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	20,358.62
LX163228	Almonde (Misys) T/L B	Floating	526,526.43	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	22,372.11
LX155973	American Airlines Replacement T/L B (AMR)	Floating	6,035,566.60	LIBOR (1 month)	0.16%	2.00%	2.00%		120,711.33
LX172399	American Greetings T/L (3/18)	Floating	3,428,923.29	LIBOR (1 month)	1.00%	4.50%	5.25%	1.00%	179,984.18
LX143787	American Tire Distributors T/L B	Floating	15,840.88	LIBOR (1 month)	1.00%	7.50%	8.25%	1.00%	1,306.71
LX143787	American Tire Distributors T/L B	Floating	3,176,045.61	LIBOR (1 month)	1.00%	7.50%	8.25%	1.00%	261,992.00
LX143787	American Tire Distributors T/L B	Floating	393,751.11	LIBOR (3 months)	1.00%	7.50%	8.25%	1.00%	32,480.53
LX173667	Aramark Services T/L B-2	Floating	1,666,081.25	LIBOR (1 month)	0.15%	1.75%	1.75%		29,156.42
LX183349	Berry Global (Berry Plastics) T/L W	Floating	4,225,318.63	LIBOR (1 month)	0.16%	2.00%	2.00%		84,506.37
LX174341	Boxer Parent Company T/L	Floating	1,974,937.35	LIBOR (1 month)	0.16%	4.25%	4.25%		83,934.84
LX161204	Boyd Gaming T/L B3	Floating	607,917.50	LIBOR (1 week)	0.11%	2.25%	2.25%		13,678.14
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	435,126.19	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	18,488.51
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	1,597,710.82	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	67,886.73
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	348,100.95	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	14,790.81
LX159595	Builders Firstsource T/L	Floating	372,302.69	LIBOR (3 months)	1.00%	3.00%	3.75%	1.00%	13,957.63
LX144710	Calpine Corporation T/L B-5	Floating	424,282.94	LIBOR (1 month)	0.16%	2.25%	2.25%		9,546.37
LX152766	Cengage Learning T/L B	Floating	3,598,904.64	LIBOR (6 months)	1.00%	4.25%	5.00%	1.00%	179,909.24
LX159695	Change Healthcare T/L	Floating	535,847.42	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	17,409.68
LX159695	Change Healthcare T/L	Floating	1,018,996.81	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	33,107.21
LX159695	Change Healthcare T/L	Floating	540,028.97	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	17,545.54
LX159695	Change Healthcare T/L	Floating	1,003,684.55	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	32,609.71
LX159695	Change Healthcare T/L	Floating	127,050.82	LIBOR (1 month)	1.00%	2.50%	3.25%	1.00%	4,127.88
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Floating	574,820.11	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	22,987.06





# Weighted Average Spread

As of Date: 09/21/2020  
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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX177266	ConvergeOne T/L (01/19)	Floating	1,975,000.00	LIBOR (1 month)	0.16%	5.00%	5.00%		98,750.00
LX161958	Cypress Intermediate (CCC Info) T/L B	Floating	485,000.00	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	18,182.65
LX167193	Diamond T/L	Floating	4,924,050.62	LIBOR (3 months)	0.26%	3.00%	3.00%		147,721.52
LX167193	Diamond T/L	Floating	12,658.23	LIBOR (1 month)	0.16%	3.00%	3.00%		379.75
LX162899	Diebold T/L B (New Dollar)	Floating	4,699,383.03	LIBOR (1 month)	0.19%	2.75%	2.75%		129,233.03
LX162899	Diebold T/L B (New Dollar)	Floating	14,248.01	LIBOR (1 month)	0.19%	2.75%	2.75%		391.82
LX163026	Endo Luxembourg Finance T/L B	Floating	485,000.00	LIBOR (3 months)	0.75%	4.25%	4.75%	0.75%	23,032.65
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Floating	3,949,874.70	LIBOR (1 month)	0.16%	3.75%	3.75%		148,120.30
LX159615	ExamWorks T/L B1	Floating	911,556.25	LIBOR (6 months)	1.07%	3.25%	4.00%	1.00%	36,453.13
LX173032	Ferro T/L B-1	Floating	725,793.75	LIBOR (3 months)	0.31%	2.25%	2.25%		16,330.36
LX173033	Ferro T/L B2	Floating	1,207,643.69	LIBOR (3 months)	0.31%	2.25%	2.25%		27,171.98
LX173034	Ferro T/L B3	Floating	1,181,949.13	LIBOR (3 months)	0.31%	2.25%	2.25%		26,593.86
LX174544	Financial & Risk T/L B (Refinitiv/Thompson Reuters)	Floating	2,962,406.00	LIBOR (1 month)	0.16%	3.25%	3.25%		96,278.20
LX167187	Flexential Intermediate T/L B (Peak 10)	Floating	3,348,354.46	LIBOR (3 months)	0.31%	3.50%	3.50%		117,192.41
LX162521	Forterra Finance T/L (04/17)	Floating	2,728,593.51	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	102,294.97
LX171691	Global Medical Response T/L B	Floating	10,030,156.17	LIBOR (6 months)	1.00%	3.25%	4.00%	1.00%	401,105.95
LX168592	Golden Nugget T/L B (09/17)	Floating	830,019.59	LIBOR (1 month)	0.75%	2.50%	3.00%	0.75%	24,892.29
LX168592	Golden Nugget T/L B (09/17)	Floating	704,195.40	LIBOR (1 month)	0.75%	2.50%	3.00%	0.75%	21,118.82
LX141384	Granite Acq 1st T/L B (Wheelabrator)	Floating	9,033,187.04	LIBOR (3 months)	1.00%	3.50%	4.25%	1.00%	383,820.12
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	Floating	2,268,414.96	LIBOR (3 months)	1.00%	7.25%	8.00%	1.00%	181,450.51
LX159621	Gray Television T/L B	Floating	834,602.59	LIBOR (1 month)	0.16%	2.25%	2.25%		18,778.56
LX165794	Gruden Acquisition T/L	Floating	4,330,228.20	LIBOR (3 months)	1.00%	5.50%	6.25%	1.00%	270,595.96
LX176498	HD Supply T/L B-5	Floating	6,519,291.13	LIBOR (1 month)	0.16%	1.75%	1.75%		114,087.59
LX173879	IBC Capital T/L B1 (Goodpack)	Floating	1,191,712.84	LIBOR (3 months)	0.23%	3.75%	3.75%		44,689.23
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	Floating	968,250.57	LIBOR (1 month)	0.16%	1.75%	1.75%		16,944.38
LX146975	Kenan Advantage T/L B (Canadian)	Floating	246,508.35	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	9,241.60
LX146807	Kenan Advantage T/L B (U.S.)	Floating	812,975.26	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	30,478.44
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,045,496.30	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	49,650.62
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	337,366.22	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	16,021.52
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	586,723.85	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	27,863.52
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	727,853.64	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	34,565.77
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	2,953,488.36	LIBOR (3 months)	1.00%	4.75%	5.50%	1.00%	162,412.32
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	7,751.94	LIBOR (2 months)	1.00%	4.75%	5.50%	1.00%	426.28





# Weighted Average Spread

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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	17,854.38	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	624.72
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	6,927,496.45	LIBOR (6 months)	1.00%	2.75%	3.50%	1.00%	242,393.10
LX173565	Lifescan Global T/L	Floating	2,174,850.00	LIBOR (6 months)	1.18%	6.00%	6.00%		130,491.00
LX152400	McGraw-Hill Global Education Holdings T/L	Floating	9,765,137.11	LIBOR (3 months)	1.00%	4.00%	4.75%	1.00%	463,746.36
LX172427	Mediacom T/L N	Floating	435,390.46	LIBOR (1 week)	0.11%	1.75%	1.75%		7,619.33
LX152711	MPH Acquisition (Multiplan) T/L B	Floating	1,869,590.23	LIBOR (3 months)	1.00%	2.75%	3.50%	1.00%	65,416.96
LX165715	MTS Systems Corporation T/L B (06/17)	Floating	319,987.09	LIBOR (1 month)	0.75%	3.25%	3.75%	0.75%	11,996.32
LX169275	Navistar T/L B (10/17)	Floating	1,974,683.55	LIBOR (1 month)	0.16%	3.50%	3.50%		69,113.92
LX162460	Nielsen Finance T/L B4	Floating	478,846.47	LIBOR (1 month)	0.15%	2.00%	2.00%		9,576.93
LX155280	NN, Inc T/L B (9/16)	Floating	3,325,198.50	LIBOR (1 month)	0.75%	5.75%	6.25%	0.75%	207,791.65
LX159002	Prestige Brands T/L B4	Floating	562,740.97	LIBOR (1 month)	0.16%	2.00%	2.00%		11,254.82
LX169594	Rackspace T/L B (11/17)	Floating	3,938,931.28	LIBOR (3 months)	1.00%	3.00%	3.75%	1.00%	147,670.53
LX169594	Rackspace T/L B (11/17)	Floating	10,178.12	LIBOR (2 months)	1.00%	3.00%	3.75%	1.00%	381.58
LX159617	RadNet Management T/L B (01/17)	Floating	2,359,846.30	LIBOR (6 months)	1.00%	3.75%	4.50%	1.00%	106,169.49
LX176102	RR Donnelley & Sons T/L B	Floating	908,170.00	LIBOR (1 month)	0.16%	5.00%	5.00%		45,408.50
LX152375	Russell Investments T/L B	Floating	8,226,997.64	LIBOR (6 months)	1.07%	2.75%	3.50%	1.00%	287,862.65
LX158094	Sinclair Television T/L B2	Floating	1,282,997.09	LIBOR (1 month)	0.16%	2.25%	2.25%		28,867.43
LX151194	Solera T/L B	Floating	6,732.65	LIBOR (1 month)	0.16%	2.75%	2.75%		185.15
LX151194	Solera T/L B	Floating	2,571,870.41	LIBOR (2 months)	0.19%	2.75%	2.75%		70,726.44
LX159036	Sophia / Ellucian T/L B	Floating	3,740,930.12	LIBOR (3 months)	1.00%	3.25%	4.00%	1.00%	149,599.80
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Floating	2,909,999.98	LIBOR (3 months)	1.00%	3.25%	4.00%	1.00%	116,370.90
LX171276	Syniverse Holdings T/L (01/18)	Floating	6,507,713.14	LIBOR (6 months)	1.00%	5.00%	5.75%	1.00%	374,128.43
LX156377	Team Health Holdings T/L	Floating	8,520,651.96	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	298,137.61
LX172243	Uber Technologies T/L (3/18)	Floating	1,964,912.29	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	93,313.68
LX173324	United Airlines T/L B (05/18)	Floating	483,750.00	LIBOR (1 month)	0.16%	1.75%	1.75%		8,465.63
LX161197	Univision Communications T/L C5	Floating	7,748,788.96	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	271,130.13
LX162476	Urban One T/L	Floating	1,344,789.79	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	63,864.07
LX153134	US Foods Second Incremental T/L	Floating	3,402,649.18	LIBOR (1 month)	0.16%	1.75%	1.75%		59,546.36
LX167989	USI Incremental T/L	Floating	972,500.00	LIBOR (3 months)	0.31%	3.00%	3.00%		29,175.00
LX169239	VC GB Holdings T/L (Generation Brands)	Floating	2,906,042.91	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	108,947.55
LX144232	Wash Multifamily T/L (1st Lien)	Floating	3,105,966.09	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	124,207.58
LX165396	WideOpenWest T/L B (6/17)	Floating	1,191,620.26	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	47,652.89
<b>Totals:</b>	<b>100</b>		<b>220,501,960.94</b>				<b>3.90%</b>		<b>8,588,136.10</b>









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Rating Detail

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Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX144914	Academy T/L B		Caa1	B3		40.00		CCC+		20.00
LX172091	Acadia Healthcare T/L B3		Ba3	B2		60.00		B		50.00
LX172092	Acadia Healthcare T/L B4		Ba3	B2		60.00		B		50.00
LX179893	Adient US T/L B		Ba3	B2		60.00		B+		30.00
LX155961	Advanced Disposal T/L B		Ba3	B1		50.00		BB-		65.00
LX161956	AlixPartners T/L B		B2	B2		45.00		B+		30.00
LX163228	Almonde (Misys) T/L B		B2	B3		50.00		CCC+		30.00
LX155973	American Airlines Replacement T/L B (AMR)		Ba3	B2		60.00		B-		30.00
LX172399	American Greetings T/L (3/18)		Ba3	B2		60.00		B		50.00
LX143787	American Tire Distributors T/L B		Ca	Caa3		40.00		CCC+		20.00
LX173667	Aramark Services T/L B-2		Ba2	Ba3		50.00		BB-		65.00
LX183349	Berry Global (Berry Plastics) T/L W		Ba2	Ba3		50.00		BB+		50.00
LX189759	Boardriders T/L B2	DEF	Caa1	Caa1	04-Sep-20	35.00	DEF	SD	04-Sep-20	30.00
LX174341	Boxer Parent Company T/L		B2	B3		50.00		B-		30.00
LX161204	Boyd Gaming T/L B3		Ba3	B2		60.00		B		65.00
LX171142	Bright Bidco (Lumileds) T/L B (02/18)		Caa3	Caa3		45.00		CCC		30.00
LX159595	Builders Firstsource T/L	CW+	Ba3	Ba3	31-Aug-20	45.00		BB-		65.00
LX144710	Calpine Corporation T/L B-5		Ba2	Ba3		50.00		B+		65.00
LX152766	Cengage Learning T/L B		Caa1	Caa2		50.00		CCC+		50.00
LX159695	Change Healthcare T/L		B1	B2		50.00		B+		30.00
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien		B2	B3		50.00		B-		30.00
LX177266	ConvergeOne T/L (01/19)		B2	B3		50.00		B-		30.00
LX161958	Cypress Intermediate (CCC Info) T/L B		B3	B3		45.00		B-		30.00
LX167193	Diamond T/L		B1	B3		60.00		CCC+		30.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





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Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX162899	Diebold T/L B (New Dollar)		B3	B3		45.00		B-		30.00
LX163026	Endo Luxembourg Finance T/L B		B2	B3		50.00		B		50.00
LX175867	Envision Healthcare (Enterprise Merger) T/L B		Caa1	Caa2		50.00		CCC		30.00
LX159615	ExamWorks T/L B1		B1	B2		50.00		B		30.00
LX173032	Ferro T/L B-1		Ba3	Ba3		45.00		B+		30.00
LX173033	Ferro T/L B2		Ba3	Ba3		45.00		B+		30.00
LX173034	Ferro T/L B3		Ba3	Ba3		45.00		B+		30.00
LX174544	Financial & Risk T/L B (Refinitiv/Thompson Reuters)	CW+	B1	B2	01-Aug-19	50.00	CW+	B+	01-Aug-19	30.00
LX167187	Flexential Intermediate T/L B (Peak 10)		B3	Caa1		50.00		CCC+		30.00
LX162521	Forterra Finance T/L (04/17)		B3	B3		45.00		B-		20.00
LX171691	Global Medical Response T/L B		B1	B2		50.00		B		30.00
LX168592	Golden Nugget T/L B (09/17)		B2	Caa1		60.00		B-		50.00
LX141384	Granite Acq 1st T/L B (Wheelabrator)		B1	B1		45.00		B+		30.00
LX141386	Granite Acq 2nd T/L B (Wheelabrator)		B3	B1		15.00		B+		2.00
LX159621	Gray Television T/L B		Ba2	B1		60.00		B+		65.00
LX165794	Gruden Acquisition T/L		B3	B3		45.00		B-		30.00
LX176498	HD Supply T/L B-5		Ba1	Ba1		45.00	CW-	BB	26-Sep-19	65.00
LX173879	IBC Capital T/L B1 (Goodpack)		B3	B3		45.00		B		30.00
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)		Ba1	Ba2		50.00		BB+		50.00
LX146975	Kenan Advantage T/L B (Canadian)		B3	Caa1		50.00		CCC+		50.00
LX146807	Kenan Advantage T/L B (U.S.)		B3	Caa1		50.00		CCC+		50.00
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)		B1	B3		60.00		B-		30.00
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)		Caa1	Caa2		50.00		CCC		30.00
LX136370	Libbey Glass T/L	DEF	Caa3	Caa3	14-Apr-20	45.00	DEF	NR	14-Apr-20	45.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





AGIS CLO 2014-4, Ltd.

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Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX159083	Life Time Fitness 2017 Refinancing T/L B		B2	B3		50.00		CCC+		65.00
LX173565	Lifescan Global T/L		B3	B3		35.00		B		30.00
LX152400	McGraw-Hill Global Education Holdings T/L		Caa1	Caa2		50.00		CCC+		50.00
LX172427	Mediacom T/L N		Ba1	Ba1		45.00		BBB		45.00
LX152711	MPH Acquisition (Multiplan) T/L B	CW+	Ba3	B2	13-Jul-20	60.00		B+		30.00
LX165715	MTS Systems Corporation T/L B (06/17)		Ba2	B1		60.00		B+		50.00
LX169275	Navistar T/L B (10/17)		Ba2	B2		60.00		B-		65.00
LX162460	Nielsen Finance T/L B4		Ba1	Ba3		60.00	CW-	BB-	07-Nov-19	65.00
LX155280	NN, Inc T/L B (9/16)	CW+	Caa1	Caa1	25-Aug-20	45.00		B-		30.00
LX159002	Prestige Brands T/L B4		Ba3	B2		60.00		B+		65.00
LX169594	Rackspace T/L B (11/17)		B1	B2		50.00		B		50.00
LX159617	RadNet Management T/L B (01/17)		B1	B2		50.00		B		30.00
LX176102	RR Donnelley & Sons T/L B		B1	B2		50.00		B		50.00
LX152375	Russell Investments T/L B		Ba2	Ba2		45.00		BB-		20.00
LX158094	Sinclair Television T/L B2		Ba2	Ba3		50.00		BB-		65.00
LX151194	Solera T/L B		Ba3	B2		60.00		B-		50.00
LX159036	Sophia / Ellucian T/L B		B2	B3		50.00		B-		50.00
LX165477	Spin Holdco (Coinmach) T/L B (02/18)		B2	B3		50.00		B-		30.00
LX171276	Syniverse Holdings T/L (01/18)		Caa1	Caa1		45.00		CCC+		20.00
LX156377	Team Health Holdings T/L		Caa1	Caa2		50.00		B-		30.00
LX172243	Uber Technologies T/L (3/18)		B1	B2		50.00		B-		50.00
LX173324	United Airlines T/L B (05/18)		Ba1	Ba2		50.00		B+		65.00
LX161197	Univision Communications T/L C5		B2	B2		45.00		B		30.00
LX162476	Urban One T/L		B3	B3		45.00		CCC		30.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





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Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX153134	US Foods Second Incremental T/L		B3	B2		40.00		BB-		30.00
LX167989	USI Incremental T/L		B2	B3		50.00		B		30.00
LX169239	VC GB Holdings T/L (Generation Brands)		B2	B2		45.00		B		30.00
LX144232	Wash Multifamily T/L (1st Lien)		B2	B3		50.00		B-		30.00
LX165396	WideOpenWest T/L B (6/17)		B2	B2		45.00		B		30.00

Totals: 77

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





# Rating Change History

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Principal Balance	Moody's			S & P		
			Curr	Date	Action (1)	Curr	Date	Action (1)
LX147095	Kronos Acquisition Holdings 1st Lien T/L	2,697,440.01	B1	28-Aug-20	UPG			
LX153134	US Foods Second Incremental T/L	3,402,649.18				BB-	08-Sep-20	OFF(CW-)
LX153134	US Foods Second Incremental T/L	3,402,649.18				BB-	08-Sep-20	DNG
LX155280	NN, Inc T/L B (9/16)	3,325,198.50	Caa2	25-Aug-20	CW+	B-	25-Aug-20	OFF(CW-)
LX159595	Builders Firstsource T/L	372,302.69	B1	31-Aug-20	CW+			
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	2,380,937.96				CCC	31-Aug-20	OFF(CW-)
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	2,380,937.96				CCC	31-Aug-20	DNG

<b>Totals:</b>	<b>7</b>	<b>17,962,115.48</b>
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Upgrades:	1	Aggregate Balance:	2,697,440.01
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Downgrades:	2	Aggregate Balance:	5,783,587.14
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<b><u>Asset Status Legend: (1)</u></b>	<b>DNG</b> - Downgrade	<b>N</b> - Notched / Implied Rating	<b>CW-</b> - Credit Watch with negative implications
	<b>UPG</b> - Upgrade	<b>E</b> - Credit Estimate	<b>CW+</b> - Credit Watch with positive implications
	<b>WDR</b> - Withdrawn	<b>S</b> - Shadow Rated	<b>DEF</b> - In Default





Caa/CCC Obligations

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's			S & P		
		Rating	Rating Type	Principal Balance	Rating	Rating Type	Principal Balance
LX144914	Academy T/L B	Caa1	MR	8,020,802.50	CCC+	SCC	8,020,802.50
LX163228	Almonde (Misys) T/L B	B2	MSS	-	CCC+	SCC	3,581,669.56
LX143787	American Tire Distributors T/L B	Ca	MR	3,585,637.60	CCC+	SCC	3,585,637.60
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Caa3	MSS	2,380,937.96	CCC	SCC	2,380,937.96
LX152766	Cengage Learning T/L B	Caa1		3,598,904.64	CCC+		3,598,904.64
LX167193	Diamond T/L	B1		-	CCC+		4,936,708.85
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Caa1		3,949,874.70	CCC		3,949,874.70
LX167187	Flexential Intermediate T/L B (Peak 10)	B3		-	CCC+		3,348,354.46
LX146975	Kenan Advantage T/L B (Canadian)	B3	MR	-	CCC+	SCC	246,508.35
LX146807	Kenan Advantage T/L B (U.S.)	B3	MR	-	CCC+	SCC	812,975.26
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Caa1	MR	2,961,240.30	CCC	SCC	2,961,240.30
LX159083	Life Time Fitness 2017 Refinancing T/L B	B2		-	CCC+		6,945,350.83
LX152400	McGraw-Hill Global Education Holdings T/L	Caa1		9,765,137.11	CCC+		9,765,137.11
LX155280	NN, Inc T/L B (9/16)	Caa1	MR	3,325,198.50	B-	SCC	-
LX171276	Syniverse Holdings T/L (01/18)	Caa1		6,507,713.14	CCC+		6,507,713.14
LX156377	Team Health Holdings T/L	Caa1	MR	8,520,651.96	B-	SCC	-
LX162476	Urban One T/L	B3		-	CCC		1,344,789.79

<b>Totals:</b>	<b>17</b>	<b>52,616,098.41</b>	<b>61,986,605.05</b>
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**Rating Type Legend:**

<b>SS</b> - Senior Secured	<b>RE</b> - Rating Estimate	<b>MSUS</b> - Moody's Senior	<b>SSUS</b> - S&P Senior Unsecured
<b>IR</b> - Issuer	<b>SH</b> - Shadow Rating	<b>MSI</b> - Moody's Senior Implied	<b>SCC</b> - S&P Corporate Credit
	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured

**Asset Status Legend:**

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications

**DOR** Derived from other rating agency





## 54

As of Date: 09/21/2020

Payment Date: 11/02/2020

<b>Totals:</b>	<b>0</b>	<b>-</b>
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54  
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As of Date: 09/21/2020

Payment Date: 11/02/2020

LoanX I.D.	Issue Name	Principal Balance	Principal Amount	Market Value
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**ACIS CLO 2014-4 Ltd.**  
**Defaulted/Deferring Obligations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Asset Description	Date of Action	Par Amount	Moody's Recovery Amount	S&P Recovery Amount	Market Value	Applicable Value
LX189759	Boardriders T/L B2	Defaulted	04-Sep-20	1,181,863.98	413,652.39	354,559.19	874,579.35	354,559.19
LX136370	Libbey Glass T/L	Defaulted	14-Apr-20	2,404,880.28	1,082,196.13	1,082,196.13	369,750.34	369,750.34
<b>Totals:</b>				<b>2</b>	<b>3,586,744.26</b>	<b>1,495,848.52</b>	<b>1,436,755.32</b>	<b>1,244,329.69</b>
							<b>724,309.54</b>	





## 54

As of Date: 09/21/2020

Payment Date: 11/02/2020

<b>Totals:</b>	<b>0</b>	<b>-</b>
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## 54

As of Date: 09/21/2020

Payment Date: 11/02/2020

<b>Totals:</b>	<b>0</b>
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AGIS CLO 2014-4 Ltd.

**Hedge Calculations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



		Party A				Party B				
Nbr	P / I	Notional		Current	Current	Notional		Current	Current	Net
		Amount	Rate	Days	Payment	Amount	Rate	Days	Payment	Payment

Totals: 0





**ACIS CLO 2014-4 Ltd.**

**ETB Subsidiary**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Blocker Subsidiary Name	Security or Obligation Held	Issuer	Asset	Amount	Collateral that has been transferred in and/or out
ACIS CLO 2014-4 Chemical Holdings, LLC		Vertellus Holdings	Common	221,441.00	In - 10/31/2016
ACIS CLO 2014-4 Chemical Holdings, LLC		Vertellus Holdings	Common	(221,441.00)	Out - 11/21/2019
Cash Held:				0.00	
<b>Total:</b>				-	





**Equity Securities**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



CUSIP	Security Description	Asset Description	# of Units/Shares
LX178834	Tru Kids Parent - Units	Equity	616.93
8AMCSF0Z0	Wayne Services Legacy - C/S	Equity	616.93

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Totals: 2

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**ACIS CLO 2014-4 Ltd.**  
**Trading Plans**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Obigor	Sale/Purchase	Rating	Maturity	Trade Date	Settle Date	Plan Number
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Total:





# Stratifications - Characteristics

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Principal Balances

Current Principal Balances	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
0 to 500,000.00	9	3,731,068.00	1.69 %	3.25	3.19%	Ba3
500,000.00 to 1,000,000.00	11	8,846,827.00	4.01 %	3.09	3.22%	B1
1,000,000.00 to 1,500,000.00	7	8,704,699.87	3.95 %	3.08	3.41%	B1
1,500,000.00 to 2,000,000.00	8	14,815,807.57	6.72 %	3.84	3.78%	B1
2,000,000.00 to 2,500,000.00	4	9,184,049.22	4.17 %	3.01	6.14%	Caa1
2,500,000.00 to 3,000,000.00	7	19,744,325.77	8.95 %	2.97	4.21%	B2
3,000,000.00 to 3,500,000.00	6	19,836,700.09	9.00 %	2.90	4.24%	B2
3,500,000.00 to 4,000,000.00	8	30,078,953.62	13.64 %	3.19	4.65%	B3
4,000,000.00 to 4,500,000.00	2	8,555,546.83	3.88 %	1.99	4.35%	B1
4,500,000.00 to 5,000,000.00	2	9,650,339.89	4.38 %	3.53	3.10%	B2
5,000,000.00 to 5,500,000.00	-	-	-	-	-	-
5,500,000.00 to 6,000,000.00	-	-	-	-	-	-
6,000,000.00 to 6,500,000.00	1	6,035,566.60	2.74 %	2.60	2.16%	Ba3
6,500,000.00 to 7,000,000.00	3	19,972,355.10	9.06 %	2.40	3.88%	B2
7,000,000.00 to 7,500,000.00	-	-	-	-	-	-
7,500,000.00 to 8,000,000.00	1	7,748,788.96	3.51 %	3.53	3.75%	B2
8,000,000.00 to 8,500,000.00	2	16,247,800.13	7.37 %	2.26	4.40%	B2
8,500,000.00 to 9,000,000.00	1	8,520,651.96	3.86 %	3.36	3.75%	Caa1
9,000,000.00 to 9,500,000.00	1	9,033,187.04	4.10 %	0.40	4.50%	B1
9,500,000.00 to 10,000,000.00	1	9,765,137.11	4.43 %	1.63	5.00%	Caa1
10,000,000.00 to 10,500,000.00	1	10,030,156.17	4.55 %	1.61	4.25%	B1
10,500,000.00 to 11,000,000.00	-	-	-	-	-	-
11,000,000.00 to 11,050,000.00	-	-	-	-	-	-
11,050,000.00 to 12,000,000.00	-	-	-	-	-	-
12,000,000.00 to 99,999,999.00	-	-	-	-	-	-
<b>Total</b>	<b>75</b>	<b>220,501,960.93</b>	<b>100.00 %</b>	<b>2.75</b>	<b>4.14%</b>	<b>B2</b>

## Distribution of Coupon Type

Collateral Type	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Floating	75	220,501,960.93	100.00 %	2.75	4.14%	B2
<b>Total</b>	<b>75</b>	<b>220,501,960.93</b>	<b>100.00 %</b>	<b>2.75</b>	<b>4.14%</b>	<b>B2</b>

## Distribution of Fixed Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Weighted Average	
				Avg Life	Rating(1)
0.000% to 5.000%	-	-	-	-	-
5.001% to 5.500%	-	-	-	-	-
5.501% to 6.000%	-	-	-	-	-
6.001% to 6.500%	-	-	-	-	-
6.501% to 7.000%	-	-	-	-	-
7.001% to 7.500%	-	-	-	-	-
7.501% to 8.000%	-	-	-	-	-
8.001% to 8.500%	-	-	-	-	-
8.501% to 9.000%	-	-	-	-	-
9.001% to 9.500%	-	-	-	-	-
9.501% to 10.000%	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>

## Distribution of Spread Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Weighted Average	
				Avg Life	Rating(1)
-0.500% to 0.000%	-	-	-	-	-
0.000% to 0.500%	-	-	-	-	-
0.500% to 1.000%	-	-	-	-	-
1.000% to 1.500%	-	-	-	-	-
1.500% to 2.000%	10	24,777,885.26	11.24 %	2.80	Ba3
2.000% to 2.500%	13	18,908,282.80	8.58 %	2.85	Ba2
2.500% to 3.000%	16	58,013,354.68	26.31 %	3.02	Ba3
3.000% to 3.500%	14	46,066,274.64	20.89 %	2.26	B1
3.500% to 4.000%	8	31,294,515.54	14.19 %	2.52	Ba3
4.000% to 4.500%	5	13,405,195.31	6.08 %	3.54	A2
4.500% to 99.000%	9	28,036,452.70	12.71 %	2.74	B3
<b>Total</b>	<b>75</b>	<b>220,501,960.93</b>	<b>100.00 %</b>	<b>2.75</b>	<b>Ba3</b>

(1) Based on the definition of "Rating" in the Indenture





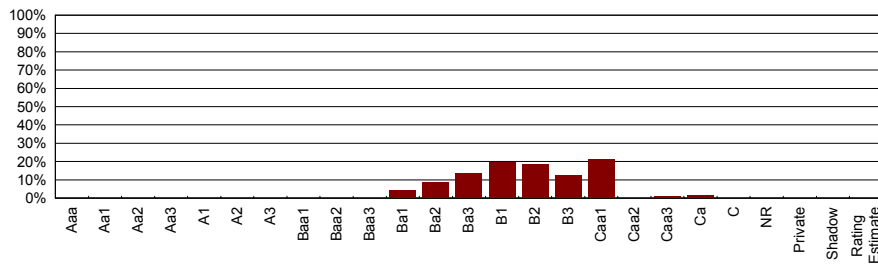
# Stratifications - Ratings

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Ratings

Moody's (1)	# of Assets	Principal Balance	% of Balance
Aaa		0.00	-
Aa1		0.00	-
Aa2		0.00	-
Aa3		0.00	-
A1		0.00	-
A2		0.00	-
A3		0.00	-
Baa1		0.00	-
Baa2		0.00	-
Baa3		0.00	-
Ba1	5	8,885,528.63	4.03 %
Ba2	8	18,954,950.77	8.60 %
Ba3	14	29,404,233.49	13.34 %
B1	11	42,979,100.88	19.49 %
B2	15	40,614,341.16	18.42 %
B3	12	27,047,707.59	12.27 %
Caa1	8	46,649,522.85	21.16 %
Caa2		0.00	-
Caa3	1	2,380,937.96	1.08 %
Ca	1	3,585,637.60	1.63 %
C		0.00	-
NR		0.00	-
Private		0.00	-
Shadow		0.00	-
Rating Estimate		0.00	-
<b>Total</b>	<b>75</b>	<b>220,501,960.93</b>	<b>100.00 %</b>

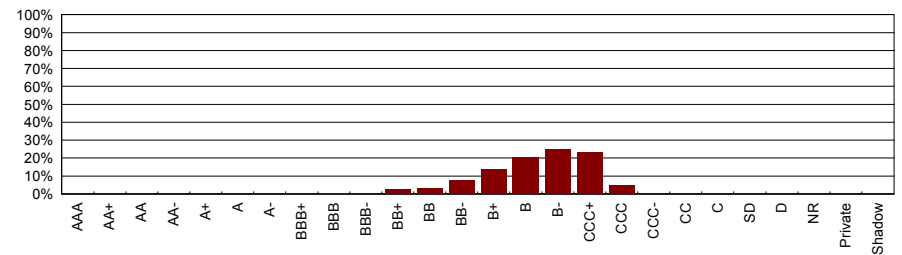


■ Current

(1) Based on the definition of "Rating" in the Indenture

## Distribution of S&P Ratings

S&P (1)	# of Assets	Principal Balance	% of Balance
AAA		0.00	-
AA+		0.00	-
AA		0.00	-
AA-		0.00	-
A+		0.00	-
A		0.00	-
A-		0.00	-
BBB+		0.00	-
BBB	1	435,390.46	0.20 %
BBB-		0.00	-
BB+	2	5,193,569.20	2.36 %
BB	1	6,519,291.13	2.96 %
BB-	7	16,733,861.38	7.59 %
B+	15	29,984,886.99	13.60 %
B	16	44,477,979.36	20.17 %
B-	18	55,170,377.36	25.02 %
CCC+	11	51,349,762.30	23.29 %
CCC	4	10,636,842.75	4.82 %
CCC-		0.00	-
CC		0.00	-
C		0.00	-
SD	1	0.00	-
D		0.00	-
NR		0.00	-
Private		0.00	-
Shadow		0.00	-
<b>Total</b>	<b>76</b>	<b>220,501,960.93</b>	<b>100.00 %</b>



■ Current





# Stratifications - Industries

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Automotive	5	14,767,861.97	6.70 %	3.52	5.86%	Caa1
Banking, Finance, Insurance & Real Estate	2	9,199,497.63	4.17 %	2.82	3.77%	Ba2
Beverage, Food & Tobacco	1	3,402,649.18	1.54 %	2.76	1.91%	B3
Capital Equipment	1	2,380,937.96	1.08 %	3.74	4.57%	Caa3
Chemicals, Plastics, & Rubber	4	8,052,095.42	3.65 %	3.72	2.99%	B1
Construction & Building	2	3,048,580.60	1.38 %	3.06	4.00%	B3
Consumer goods: Durable	2	6,334,966.20	2.87 %	3.48	4.81%	B1
Consumer goods: Non-durable	3	6,170,180.96	2.80 %	2.50	4.39%	B1
Containers, Packaging & Glass	1	4,225,318.63	1.92 %	2.06	2.16%	Ba2
Energy: Electricity	2	11,301,602.00	5.13 %	0.78	5.25%	B2
Environmental Industries	1	1,303,987.07	0.59 %	3.12	3.00%	Ba3
Healthcare & Pharmaceuticals	10	31,709,917.77	14.38 %	2.54	4.24%	B2
High Tech Industries	6	16,471,168.07	7.47 %	3.47	4.05%	B2
Hotel, Gaming & Leisure	2	2,142,132.49	0.97 %	3.01	3.00%	B1
Media: Advertising, Printing & Publishing	3	14,272,211.75	6.47 %	2.00	5.07%	Caa1
Media: Broadcasting & Subscription	6	12,838,189.15	5.82 %	3.33	3.64%	B2
Retail	1	8,020,802.50	3.64 %	1.78	5.00%	Caa1
Services: Business	9	26,519,642.68	12.03 %	3.20	3.93%	B3
Services: Consumer	3	10,626,137.03	4.82 %	1.70	3.92%	B2
Telecommunications	2	7,297,463.86	3.31 %	3.45	3.91%	B2
Transportation: Cargo	4	6,581,424.65	2.98 %	2.10	5.64%	B3
Transportation: Consumer	2	6,519,316.60	2.96 %	2.67	2.14%	Ba3
Utilities: Electric	1	424,282.94	0.19 %	3.31	2.41%	Ba2
Wholesale	2	6,891,593.82	3.13 %	3.08	2.02%	Ba1
<b>Total</b>	<b>75</b>	<b>220,501,960.93</b>	<b>100.00 %</b>	<b>2.75</b>	<b>4.14%</b>	<b>B2</b>

## Distribution of S&P Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Air transport	2	6,519,316.60	2.96 %	2.67	2.14%	B-
Automotive	3	9,467,979.92	4.29 %	3.91	6.09%	BB-
Building & Development	2	3,100,896.20	1.41 %	3.13	4.00%	AA-
Business equipment & services	9	17,534,232.59	7.95 %	3.34	3.94%	BB
Cable & satellite television	1	435,390.46	0.20 %	3.35	1.86%	BBB
Chemicals & plastics	4	8,052,095.42	3.65 %	3.72	2.99%	AA-
Conglomerates	1	2,906,042.91	1.32 %	3.42	4.00%	B
Containers & glass products	2	5,417,031.47	2.46 %	2.26	2.56%	BBB-
Cosmetics/toiletries	2	3,260,180.98	1.48 %	2.81	4.51%	B-
Ecological services & equipment	1	1,303,987.07	0.59 %	3.12	3.00%	-
Electronics/electrical	3	12,036,230.72	5.46 %	2.93	3.81%	BB-
Financial intermediaries	2	9,199,497.63	4.17 %	2.82	3.77%	BB-
Food service	2	5,068,730.43	2.30 %	2.98	1.91%	BB-
Health care	13	43,068,410.53	19.53 %	2.73	4.07%	BB-
Home furnishings	1	3,428,923.29	1.56 %	3.52	5.50%	-
Industrial equipment	5	14,520,098.23	6.59 %	3.08	3.68%	BB-
Leisure goods/activities/movies	1	6,945,350.83	3.15 %	1.72	3.75%	-
Lodging & casinos	2	2,142,132.49	0.97 %	3.01	3.00%	B-
Publishing	4	14,751,058.22	6.69 %	2.04	4.98%	AA+
Radio & Television	4	11,211,178.43	5.08 %	3.38	3.65%	B+
Retailers (except food & drug)	1	8,020,802.50	3.64 %	1.78	5.00%	CCC+
Surface transport	3	5,389,711.81	2.44 %	1.90	6.01%	B-
Telecommunications	4	14,996,797.26	6.80 %	2.98	4.84%	-
Utilities	3	11,725,884.94	5.32 %	0.87	5.15%	B+
<b>Total</b>	<b>75</b>	<b>220,501,960.93</b>	<b>100.00 %</b>	<b>2.75</b>	<b>4.14%</b>	<b>BB</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





**General Information**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



**General Information**

**Sec. 5.1(g) Event of Default calculation (Minimum 102.5%)**

Aggregate Principal Balance of Collateral Obligations:	224,088,705.19
Amounts on deposit in the Collection Account and the Ramp-Up Account:	12,548,863.26
Less:	
Aggregate Principal Balance of Defaulted Obligations:	3,586,744.26
Plus:	
Aggregate Market Value of Defaulted Obligations:	1,244,329.69
	<hr/>
Collateral Principal Amount:	234,295,153.88
Divided by:	
Aggregate Outstanding Amount of the Class A Notes:	65,160,094.26
<b>Result:</b>	<b>359.6%</b>





**General Information**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



**Description**

Weighted Average Moody's Rating Factor:	4,087
Weighted Average Adjusted Moody's Rating Factor w/o the Rating Factor Adjustment Amount:	3,513
Weighted Average Floating Spread determined as if the Libor Floor of each Libor Floor Obligation were equal to zero:	3.41%
Excess Weighted Average Coupon:	0.00%
Excess Weighted Average Floating Spread:	0.00%
S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	36.1%
S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	45.5%
S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	51.5%
S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	58.1%
S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	63.7%
S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	69.0%





**Disclaimer**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



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## **ACIS CLO 2014-5, Ltd.**

Monthly Report

As of February 21, 2019





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As of Date: 02/21/2019  
Payment Date: 05/01/2019



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**Notice**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



The Notes may be held or beneficially owned, as applicable, only by Persons that (a)(i) are not U.S. persons and are purchasing their beneficial interest in an offshore transaction or (ii) are either (A) Qualified Purchasers (as defined for purposes of Section 3(c)(7) of the Investment Company Act) ("Qualified Purchasers") or (B) (in the case of the Subordinated Notes only) Knowledgeable Employees (as defined in Rule 3c-5 under the Investment Company Act) ("Knowledgeable Employees") with respect to the Issuer or corporations, partnerships, limited liability companies or other entities (other than trusts) each shareholder, partner, member or other equity owner of which is either (x) a Knowledgeable Employee with respect to the Issuer or (y) a Qualified Purchaser that in the case of (A) and (B) are either (1) "institutional" accredited investors ("Accredited Investors") (in the case of the Class E Notes and the Subordinated Notes only) meeting the requirements of Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who, in the case of Subordinated Notes only, if "individual" Accredited Investors, are also Knowledgeable Employees with respect to the Issuer or (2) qualified institutional buyers ("Qualified Institutional Buyers") within the meaning of Rule 144A under the Securities Act and (b) can make the representations set forth in Section 2.6 (Registration, Registration of Transfer and Exchange) of the Indenture or the appropriate Exhibit to the Indenture. Beneficial ownership interests in the Rule 144A Global Notes may be transferred only to a Person that is both a Qualified Institutional Buyer and a Qualified Purchaser and that can make the representations referred to in clause (b) of the preceding sentence. The Issuer has the right to compel any beneficial owner of an interest in Rule 144A Global Notes that does not meet the qualifications set forth in such clauses to sell its interest in such Notes, or may sell such interest on behalf of such owner, pursuant to Section 2.12 (Notes Beneficially Owned by Persons Not QIB/QPs or in Violation of ERISA Representations) of the Indenture.





**Executive Summary**  
As of Date: 02/21/2019  
Payment Date: 05/01/2019

Contact Information			Electronic Reports			Relevant Dates					
Issuer:	ACIS CLO 2014-5, Ltd.		Issue ID: .....		ACIS1405	Closing Date:		18-Nov-14			
Co-Issuer:	ACIS CLO 2014-5, LLC		Monthly Data File Name:			First Payment Date:		01-May-15			
Investment Advisor:	ACIS Capital Management LP		ACIS1405_02/21/19_D_3.CSV		Test History Standard	Interim Ramp-Up Date:		21-Jan-15			
Rated By:	Moody's Investors Service, Inc.		ACIS1405_02/21/19_D_4.CSV		Holdings Standard	Investment Period End Date:		21-Jan-15			
	S&P Global Ratings		ACIS1405_02/21/19_D_2.CSV		Transaction Details Standard	Reinvestment Period End Date:		18-Nov-19			
Account Manager:	Taylor Potts		ACIS1405_02/21/19_D_12.CSV		Amortization	Scheduled Termination Date:		02-Nov-26			
Phone:	312-332-7830		ACIS1405_02/21/19_D_13.CSV		Cash Account Summary						
Email:	taylor.potts@usbank.com		ACIS1405_02/21/19_D_14.CSV		Liability Details						
Asset Positions			Account Balances			Note Information					
Position	Current Count	Current	Account	Currency	Balance	Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon
Delayed Drawdown	-	-	Collection - Interest	USD	1,917,525.27	Class A-1	280,750,000.00	280,572,430.10	2,945,357.80	2.73625 %	4.24625 %
Loan			Collection - Principal	USD	43,633,015.71	Class A-2	30,000,000.00	29,981,025.48	264,927.33	N/A	3.53460 %
Revolving Loan	-	-	Custodial	USD	0.00	Class B	68,000,000.00	68,000,000.00	853,374.03	2.73625 %	5.07625 %
Term Loan	187	447,539,665.12	Expense Reserve	USD	0.00	Class C-1	25,000,000.00	25,000,000.00	379,254.34	2.73625 %	6.13625 %
Cash	-	43,633,015.71	Hedge	USD	0.00	Class C-2	7,000,000.00	7,000,000.00	101,963.75	N/A	5.82650 %
Settled Par Amount	-	443,150,871.25	Interest Reserve	USD	0.00	Class D	26,000,000.00	26,000,000.00	454,845.63	2.73625 %	7.07625 %
			Payment	USD	0.00	Class E-1	10,500,000.00	10,500,000.00	240,276.82	2.73625 %	9.25625 %
			Ramp-Up	USD	0.00	Class E-2	10,500,000.00	10,500,000.00	208,607.66	2.73625 %	8.03625 %
			Revolver Funding	USD	0.00	Subordinated	53,000,000.00	53,000,000.00	N/A	N/A	N/A
			Supplemental Reserve	USD	0.00	Totals:	510,750,000.00	510,553,455.58	5,448,607.36		
Coverage Tests					Quality Tests						
Test Name	Current Threshold	02/21/2019 Current	Result	01/22/2019 Prior	Test Name	Current Threshold	02/21/2019 Current	Result	01/22/2019 Prior		
Class A/B Overcollateralization Test	122.00%	128.68%	Pass	128.68%	Minimum Weighted Average Coupon Test	4.50%	4.79%	Pass	4.79%		
Class C Overcollateralization Test	113.70%	118.65%	Pass	118.65%	Minimum Floating Spread Test	3.00%	3.05%	Pass	3.05%		
Class D Overcollateralization Test	108.50%	111.58%	Pass	111.58%	Moody's Weighted Average Recovery Rate Test	44.00%	49.6%	Pass	49.7%		
Class E Overcollateralization Test	105.20%	106.46%	Pass	106.46%	Maximum Moody's Rating Factor Test	3,066	2,771	Pass	2,718		
Interest Reinvestment Test	106.20%	106.46%	Pass	106.46%	Moody's Diversity Test	60	62	Pass	62		
Class A/B Interest Coverage Test	120.00%	148.57%	Pass	146.25%	Weighted Average Life Test	3.74	4.06	Fail	4.15		
Class C Interest Coverage Test	115.00%	132.84%	Pass	130.60%							
Class D Interest Coverage Test	110.00%	120.75%	Pass	118.55%							
Class E Interest Coverage Test	105.00%	110.81%	Pass	108.62%							





## Note Summary Information

As of Date: 02/21/2019  
Payment Date: 05/01/2019



### Note Information

Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon	Moody's		S&P	
						Orig	Curr	Orig	Curr
Class A-1	280,750,000.00	280,572,430.10	2,945,357.80	2.73625%	4.24625%	Aaa	Aaa	AAA	AAA
Class A-2	30,000,000.00	29,981,025.48	264,927.33	N/A	3.53460%	Aaa	Aaa	AAA	AAA
Class B	68,000,000.00	68,000,000.00	853,374.03	2.73625%	5.07625%	NR	NR	AA	AA
Class C-1	25,000,000.00	25,000,000.00	379,254.34	2.73625%	6.13625%	NR	NR	A	A
Class C-2	7,000,000.00	7,000,000.00	101,963.75	N/A	5.82650%	NR	NR	A	A
Class D	26,000,000.00	26,000,000.00	454,845.63	2.73625%	7.07625%	NR	NR	BBB	BBB
Class E-1	10,500,000.00	10,500,000.00	240,276.82	2.73625%	9.25625%	NR	NR	BB	BB
Class E-2	10,500,000.00	10,500,000.00	208,607.66	2.73625%	8.03625%	NR	NR	BB	BB
Subordinated	53,000,000.00	53,000,000.00	N/A	N/A	N/A	NR	NR	NR	NR
<b>Totals:</b>	<b>510,750,000.00</b>	<b>510,553,455.58</b>	<b>5,448,607.36</b>						

### Asset Positions

Position	Curr Count	Current	Prior Count	Prior
Delayed Drawdown Loan	-	-	-	-
Revolving Loan	-	-	-	-
Term Loan	187	447,539,665.12	188	453,754,827.75
Cash	-	43,633,015.71	-	37,418,068.93
<b>Totals:</b>	<b>187</b>	<b>491,172,680.83</b>	<b>188</b>	<b>491,172,896.68</b>

### Test Summary

Test Type	Pass	Fail	N/A
Coverage	9	0	0
Quality	5	1	1
Portfolio Profile	47	0	0
<b>Totals:</b>	<b>61</b>	<b>1</b>	<b>1</b>

(1) Cash is based on Trade Date





## Coverage and Quality Tests

As of Date: 02/21/2019  
Payment Date: 05/01/2019

### Coverage Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Overcollateralization Test	128.68%	128.68%	122.00%	Minimum	Pass
2	Class C Overcollateralization Test	118.65%	118.65%	113.70%	Minimum	Pass
3	Class D Overcollateralization Test	111.58%	111.58%	108.50%	Minimum	Pass
4	Class E Overcollateralization Test	106.46%	106.46%	105.20%	Minimum	Pass
5	Interest Reinvestment Test	106.46%	106.46%	106.20%	Minimum	Pass
6	Class A/B Interest Coverage Test	146.25%	148.57%	120.00%	Minimum	Pass
7	Class C Interest Coverage Test	130.60%	132.84%	115.00%	Minimum	Pass
8	Class D Interest Coverage Test	118.55%	120.75%	110.00%	Minimum	Pass
9	Class E Interest Coverage Test	108.62%	110.81%	105.00%	Minimum	Pass

### Collateral Quality Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	S&P CDO Monitor Test	*** See S&P CDO Monitor Report ***				
2	Minimum Weighted Average Coupon Test	4.79%	4.79%	4.50%	Minimum	Pass
3	Minimum Floating Spread Test	3.05%	3.05%	3.00%	Minimum	Pass
4	Moody's Weighted Average Recovery Rate Test	49.7%	49.6%	44.00%	Minimum	Pass
5	Maximum Moody's Rating Factor Test	2,718	2,771	3,066	Maximum	Pass
6	Moody's Diversity Test	62	62	60	Minimum	Pass
7	Weighted Average Life Test	4.15	4.06	3.74	Maximum	Fail





# Concentration Limitations

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
1	Senior Secured Loans, Cash and Eligible Investments	98.62% / 478,107,084.33	98.62% / 478,106,868.48	90.00%	Minimum	Pass
2	Floating Rate Collateral Obligations	98.89% / 479,425,974.73	98.89% / 479,425,758.88	95.00%	Minimum	Pass
3	Participations	-	-	20.00%	Maximum	Pass
4	Second Lien Loans	1.38% / 6,686,317.62	1.38% / 6,686,317.62	10.00%	Maximum	Pass
5	DIP Loans	-	-	5.00%	Maximum	Pass
6	DIP Loans - Single obligor	-	-	2.00%	Maximum	Pass
7	Single obligor - five above 2%	1.80% / 8,737,767.81	1.80% / 8,737,767.81	2.00%	Maximum	Pass
8	Single obligor - zero above 2.5%	2.35% / 11,368,861.26	2.35% / 11,368,861.26	2.50%	Maximum	Pass
9	Moody's Rating of "Caa1" or below	3.07% / 14,897,675.38	3.07% / 14,897,675.38	7.50%	Maximum	Pass
10	S&P Rating of "CCC+" or below	5.04% / 24,434,160.26	5.04% / 24,416,830.39	7.50%	Maximum	Pass
11	Delayed Drawdown Loans and Revolving Loans	-	-	15.00%	Maximum	Pass
12	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aaa	-	-	20.00%	Maximum	Pass
13	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa1	-	-	20.00%	Maximum	Pass
14	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa2	-	-	20.00%	Maximum	Pass
15	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa3	-	-	15.00%	Maximum	Pass
16	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A1	-	-	10.00%	Maximum	Pass
17	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A2 and P-1	-	-	5.00%	Maximum	Pass
18	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A2 or below	-	-	0.00%	Maximum	Pass
19	Moody's Counterparty Criteria - Individual Counterparty Limit - Aaa	-	-	20.00%	Maximum	Pass
20	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa1	-	-	10.00%	Maximum	Pass
21	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa2	-	-	10.00%	Maximum	Pass
22	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa3	-	-	10.00%	Maximum	Pass
23	Moody's Counterparty Criteria - Individual Counterparty Limit - A1	-	-	5.00%	Maximum	Pass
24	Moody's Counterparty Criteria - Individual Counterparty Limit - A2 and P-1	-	-	5.00%	Maximum	Pass
25	Moody's Counterparty Criteria - Individual Counterparty Limit - A2 or below	-	-	0.00%	Maximum	Pass
26	Third Party Credit Exposure	-	-	20.00%	Maximum	Pass
27	S&P Third Party Credit Exposure Limit - Aggregate Percentage - below AA	-	-	5.00%	Maximum	Pass
28	S&P Rating derived from a Moody's Rating	-	-	10.00%	Maximum	Pass
29	Moody's Rating derived from an S&P Rating	-	-	10.00%	Maximum	Pass
30	Non-Emerging Market Obligors	100.00% / 447,375,333.02	100.00% / 441,160,170.39	100.00%	Minimum	Pass
31	Other than the United States	1.41% / 6,858,093.03	1.41% / 6,858,093.03	20.00%	Maximum	Pass





# Concentration Limitations

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
32	Other than the United States or Canada	1.41% / 6,858,093.03	1.41% / 6,858,093.03	15.00%	Maximum	Pass
33	Canada	-	-	15.00%	Maximum	Pass
34	United Kingdom	0.51% / 2,476,293.04	0.51% / 2,476,293.04	10.00%	Maximum	Pass
35	Tax Jurisdiction	-	-	10.00%	Maximum	Pass
36	Group I Countries	1.02% / 4,963,645.05	1.02% / 4,963,645.05	10.00%	Maximum	Pass
37	Group II Countries	0.39% / 1,894,447.98	0.39% / 1,894,447.98	10.00%	Maximum	Pass
38	Group III Countries	-	-	7.50%	Maximum	Pass
39	Any individual country other than United States, United Kingdom or Canada	0.51% / 2,487,352.01	0.51% / 2,487,352.01	5.00%	Maximum	Pass
40	Largest S&P Industry Classification - one up to 15%	10.14% / 49,163,578.01	10.14% / 49,163,578.01	15.00%	Maximum	Pass
41	Largest S&P Industry Classification - two up to 12%	7.95% / 38,554,541.97	7.95% / 38,545,083.53	12.00%	Maximum	Pass
42	Largest S&P Industry Classification - 10%, with exception of three	6.76% / 32,787,339.05	6.76% / 32,787,339.05	10.00%	Maximum	Pass
43	Cov-Lite Loans	15.69% / 76,073,896.33	15.69% / 76,052,968.63	60.00%	Maximum	Pass
44	Non-Quarterly Assets	-	-	5.00%	Maximum	Pass
45	Collateral Obligations that pay interest less frequently than semi-annually	-	-	3.00%	Maximum	Pass
46	Deferrable Securities	-	-	3.00%	Maximum	Pass
47	Current Pay Obligations	0.47% / 2,299,826.52	0.47% / 2,299,826.52	2.50%	Maximum	Pass





**ACIS CLO 2014-5, Ltd**  
**Standard & Poor's CDO Monitor**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Portfolio Statistics

Number of Assets:	185
Number of Obligors:	168
Total Principal Balance of Collateral Debt Securities:	441,160,170.36
Weighted Average Maturity (in years):	4.16
Weighted Average Rating:	B+
S&P Default Measure (Annualized Expected Portfolio Default Rate):	5.608%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	4.283%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	2.36

Class Statistics

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Test Results
Class A-1	280,750,000.00	AAA		52.089%	63.828%	PASS
Class A-2	30,000,000.00	AAA		52.089%	63.828%	PASS





# Interest Coverage Ratio Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



	Calculation	Ratio	Minimum	Result
Class A/B	A/ (D+E)	148.57%	120.00%	Pass
Class C	A/ (D+E+F)	132.84%	115.00%	Pass
Class D	A/ (D+E+F+G)	120.75%	110.00%	Pass
Class E	A/ (D+E+F+G+H)	110.81%	105.00%	Pass

## Received:

Scheduled Interest Proceeds and Fees Received:	1,813,947.64	
Interest on Eligible Investments:	103,577.63	
Amendment and waiver fees, late payment fees and other fees (except Turbo Payment Amounts):	0.00	
Amounts from the Expense Reserve Account:	0.00	
Principal Proceeds treated as Interest Proceeds:	0.00	
Payment received with respect to any Hedge Agreement:	0.00	
Commitment fees and other similar fees:	0.00	
Amounts from the Ramp-Up Account:	0.00	
Amounts from the Interest Reserve Account:	0.00	
		1,917,525.27

## Projected:

Scheduled Interest:	4,325,298.39	
Reinvestment Income:	0.00	
Reinvestment Income on Eligible Investments:	0.00	
		4,325,298.39

## Less:

Taxes, Registration, and Filing Fees Owed by the Issuer or the Co-Issuer:	0.00	
Fees, Expenses and Indemnities to the Trustee:	21,250.04	
Fees, Expenses and Indemnities to the Collateral Administrator:	0.00	
Fees, Expenses and Indemnities to the Bank:	0.00	
Fees, Expenses and Indemnities to Independent accountants, agents, and counsel of the Issuer and any ETB Subsidiary:	0.00	
Fees and Expenses to the Rating Agencies:	0.00	
Fees, Expenses and Indemnities in relation to Petition Expenses:	0.00	
Fees, Expenses and Indemnities to the Portfolio Manager:	0.00	
Fees, Expenses, and Indemnities to the Administrator:	0.00	
Amounts due and payable to any other person permitted under the Indenture:	0.00	
Accrued and Unpaid Senior Management Fee:	184,189.84	
		205,439.88
		6,037,383.78 (A)





**ACIS CLO 2014-5, Ltd.**  
**Interest Coverage Ratio Detail**

As of Date: 02/21/2019  
 Payment Date: 05/01/2019



**Denominator:**

Amounts due to any Hedge Counterparty, excluding termination amounts:	0.00 (B)
Amounts due to any Hedge Counterparty pursuant to an early termination:	0.00 (C)
Class A Notes Interest Distribution Amount:	3,210,285.13 (D)
Class B Notes Interest Distribution Amount:	853,374.03 (E)
Class C Notes Interest Distribution Amount, including any interest on Deferred Interest:	481,218.09 (F)
Class D Notes Interest Distribution Amount, including any interest on Deferred Interest:	454,845.63 (G)
Class E Notes Interest Distribution Amount, including any interest on Deferred Interest:	448,884.48 (H)





## Overcollateralization Ratio Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

	Calculation	Ratio	Minimum	Result
Class A/B	A/(B+C)	128.68%	122.00%	Pass
Class C	A/(B+C+D)	118.65%	113.70%	Pass
Class D	A/(B+C+D+E)	111.58%	108.50%	Pass
Class E	A/(B+C+D+E+F)	106.46%	105.20%	Pass
Interest Reinvestment	A/(B+C+D+E+F)	106.46%	106.20%	Pass

**Collateral:**

Aggregate Principal Balance of the Collateral Obligations:	447,539,665.12	
Available Principal Amounts:	43,633,015.71	
Unpaid Principal Financed Accrued Interest:	0.00	
		491,172,680.83

**Less:**

Aggregate Principal Balance of Defaulted Obligations:	6,379,494.76	
Aggregate Principal Balance of Discounted Obligations:	102,357.90	
Aggregate Principal Balance of Deferring Securities:	0.00	
CCC/Caa Par Reduction Amount:	0.00	
		6,481,852.66

**Plus:**

Lesser of Market Value and (i) S&P Recovery Amount and (ii) Moody's Recovery Amount of Defaulted Securities:	2,353,413.06	
Lesser of (i) S&P Collateral Value (ii) Moody's Collateral Value of Deferring Securities:	0.00	
Purchase Price of Discount Obligations:	80,862.74	
		2,434,275.80

Adjusted Collateral Principal Amount: **487,125,103.97 (A)**

**Notes:**

Aggregate Principal Amount of the Class A Notes:	310,553,455.58 (B)
Aggregate Principal Amount of the Class B Notes:	68,000,000.00 (C)
Aggregate Principal Amount of the Class C Notes, including Deferred Interest:	32,000,000.00 (D)
Aggregate Principal Amount of the Class D Notes, including Deferred Interest:	26,000,000.00 (E)
Aggregate Principal Amount of the Class E Notes, including Deferred Interest:	21,000,000.00 (F)





**AGIS CLO 2014-5, Ltd.**  
**Caa/CCC Excess Haircut Detail**

As of Date: 02/21/2019  
 Payment Date: 05/01/2019



**Caa Excess Calculation:**

Balance of Caa Obligations	14,897,675.38
Less: Threshold	36,359,488.96
Caa Excess	-
Market Value of Excess	-
Caa Excess Adjustment Amount	-

**CCC Excess Calculation:**

Balance of CCC Obligations	24,416,830.39
Less: Threshold	36,359,488.96
CCC Excess	-
Market Value of Excess	-
CCC Excess Adjustment Amount	-

The greater of the Caa and CCC  
 Excess Adjustment Amounts: -

Caa Excess Obligation	Principal Balance	Caa Excess	Market Price	Market Value	CCC Excess Obligation	Principal Balance	CCC Excess	Market Price	Market Value
<b>Total:</b>									





**Assets: Purchased**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Primary Asset Type	Par Amount	Purchase Price	Cost	Accrued Interest Amount	Trade Date
			-	-	-	-	
Totals:			0				





**ACIS CLO 2014-5 Ltd.**

**Assets: Sold**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Primary Asset Type	Par Amount	Sale Price	Cost	Reason For Sale	Trade Date
			-	-	-		
Total:			0				





# ACIS CLO 2014-5 Ltd. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
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Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	-	12,112.89	12,112.89	-	-	-	12,112.89
LX169636	84 Lumber T/L B-1	-	15,959.85	15,959.85	-	-	-	15,959.85
LX144914	Academy T/L B	-	29,176.17	29,176.17	-	-	-	29,176.17
LX172091	Acadia Healthcare T/L B3	-	13,025.99	13,025.99	-	-	-	13,025.99
LX172092	Acadia Healthcare T/L B4	-	7,177.72	7,177.72	-	-	-	7,177.72
LX167634	Accudyne Industries T/L (07/17)	-	2,112.18	2,112.18	-	-	-	2,112.18
LX155961	Advanced Disposal T/L B	-	1,634.56	1,634.56	-	-	-	1,634.56
LX138509	Advantage Sales 2nd lien T/L (Karman)	-	27,768.79	27,768.79	-	-	-	27,768.79
LX138508	Advantage Sales T/L 1st Lien (Karman)	-	30,430.31	30,430.31	-	-	-	30,430.31
LX163240	Advantage Sales T/L B Incremental	-	8,314.39	8,314.39	-	-	-	8,314.39
LX172523	AES Corporation T/L B (03/18)	-	-	-	-	-	-	-
LX159618	AI Mistral T/L (V. Group)	-	1,401.65	1,401.65	-	-	-	1,401.65
LX171691	Air Medical T/L B	-	33,906.32	33,906.32	-	-	-	33,906.32
LX132200	Akorn T/L B	-	1,950.90	1,950.90	-	-	-	1,950.90
LX164597	Albertson's T/L B5 (05/17)	-	-	-	-	-	-	-
LX176679	Albertson's T/L B7	-	14,980.29	14,980.29	-	-	-	14,980.29
LX161956	AlixPartners T/L B	-	17,865.03	17,865.03	-	-	-	17,865.03
LX155973	American Airlines Replacement T/L B (AMR)	-	14,506.29	14,506.29	-	-	-	14,506.29
LX165158	American Airlines T/L B (06/17)	-	10,803.59	10,803.59	-	-	-	10,803.59
LX172603	American Builders & Contractors T/L B-2	-	14,797.23	14,797.23	-	-	-	14,797.23
LX165074	American Renal T/L B	-	2,898.70	2,898.70	-	-	-	2,898.70
LX171458	Apex Tool Group T/L B (02/18)	-	10,733.63	10,733.63	-	-	-	10,733.63
LX168507	Applied Systems T/L B (09/17)	-	4,695.94	4,695.94	-	-	-	4,695.94
LX173667	Aramark Services T/L B-2	-	10,242.48	10,242.48	-	-	-	10,242.48
LX160614	Arch Coal T/L B (02/17)	-	447.18	447.18	-	-	-	447.18
LX151102	Armstrong World Industries T/L B	-	1,587.13	1,587.13	-	-	-	1,587.13
LX168847	AssuredPartners T/L (09/17)	-	11,939.17	11,939.17	-	-	-	11,939.17
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	-	-	-	-	-	-	-
LX169049	Belron Finance T/L B	-	6,130.72	6,130.72	-	-	-	6,130.72
LX171370	Berry Global (Berry Plastics) T/L Q	-	15,587.49	15,587.49	-	-	-	15,587.49





# ACIS CLO 2014-5 Ltd. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
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Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX159354	BJs Wholesale Club T/L B	-	4,277.67	4,277.67	-	2,335.44	2,335.44	6,613.11
LX171678	Booz Allen T/L B	-	5,427.74	5,427.74	-	-	-	5,427.74
LX161204	Boyd Gaming T/L B3	-	10,630.83	10,630.83	-	-	-	10,630.83
LX165183	Brand Energy & Infrastructure T/L	-	8,646.61	8,646.61	-	-	-	8,646.61
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	4,178.77	4,178.77	-	-	-	4,178.77
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX144710	Calpine Corporation T/L B-5	-	-	-	-	-	-	-
LX149099	Calpine Corporation T/L B-6	-	-	-	-	-	-	-
LX159606	Calpine T/L B8	-	3,083.27	3,083.27	-	-	-	3,083.27
LX167639	Canyon Valor Companies (GTCR) T/L B	-	-	-	-	-	-	-
LX161335	Capital Automotive 1st Lien T/L	-	19,387.74	19,387.74	-	-	-	19,387.74
LX177791	Carestream Health T/L (12/18)	-	16,617.41	16,617.41	-	-	-	16,617.41
LX137090	Catalent Pharma T/L B (new)	-	11,239.46	11,239.46	-	-	-	11,239.46
LX154537	CDW T/L	-	1,810.29	1,810.29	-	-	-	1,810.29
LX152766	Cengage Learning T/L B	-	21,899.68	21,899.68	-	-	-	21,899.68
LX161598	CenturyLink T/L B	-	11,300.84	11,300.84	-	-	-	11,300.84
LX159695	Change Healthcare T/L	-	23,744.35	23,744.35	-	-	-	23,744.35
LX144540	CHS/Community Health T/L H	-	-	-	-	-	-	-
LX171813	Clark Equipment T/L B	-	-	-	-	-	-	-
LX165894	Clean Harbors T/L	-	1,811.90	1,811.90	-	-	-	1,811.90
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	1,017.40	1,017.40	-	-	-	1,017.40
LX148894	Commscope T/L Tranche 5	-	4,618.51	4,618.51	-	-	-	4,618.51
LX161695	CSC Holdings T/L B (03/17)	-	1,535.48	1,535.48	-	-	-	1,535.48
LX174067	Cumulus Media T/L	-	22,592.98	22,592.98	-	-	-	22,592.98
LX161958	Cypress Intermediate (CCC Info) T/L B	-	8,118.20	8,118.20	-	-	-	8,118.20
LX163416	Dayco Products T/L B (04/17)	-	-	-	-	-	-	-
LX154380	Dayton Power T/L B	-	2,198.12	2,198.12	-	-	-	2,198.12
LX169099	Dell International T/L B	-	11,715.28	11,715.28	-	7,584.03	7,584.03	19,299.31
LX134289	Ditech Holding (Walter Investment) 1st Lien T/L	-	3,596.75	3,596.75	-	-	-	3,596.75
LX128948	Doncasters T/L	-	-	-	-	-	-	-
LX172338	DTI Holdco T/L B-1 (Epiq)	-	18,454.09	18,454.09	-	-	-	18,454.09





**Intra-Period Collection Account Detail**

As of Date: 02/21/2019  
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Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX140953	Eastern Power (TPF II Power) T/L B	-	5,886.02	5,886.02	-	14,617.69	14,617.69	20,503.71
LX155237	Eldorado Resorts T/L B (03/17)	-	1,534.02	1,534.02	-	-	-	1,534.02
LX163026	Endo Luxembourg Finance T/L B	-	2,838.35	2,838.35	-	-	-	2,838.35
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	-	5,447.63	5,447.63	-	-	-	5,447.63
LX136501	Evergreen Skills T/L (First Lien)	-	41,565.19	41,565.19	-	17,329.87	17,329.87	58,895.06
LX159615	ExamWorks T/L B1	-	14,478.30	14,478.30	-	-	-	14,478.30
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX165177	First Data T/L 2022D	-	11,893.09	11,893.09	-	-	-	11,893.09
LX169513	First Data T/L 2024A New Dollar	-	21,993.96	21,993.96	-	-	-	21,993.96
LX173110	Fitness International (LA Fitness) T/L A (4/18)	-	2,213.30	2,213.30	-	-	-	2,213.30
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX155300	Fort Dearborn 1st Lien T/L	-	466.49	466.49	-	-	-	466.49
LX162521	Forterra Finance T/L (04/17)	-	3,685.82	3,685.82	-	-	-	3,685.82
LX148220	Frontier Communications T/L 2	-	11,046.48	11,046.48	-	-	-	11,046.48
LX155134	G-III Apparel Group T/L B (10/16)	-	5,546.06	5,546.06	-	-	-	5,546.06
LX173608	Generac Power T/L B (6/2018)	-	10,225.41	10,225.41	-	-	-	10,225.41
LX175013	GIP III Stetson T/L B	-	9,198.03	9,198.03	-	41,265.73	41,265.73	50,463.76
LX172106	Global Payments T/L B (03/18)	-	12,954.50	12,954.50	-	-	-	12,954.50
LX168592	Golden Nugget T/L B (09/17)	-	22,725.42	22,725.42	-	-	-	22,725.42
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	-	-	-	-	-	-	-
LX141384	Granite Acq T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141385	Granite Acq T/L C (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	4,177.54	4,177.54	-	-	-	4,177.54
LX158207	Grifols Worldwide Operations T/L B	-	1,235.77	1,235.77	-	-	-	1,235.77
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX170998	Harbor Freight Tools T/L B (1/18)	-	16,801.62	16,801.62	-	-	-	16,801.62
LX167057	Hayward Industries T/L	-	4,482.56	4,482.56	-	-	-	4,482.56
LX144819	HCA Inc T/L A5	-	8,404.61	8,404.61	-	-	-	8,404.61
LX171927	HCA Inc T/L B11	-	7,494.10	7,494.10	-	-	-	7,494.10
LX176498	HD Supply T/L B-5	-	22,275.66	22,275.66	-	-	-	22,275.66
LX167192	HD Supply Waterworks T/L (CD&R Merger)	-	-	-	-	2,500.00	2,500.00	2,500.00





# ACIS CLO 2014-5 Ltd. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
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Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX130210	Iheart T/L D (Clear Channel)	-	-	-	-	-	-	-
LX169195	Ineos US Finance T/L (2024 Dollar)	-	15,421.32	15,421.32	-	-	-	15,421.32
LX159959	Infor US (Lawson) T/L B-6	-	10,773.60	10,773.60	-	-	-	10,773.60
LX164174	ION Media T/L (05/17)	-	5,471.15	5,471.15	-	-	-	5,471.15
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-
LX155217	Jo-Ann Stores T/L	-	56,230.40	56,230.40	-	7,645.46	7,645.46	63,875.86
LX164714	KAR Auction Services T/L B-4	-	-	-	-	-	-	-
LX164715	KAR Auction Services T/L B-5	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	1,253.28	1,253.28	-	-	-	1,253.28
LX146807	Kenan Advantage T/L B (U.S.)	-	4,130.89	4,130.89	-	-	-	4,130.89
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	28,352.53	28,352.53	-	-	-	28,352.53
LX163804	Kronos T/L B	-	70,868.56	70,868.56	-	-	-	70,868.56
LX162675	Laureate Education T/L 2024	-	35,588.96	35,588.96	-	634,620.01	634,620.01	670,208.97
LX154098	Leslie's Poolmart T/L B	-	2,986.49	2,986.49	-	-	-	2,986.49
LX160334	Level 3 Financing T/L	-	23,833.87	23,833.87	-	-	-	23,833.87
LX136370	Libbey Glass T/L	-	12,557.01	12,557.01	-	-	-	12,557.01
LX138016	Liberty Cablevision T/L B (San Juan Cable)	-	11,642.32	11,642.32	-	-	-	11,642.32
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX171260	Lightstone Holdco T/L B	-	35,352.43	35,352.43	-	-	-	35,352.43
LX171261	Lightstone T/L C	-	1,949.00	1,949.00	-	-	-	1,949.00
LX165714	Live Nation T/L B-3	-	5,368.04	5,368.04	-	-	-	5,368.04
LX168615	LPL Holdings Incremental T/L B	-	1,901.88	1,901.88	-	-	-	1,901.88
LX162914	MA FinanceCo T/L B2	-	8,157.46	8,157.46	-	5,000.00	5,000.00	13,157.46
LX162202	MacDermid T/L B6	-	24,730.86	24,730.86	-	5,200,603.94	5,200,603.94	5,225,334.80
LX168182	Match Group T/L B	-	16,453.44	16,453.44	-	-	-	16,453.44
LX152400	McGraw-Hill Global Education Holdings T/L	-	25,895.04	25,895.04	-	-	-	25,895.04
LX172427	Mediacom T/L N	-	4,789.41	4,789.41	-	-	-	4,789.41
LX173656	Michaels Stores T/L B	-	3,062.09	3,062.09	-	3,362.77	3,362.77	6,424.86
LX145695	Minerals Technologies T/L B2 (Fixed)	-	-	-	-	-	-	-





**Intra-Period Collection Account Detail**

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Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX155231	Mohegan Tribal T/L A	-	13,733.91	13,733.91	-	-	-	13,733.91
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	4,021.20	4,021.20	-	-	-	4,021.20
LX157681	National Financial Partners (NFP) T/L B	-	17,071.76	17,071.76	-	-	-	17,071.76
LX171717	NeuStar T/L B4 (03/18)	-	22,697.82	22,697.82	-	-	-	22,697.82
LX162460	Nielsen Finance T/L B4	-	2,073.64	2,073.64	-	-	-	2,073.64
LX155280	NN, Inc T/L B (9/16)	-	17,053.63	17,053.63	-	-	-	17,053.63
LX153092	NRG Energy T/L B 6/16	-	892.14	892.14	-	-	-	892.14
LX157595	Oberthur Technologies T/L B (USD)	-	-	-	-	-	-	-
LX157136	Ocwen T/L B	-	2,063.82	2,063.82	-	-	-	2,063.82
LX161654	Outfront Media T/L B (CBS Outdoor)	-	5,641.77	5,641.77	-	-	-	5,641.77
LX170070	Oxbow Carbon T/L B (12/17)	-	2,463.32	2,463.32	-	-	-	2,463.32
LX167279	Parexel International T/L B	-	2,241.68	2,241.68	-	-	-	2,241.68
LX171402	Party City T/L	-	10,033.06	10,033.06	-	-	-	10,033.06
LX159002	Prestige Brands T/L B4	-	3,132.48	3,132.48	-	20,597.06	20,597.06	23,729.54
LX155959	Quikrete T/L B	-	23,634.30	23,634.30	-	-	-	23,634.30
LX152098	Quorum Health T/L	-	25,209.42	25,209.42	-	-	-	25,209.42
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	-	-	-	-	-	-	-
LX152765	Riverbed Technology T/L 1st Lien	-	12,443.06	12,443.06	-	-	-	12,443.06
LX155106	RP Crown Parent (JDA Software) T/L B	-	16,599.27	16,599.27	-	-	-	16,599.27
LX152375	Russell Investments T/L B	-	44,007.96	44,007.96	-	-	-	44,007.96
LX171269	Scientific Games T/L B-5	-	32,293.17	32,293.17	-	-	-	32,293.17
LX135384	Seadrill T/L B	-	-	-	-	-	-	-
LX156211	ServiceMaster T/L C	-	5,640.85	5,640.85	-	-	-	5,640.85
LX158094	Sinclair Television T/L B2	-	5,791.69	5,791.69	-	-	-	5,791.69
LX145736	Six Flags T/L B	-	5,746.99	5,746.99	-	-	-	5,746.99
LX151194	Solera T/L B	-	7,279.37	7,279.37	-	-	-	7,279.37
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX141908	Southeast PowerGen T/L B	-	4,045.76	4,045.76	-	-	-	4,045.76





# ACIS CLO 2014-5 Ltd. Intra-Period Collection Account Detail

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Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	-	-	-	-	-	-	-
LX169358	Springer Science T/L B13	-	10,764.67	10,764.67	-	-	-	10,764.67
LX159257	Sprint Communications T/L	-	8,566.17	8,566.17	-	-	-	8,566.17
LX160837	SS&C Technologies T/L B1 (03/17)	-	7,638.49	7,638.49	-	-	-	7,638.49
LX145044	StandardAero (DAE Aviation/VCSA) T/L	-	22,619.31	22,619.31	-	-	-	22,619.31
LX152816	Station Casinos T/L B (6/16)	-	15,277.76	15,277.76	-	-	-	15,277.76
LX165294	Surgery Center Holdings T/L B (06/17)	-	9,497.60	9,497.60	-	-	-	9,497.60
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	-	10,629.21	10,629.21	-	-	-	10,629.21
LX159275	Telesat Canada T/L 2018 B-4	-	-	-	-	-	-	-
LX168447	TMK Hawk T/L (Trimark USA)	-	2,564.07	2,564.07	-	-	-	2,564.07
LX141526	Toys R Us T/L B4	-	71,184.59	71,184.59	-	-	-	71,184.59
LX173457	Transdigm 2018 New T/L F	-	16,176.22	16,176.22	-	-	-	16,176.22
LX168620	Traverse Midstream T/L B	-	-	-	-	-	-	-
LX159214	Tribune Media T/L C (01/17)	-	2,265.34	2,265.34	-	-	-	2,265.34
LX168798	Tronox Blocked Borrower T/L B2	-	2,846.59	2,846.59	-	-	-	2,846.59
LX168581	Tronox T/L B (09/17)	-	6,569.06	6,569.06	-	-	-	6,569.06
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	-	13,698.58	13,698.58	-	-	-	13,698.58
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	-	3,824.44	3,824.44	-	-	-	3,824.44
LX172243	Uber Technologies T/L (3/18)	-	11,554.08	11,554.08	-	-	-	11,554.08
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	-	6,205.66	6,205.66	-	-	-	6,205.66
LX173324	United Airlines T/L B (05/18)	-	5,421.92	5,421.92	-	-	-	5,421.92
LX161197	Univision Communications T/L C5	-	42,248.20	42,248.20	-	253,242.19	253,242.19	295,490.39
LX162476	Urban One T/L	-	7,900.27	7,900.27	-	-	-	7,900.27
LX153134	US Foods Second Incremental T/L	-	7,680.64	7,680.64	-	-	-	7,680.64
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX168054	USS Ultimate Holdings T/L (United Site)	-	5,333.70	5,333.70	-	-	-	5,333.70
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	-	2,929.70	2,929.70	-	-	-	2,929.70
LX169239	VC GB Holdings T/L (Generation Brands)	-	18,699.90	18,699.90	-	-	-	18,699.90
LX156640	Vertellus T/L 2nd Lien	-	3,879.52	3,879.52	-	-	-	3,879.52
LX155779	Vistra Operations (Tex Operations) Exit T/L B	-	26,797.27	26,797.27	-	-	-	26,797.27





ACIS CLO 2014-5 Ltd.  
Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX157720	Vistra Operations Company T/L B (12/16)	-	15,044.69	15,044.69	-	-	-	15,044.69
LX144232	Wash Multifamily T/L (1st Lien)	-	4,490.01	4,490.01	-	-	-	4,490.01
LX165665	WEX T/L B-2 (Wright Express)	-	21,822.79	21,822.79	-	-	-	21,822.79
LX153816	WireCo WorldGroup T/L B	-	3,157.99	3,157.99	-	-	-	3,157.99
LX166414	Zayo Group T/L B2	-	1,698.47	1,698.47	-	-	-	1,698.47
LX159375	Ziggo Secured Finance T/L E	-	2,156.63	2,156.63	-	-	-	2,156.63
Totals:	189	0.00	1,872,385.53	1,872,385.53	0.00	6,210,704.19	6,210,704.19	8,083,089.72





# ACIS CLO 2014-5 Ltd. Proceeds Account Summary

As of Date: 02/21/2019  
Payment Date: 05/01/2019



## Accounts Summary

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Collection - Interest	6,149,627.78	1,942,958.83	6,175,061.34	1,917,525.27
Collection - Principal	47,862,519.57	43,628,940.93	43,652,185.92	47,839,274.58
Custodial	0.00	0.00	0.00	0.00
Expense Reserve	0.00	0.00	0.00	0.00
Hedge	0.00	0.00	0.00	0.00
Interest Reserve	0.00	0.00	0.00	0.00
Payment	0.00	43,567,696.71	43,567,696.71	0.00
Ramp-Up	0.00	0.00	0.00	0.00
Revolver Funding	0.00	0.00	0.00	0.00
Supplemental Reserve	0.00	0.00	0.00	0.00
<b>Totals:</b>	<b>54,012,147.35</b>	<b>89,139,596.47</b>	<b>93,394,943.97</b>	<b>49,756,799.85</b>

## Asset Summary

Balance of Collection:	45,550,540.98
Balance of Custodial:	0.00
Balance of Expense Reserve:	0.00
Balance of Hedge:	0.00
Balance of Interest Reserve:	0.00
Balance of Payment:	0.00
Balance of Ramp-Up:	0.00
Balance of Revolver Funding:	0.00
Balance of Supplemental Reserve:	0.00
<b>Total of All Proceeds:</b>	<b>45,550,540.98</b>

Account Summary: Based on Settlement Date

Asset Summary: Based on Trade Date





**Current Asset Characteristics - Part I**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	1011778 B.C. Unlimited Liability Company	16-Feb-24	4.74888%	2,947,500.00	-	2,947,500.00	0.61%
LX169636	84 Lumber T/L B-1	84 Lumber Company	25-Oct-23	7.76000%	2,549,604.44	-	2,549,604.44	0.53%
LX144914	Academy T/L B	Academy, Ltd.	01-Jul-22	6.51061%	5,262,050.69	-	5,262,050.69	1.09%
LX172091	Acadia Healthcare T/L B3	Acadia Healthcare Company, Inc.	11-Feb-22	4.99888%	3,011,909.92	-	3,011,909.92	0.62%
LX172092	Acadia Healthcare T/L B4	Acadia Healthcare Company, Inc.	16-Feb-23	4.99888%	1,659,655.09	-	1,659,655.09	0.34%
LX167634	Accudyne Industries T/L (07/17)	Accudyne Industries, LLC	19-Aug-24	5.49888%	444,166.66	-	444,166.66	0.09%
LX155961	Advanced Disposal T/L B	Advanced Disposal Services, Inc.	10-Nov-23	4.66863%	450,771.79	-	450,771.79	0.09%
LX138509	Advantage Sales 2nd lien T/L (Karman)	Advantage Sales & Marketing Inc.	25-Jul-22	8.99888%	3,574,181.80	-	3,574,181.80	0.74%
LX138508	Advantage Sales T/L 1st Lien (Karman)	Advantage Sales & Marketing Inc.	23-Jul-21	5.74888%	6,121,984.93	-	6,121,984.93	1.26%
LX163240	Advantage Sales T/L B Incremental	Advantage Sales & Marketing Inc.	23-Jul-21	5.74888%	1,672,694.51	-	1,672,694.51	0.35%
LX172523	AES Corporation T/L B (03/18)	AES Corporation, The	31-May-22	4.45600%	1,759,749.28	-	1,759,749.28	0.36%
LX159618	AI Mistral T/L (V. Group)	AI Mistral (Luxembourg) Subco Sarl	11-Mar-24	5.49888%	294,750.00	-	294,750.00	0.06%
LX171691	Air Medical T/L B	Air Medical Group Holdings, Inc.	28-Apr-22	5.74375%	7,082,346.01	-	7,082,346.01	1.46%
LX132200	Akorn T/L B	Akorn, Inc.	16-Apr-21	8.00000%	281,000.18	-	281,000.18	0.06%
LX164597	Albertson's T/L B5 (05/17)	Albertson's LLC	21-Dec-22	5.82163%	2,803,928.71	-	2,803,928.71	0.58%
LX176679	Albertson's T/L B7	Albertson's LLC	17-Nov-25	5.49888%	3,150,175.26	-	3,150,175.26	0.65%
LX161956	AlixPartners T/L B	AlixPartners, LLP	04-Apr-24	5.24888%	3,934,937.20	-	3,934,937.20	0.81%
LX155973	American Airlines Replacement T/L B (AMR)	American Airlines, Inc.	28-Apr-23	4.50000%	3,981,930.60	-	3,981,930.60	0.82%
LX165158	American Airlines T/L B (06/17)	American Airlines, Inc.	11-Oct-21	4.51688%	2,691,625.98	-	2,691,625.98	0.56%
LX172603	American Builders & Contractors T/L B-2	American Builders & Contractors Supply Co., Inc.	31-Oct-23	4.49888%	3,799,741.37	-	3,799,741.37	0.78%
LX165074	American Renal T/L B	American Renal Holdings, Inc.	21-Jun-24	5.74888%	583,161.37	-	583,161.37	0.12%
LX171458	Apex Tool Group T/L B (02/18)	Apex Tool Group, LLC	01-Feb-22	6.24888%	1,987,261.14	-	1,987,261.14	0.41%
LX168507	Applied Systems T/L B (09/17)	Applied Systems, Inc.	19-Sep-24	5.49888%	987,500.00	-	987,500.00	0.20%
LX173667	Aramark Services T/L B-2	Aramark Services, Inc.	28-Mar-24	4.24888%	2,784,042.68	-	2,784,042.68	0.57%
LX160614	Arch Coal T/L B (02/17)	Arch Coal, Inc.	07-Mar-24	5.24888%	98,496.22	-	98,496.22	0.02%
LX151102	Armstrong World Industries T/L B	Armstrong World Industries, Inc.	31-Mar-23	5.37397%	593,826.68	-	593,826.68	0.12%
LX168847	AssuredPartners T/L (09/17)	AssuredPartners, Inc.	22-Oct-24	5.74888%	2,401,928.79	-	2,401,928.79	0.50%
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	Axalta Coating Systems Dutch Holding B.B.V.	31-May-24	4.55300%	384,347.99	-	384,347.99	0.08%
LX169049	Belron Finance T/L B	Belron Finance US LLC	07-Nov-24	4.98850%	495,000.00	-	495,000.00	0.10%
LX171370	Berry Global (Berry Plastics) T/L Q	Berry Global Group, Inc.	01-Oct-22	4.61013%	3,883,495.73	-	3,883,495.73	0.80%
LX159354	BJs Wholesale Club T/L B	BJ's Wholesale Club, Inc.	02-Feb-24	5.49788%	929,506.05	-	929,506.05	0.19%





**Current Asset Characteristics - Part I**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX171678	Booz Allen T/L B	Booz Allen Hamilton Inc.	30-Jun-23	4.49888%	1,393,775.84	-	1,393,775.84	0.29%
LX161204	Boyd Gaming T/L B3	Boyd Gaming Corporation	15-Sep-23	4.65950%	2,346,083.94	-	2,346,083.94	0.48%
LX165183	Brand Energy & Infrastructure T/L	Brand Energy & Infrastructure Services Inc	21-Jun-24	6.95652%	492,500.00	-	492,500.00	0.10%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Bright Bidco B.V.	28-Jun-24	6.20448%	2,487,352.01	-	2,487,352.01	0.51%
LX159595	Builders Firstsource T/L	Builders FirstSource, Inc.	29-Feb-24	5.80300%	3,489,771.86	-	3,489,771.86	0.72%
LX144710	Calpine Corporation T/L B-5	Calpine Corporation	15-Jan-24	5.31000%	537,234.11	-	537,234.11	0.11%
LX149099	Calpine Corporation T/L B-6	Calpine Corporation	15-Jan-23	5.31000%	1,488,491.04	-	1,488,491.04	0.31%
LX159606	Calpine T/L B8	Calpine Corporation	31-Dec-19	4.25000%	1,296,700.51	-	1,296,700.51	0.27%
LX167639	Canyon Valor Companies (GTCR) T/L B	Canyon Valor Companies, Inc.	16-Jun-23	5.55300%	4,134,799.40	-	4,134,799.40	0.85%
LX161335	Capital Automotive 1st Lien T/L	Capital Automotive L.P.	25-Mar-24	5.00000%	4,476,103.26	-	4,476,103.26	0.92%
LX177791	Carestream Health T/L (12/18)	Onex Carestream Finance LP	28-Feb-21	8.24888%	2,332,774.23	-	2,332,774.23	0.48%
LX137090	Catalent Pharma T/L B (new)	Catalent Pharma Solutions Inc	20-May-24	4.74888%	2,734,960.53	-	2,734,960.53	0.56%
LX154537	CDW T/L	CDW LLC	17-Aug-23	4.25000%	491,183.85	-	491,183.85	0.10%
LX152766	Cengage Learning T/L B	Cengage Learning, Inc.	07-Jun-23	6.76900%	3,765,595.00	-	3,765,595.00	0.78%
LX161598	CenturyLink T/L B	CenturyLink, Inc.	31-Jan-25	5.24888%	2,489,114.44	-	2,489,114.44	0.51%
LX159695	Change Healthcare T/L	Change Healthcare Holdings, Inc.	01-Mar-24	5.24888%	5,229,910.75	-	5,229,910.75	1.08%
LX144540	CHS/Community Health T/L H	CHS/Community Health Systems, Inc.	27-Jan-21	5.95663%	2,299,826.52	-	2,299,826.52	0.47%
LX171813	Clark Equipment T/L B	Clark Equipment Company	17-May-24	4.80300%	2,166,830.85	-	2,166,830.85	0.45%
LX165894	Clean Harbors T/L	Clean Harbors, Inc.	28-Jun-24	4.24888%	492,500.00	-	492,500.00	0.10%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Coinamatic Canada Inc.	16-May-22	5.74888%	204,681.36	-	204,681.36	0.04%
LX148894	Commscope T/L Tranche 5	CommScope, Inc.	29-Dec-22	4.49888%	1,185,976.11	-	1,185,976.11	0.24%
LX161695	CSC Holdings T/L B (03/17)	CSC Holdings, LLC	17-Jul-25	4.73875%	374,691.26	-	374,691.26	0.08%
LX174067	Cumulus Media T/L	Cumulus Media New Holdings Inc.	13-May-22	7.00000%	5,028,759.04	-	5,028,759.04	1.04%
LX161958	Cypress Intermediate (CCC Info) T/L B	Cypress Intermediate Holdings III, Inc.	29-Apr-24	5.50000%	1,704,807.72	-	1,704,807.72	0.35%
LX163416	Dayco Products T/L B (04/17)	Dayco Products, LLC	19-May-23	6.95663%	1,469,210.53	-	1,469,210.53	0.30%
LX154380	Dayton Power T/L B	Dayton Power And Light Company (The)	22-Aug-22	4.50000%	563,500.00	-	563,500.00	0.12%
LX169099	Dell International T/L B	Dell International L.L.C.	07-Sep-23	4.50000%	2,995,693.22	-	2,995,693.22	0.62%
LX128948	Doncasters T/L	Doncasters Group Limited	09-Apr-20	6.30300%	2,476,293.04	-	2,476,293.04	0.51%
LX172338	DTI Holdco T/L B-1 (Epiq)	DTI Holdco, Inc.	29-Sep-23	7.49410%	992,377.81	-	992,377.81	0.20%
LX140953	Eastern Power (TPF II Power) T/L B	Eastern Power, LLC	02-Oct-23	6.24888%	1,075,141.37	-	1,075,141.37	0.22%
LX155237	Eldorado Resorts T/L B (03/17)	Eldorado Resorts, Inc.	17-Apr-24	4.84175%	494,870.70	-	494,870.70	0.10%





**Current Asset Characteristics - Part I**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX163026	Endo Luxembourg Finance T/L B	Endo Luxembourg Finance Company I S.a.r.l.	29-Apr-24	6.75000%	483,837.92	-	483,837.92	0.10%
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	ESH Hospitality, Inc.	30-Aug-23	4.49888%	1,398,882.07	-	1,398,882.07	0.29%
LX136501	Evergreen Skills T/L (First Lien)	Evergreen Skills Lux Sarl	28-Apr-21	7.24888%	6,620,009.31	-	6,620,009.31	1.37%
LX159615	ExamWorks T/L B1	Examworks Group Inc	27-Jul-23	5.74888%	2,912,750.82	-	2,912,750.82	0.60%
LX173032	Ferro T/L B-1	Ferro Corporation	14-Feb-24	5.05300%	1,228,218.75	-	1,228,218.75	0.25%
LX165177	First Data T/L 2022D	First Data Corporation	08-Jul-22	4.51900%	3,066,633.19	-	3,066,633.19	0.63%
LX169513	First Data T/L 2024A New Dollar	First Data Corporation	26-Apr-24	4.51900%	5,671,134.62	-	5,671,134.62	1.17%
LX173110	Fitness International (LA Fitness) T/L A (4/18)	Fitness International, LLC	18-Apr-23	5.24888%	487,500.02	-	487,500.02	0.10%
LX167187	Flexential Intermediate T/L B (Peak 10)	Flexential Intermediate Corporation	01-Aug-24	6.30300%	2,487,405.54	-	2,487,405.54	0.51%
LX155300	Fort Dearborn 1st Lien T/L	Fort Dearborn Company	19-Oct-23	6.78408%	2,379,491.39	-	2,379,491.39	0.49%
LX162521	Forterra Finance T/L (04/17)	Forterra Finance, LLC	25-Oct-23	5.49888%	775,083.06	-	775,083.06	0.16%
LX148220	Frontier Communications T/L 2	Frontier Communications Corporation	31-Mar-21	5.25000%	2,429,577.46	-	2,429,577.46	0.50%
LX155134	G-III Apparel Group T/L B (10/16)	G-III Apparel Group, Ltd.	01-Dec-22	7.76562%	1,099,193.17	-	1,099,193.17	0.23%
LX173608	Generac Power T/L B (6/2018)	Generac Power Systems, Inc.	31-May-23	4.25913%	2,873,732.95	-	2,873,732.95	0.59%
LX175013	GIP III Stetson T/L B	GIP III STETSON I, L.P.	18-Jul-25	6.73138%	1,497,195.81	-	1,497,195.81	0.31%
LX172106	Global Payments T/L B (03/18)	Global Payments Inc.	21-Apr-23	4.24888%	3,521,206.97	-	3,521,206.97	0.73%
LX168592	Golden Nugget T/L B (09/17)	Golden Nugget, Inc.	04-Oct-23	5.24440%	2,386,882.22	-	2,386,882.22	0.49%
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	Granite Acquisition, Inc.	19-Dec-22	10.05300%	2,112,001.20	-	2,112,001.20	0.44%
LX141384	Granite Acq T/L B (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	6.30300%	7,184,957.96	-	7,184,957.96	1.48%
LX141385	Granite Acq T/L C (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	6.30300%	1,840,559.14	-	1,840,559.14	0.38%
LX159621	Gray Television T/L B	Gray Television, Inc.	07-Feb-24	4.76400%	927,336.21	-	927,336.21	0.19%
LX158207	Grifols Worldwide Operations T/L B	Grifols Worldwide Operations USA Inc	31-Jan-25	4.66863%	340,796.98	-	340,796.98	0.07%
LX165794	Gruden Acquisition T/L	Gruden Acquisition, Inc.	18-Aug-22	8.30300%	2,831,533.41	-	2,831,533.41	0.58%
LX170998	Harbor Freight Tools T/L B (1/18)	Harbor Freight Tools USA, Inc.	18-Aug-23	4.99888%	3,884,922.89	-	3,884,922.89	0.80%
LX167057	Hayward Industries T/L	Hayward Industries, Inc.	05-Aug-24	5.99888%	864,367.29	-	864,367.29	0.18%
LX144819	HCA Inc T/L A5	HCA Inc.	10-Jun-20	3.99888%	6,159,903.42	-	6,159,903.42	1.27%
LX171927	HCA Inc T/L B11	HCA Inc.	17-Mar-23	4.24888%	2,036,996.55	-	2,036,996.55	0.42%
LX176498	HD Supply T/L B-5	HD Supply, Inc.	17-Oct-23	4.24888%	6,054,823.06	-	6,054,823.06	1.25%
LX167192	HD Supply Waterworks T/L (CD&R Merger)	HD Supply Waterworks, Ltd.	01-Aug-24	5.72139%	987,500.00	-	987,500.00	0.20%
LX130210	Iheart T/L D (Clear Channel)	IHeartCommunications Inc.	01-Jan-20	11.25175%	100,000.00	-	100,000.00	0.02%
LX169195	Ineos US Finance T/L (2024 Dollar)	Ineos US Finance LLC	01-Apr-24	4.49888%	3,960,000.00	-	3,960,000.00	0.82%





**Current Asset Characteristics - Part I**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX159959	Infor US (Lawson) T/L B-6	Infor (US), Inc.	01-Feb-22	5.24888%	2,372,985.84	-	2,372,985.84	0.49%
LX164174	ION Media T/L (05/17)	ION Media Networks, Inc.	18-Dec-20	5.25000%	1,203,332.98	-	1,203,332.98	0.25%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	IQVIA Inc.	07-Mar-24	4.80300%	2,101,338.18	-	2,101,338.18	0.43%
LX155217	Jo-Ann Stores T/L	Jo-Ann Stores, LLC	20-Oct-23	7.76100%	2,934,399.32	-	2,934,399.32	0.61%
LX164714	KAR Auction Services T/L B-4	KAR Auction Services, Inc.	11-Mar-21	5.06250%	960,120.56	-	960,120.56	0.20%
LX164715	KAR Auction Services T/L B-5	KAR Auction Services, Inc.	09-Mar-23	5.31250%	5,132,278.40	-	5,132,278.40	1.06%
LX146975	Kenan Advantage T/L B (Canadian)	Kenan Advantage Group, Inc.	01-Aug-22	5.49888%	263,550.13	-	263,550.13	0.05%
LX146807	Kenan Advantage T/L B (U.S.)	Kenan Advantage Group, Inc.	01-Aug-22	5.49888%	868,676.37	-	868,676.37	0.18%
LX159619	Kinetic Concepts (Acclity) (1/17) T/L	Kinetic Concepts, Inc.	02-Feb-24	6.05300%	492,500.00	-	492,500.00	0.10%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Kronos Acquisition Holdings Inc.	15-May-23	6.49888%	5,048,083.55	-	5,048,083.55	1.04%
LX163804	Kronos T/L B	Kronos Incorporated	01-Nov-23	5.73625%	4,961,134.83	-	4,961,134.83	1.02%
LX162675	Laureate Education T/L 2024	Laureate Education, Inc.	26-Apr-24	5.99888%	1,676,143.41	-	1,676,143.41	0.35%
LX154098	Leslie's Poolmart T/L B	Leslie's Poolmart, Inc.	16-Aug-23	5.99888%	575,882.93	-	575,882.93	0.12%
LX160334	Level 3 Financing T/L	Level 3 Financing Inc	22-Feb-24	4.75600%	6,100,000.00	-	6,100,000.00	1.26%
LX136370	Libbey Glass T/L	Libbey Glass Inc.	09-Apr-21	5.51688%	2,485,617.16	-	2,485,617.16	0.51%
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Liberty Cablevision of Puerto Rico LLC	07-Jan-22	5.98875%	2,250,000.00	-	2,250,000.00	0.46%
LX159083	Life Time Fitness 2017 Refinancing T/L B	Life Time Fitness, Inc.	10-Jun-22	5.45663%	4,164,918.37	-	4,164,918.37	0.86%
LX171260	Lightstone Holdco T/L B	Lightstone Holdco LLC	30-Jan-24	6.24888%	6,545,276.24	-	6,545,276.24	1.35%
LX171261	Lightstone T/L C	Lightstone Holdco LLC	30-Jan-24	6.24888%	360,844.95	-	360,844.95	0.07%
LX165714	Live Nation T/L B-3	Live Nation Entertainment, Inc.	31-Oct-23	4.25000%	1,445,530.63	-	1,445,530.63	0.30%
LX168615	LPL Holdings Incremental T/L B	LPL Holdings, Inc.	23-Sep-24	4.73225%	480,171.89	-	480,171.89	0.10%
LX162914	MA FinanceCo T/L B2	MA FinanceCo., LLC	19-Nov-21	4.74888%	3,745,541.56	-	3,745,541.56	0.77%
LX168182	Match Group T/L B	Match Group, Inc.	16-Nov-22	5.07813%	1,877,099.32	-	1,877,099.32	0.39%
LX152400	McGraw-Hill Global Education Holdings T/L	McGraw-Hill Global Education Holdings, LLC	04-May-22	6.49888%	5,028,816.70	-	5,028,816.70	1.04%
LX172427	Mediacom T/L N	Mediacom Illinois LLC	15-Feb-24	4.17000%	1,477,584.37	-	1,477,584.37	0.30%
LX173656	Michaels Stores T/L B	Michaels Stores, Inc.	30-Jan-23	5.00208%	983,929.82	-	983,929.82	0.20%
LX145695	Minerals Technologies T/L B2 (Fixed)	Minerals Technologies Inc.	09-May-21	4.75000%	5,367,427.22	-	5,367,427.22	1.11%
LX155231	Mohegan Tribal T/L A	Mohegan Tribal Gaming Authority	13-Oct-21	6.24888%	2,542,744.89	-	2,542,744.89	0.52%
LX152711	MPH Acquisition (Multiplan) T/L B	MPH Acquisition Holdings LLC	07-Jun-23	5.55300%	4,545,380.56	-	4,545,380.56	0.94%
LX165715	MTS Systems Corporation T/L B (06/17)	MTS Systems Corporation	05-Jul-23	5.74000%	761,590.86	-	761,590.86	0.16%
LX157681	National Financial Partners (NFP) T/L B	National Financial Partners Corporation	08-Jan-24	5.49888%	3,589,987.15	-	3,589,987.15	0.74%





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LX171717	NeuStar T/L B4 (03/18)	NeuStar, Inc.	08-Aug-24	5.99888%	4,376,800.83	-	4,376,800.83	0.90%
LX162460	Nielsen Finance T/L B4	Nielsen Finance LLC	04-Oct-23	4.51688%	501,460.17	-	501,460.17	0.10%
LX155280	NN, Inc T/L B (9/16)	NN, Inc.	19-Oct-22	6.24888%	3,157,368.16	-	3,157,368.16	0.65%
LX153092	NRG Energy T/L B 6/16	NRG Energy, Inc.	30-Jun-23	4.24888%	242,496.75	-	242,496.75	0.05%
LX157595	Oberthur Technologies T/L B (USD)	Oberthur Technologies Group S.A.S.	10-Jan-24	6.55300%	491,250.00	-	491,250.00	0.10%
LX157136	Ocwen T/L B	Ocwen Loan Servicing, LLC	07-Dec-20	7.51900%	319,397.30	-	319,397.30	0.07%
LX161654	Outfront Media T/L B (CBS Outdoor)	Outfront Media Capital LLC	18-Mar-24	4.51375%	1,409,598.66	-	1,409,598.66	0.29%
LX170070	Oxbow Carbon T/L B (12/17)	Oxbow Carbon, LLC	04-Jan-23	5.99888%	475,000.00	-	475,000.00	0.10%
LX167279	Parexel International T/L B	Parexel International Corporation	27-Sep-24	5.24888%	493,750.00	-	493,750.00	0.10%
LX171402	Party City T/L	Party City Holdings Inc.	19-Aug-22	5.00000%	2,477,036.18	-	2,477,036.18	0.51%
LX159002	Prestige Brands T/L B4	Prestige Brands, Inc.	26-Jan-24	4.49888%	785,777.68	-	785,777.68	0.16%
LX155959	Quikrete T/L B	QUIKRETE Holdings, Inc.	15-Nov-23	5.24888%	5,205,673.61	-	5,205,673.61	1.07%
LX152098	Quorum Health T/L	Quorum Health Corp	29-Apr-22	9.24888%	3,157,275.54	-	3,157,275.54	0.65%
LX159617	RadNet Management T/L B (01/17)	RadNet Management, Inc.	30-Jun-23	6.55423%	2,331,251.60	-	2,331,251.60	0.48%
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	RHP Hotel Properties, LP	13-May-24	4.78000%	393,000.00	-	393,000.00	0.08%
LX152765	Riverbed Technology T/L 1st Lien	Riverbed Technology, Inc.	25-Apr-22	5.75000%	2,500,000.00	-	2,500,000.00	0.52%
LX155106	RP Crown Parent (JDA Software) T/L B	RP Crown Parent, LLC	12-Oct-23	5.24888%	3,656,142.97	-	3,656,142.97	0.75%
LX152375	Russell Investments T/L B	Russell Investments US Institutional Holdco, Inc.	01-Jun-23	5.74888%	8,853,544.15	-	8,853,544.15	1.83%
LX171269	Scientific Games T/L B-5	Scientific Games International, Inc.	14-Aug-24	5.24888%	3,954,814.53	-	3,954,814.53	0.82%
LX135384	Seadrill T/L B	Seadrill Operating LP	21-Feb-21	8.80300%	4,188.53	-	4,188.53	- %
LX156211	ServiceMaster T/L C	ServiceMaster Company, LLC (The)	08-Nov-23	4.99888%	1,304,294.85	-	1,304,294.85	0.27%
LX158094	Sinclair Television T/L B2	Sinclair Television Group, Inc.	03-Jan-24	4.75000%	1,407,078.80	-	1,407,078.80	0.29%
LX145736	Six Flags T/L B	Six Flags Theme Parks Inc.	30-Jun-22	4.50000%	524,886.39	-	524,886.39	0.11%
LX151194	Solera T/L B	Solera, LLC	03-Mar-23	5.24888%	1,603,349.43	-	1,603,349.43	0.33%
LX159036	Sophia / Ellucian T/L B	Sophia, L.P.	30-Sep-22	6.05300%	3,528,083.93	-	3,528,083.93	0.73%
LX141908	Southeast PowerGen T/L B	Southeast PowerGen, LLC	02-Dec-21	6.00000%	779,154.89	-	779,154.89	0.16%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Spin Holdco, Inc.	14-Nov-22	6.02894%	3,447,499.98	-	3,447,499.98	0.71%
LX169358	Springer Science T/L B13	Springer Science & Business Media S.A.	12-Aug-22	5.99888%	1,894,447.98	-	1,894,447.98	0.39%
LX159257	Sprint Communications T/L	Sprint Communications, Inc.	02-Feb-24	5.00000%	1,965,000.00	-	1,965,000.00	0.41%
LX160837	SS&C Technologies T/L B1 (03/17)	SS&C Technologies, Inc.	08-Jul-22	4.74888%	2,457,180.78	-	2,457,180.78	0.51%
LX145044	StandardAero (DAE Aviation/VCSA) T/L	StandardAero Aviation Holdings, Inc.	07-Jul-22	6.25000%	6,273,278.64	-	6,273,278.64	1.29%





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LX152816	Station Casinos T/L B (6/16)	Station Casinos LLC	08-Jun-23	5.00000%	3,527,219.57	-	3,527,219.57	0.73%
LX165294	Surgery Center Holdings T/L B (06/17)	Surgery Center Holdings, Inc.	03-Sep-24	5.75000%	1,908,212.55	-	1,908,212.55	0.39%
LX171276	Syniverse Holdings T/L (01/18)	Syniverse Holdings, Inc.	09-Mar-23	7.48875%	2,493,718.59	-	2,493,718.59	0.51%
LX156377	Team Health Holdings T/L	Team Health Holdings, Inc.	06-Feb-24	5.24888%	2,341,182.41	-	2,341,182.41	0.48%
LX159275	Telesat Canada T/L 2018 B-4	Telesat Canada	17-Nov-23	5.31000%	7,553,956.95	-	7,553,956.95	1.56%
LX168447	TMK Hawk T/L (Trimark USA)	TMK Hawk Parent, Corp.	28-Aug-24	6.00000%	493,803.42	-	493,803.42	0.10%
LX141526	Toys R Us T/L B4	Toys R Us-Delaware, Inc.	24-Apr-20	13.25000%	6,279,494.76	-	6,279,494.76	1.30%
LX173457	Transdigm 2018 New T/L F	Transdigm, Inc.	09-Jun-23	4.99888%	3,740,315.78	-	3,740,315.78	0.77%
LX168620	Traverse Midstream T/L B	Traverse Midstream Partners LLC	27-Sep-24	6.60000%	2,919,133.51	-	2,919,133.51	0.60%
LX159214	Tribune Media T/L C (01/17)	Tribune Media Company	29-Jan-24	5.49888%	476,373.07	-	476,373.07	0.10%
LX168798	Tronox Blocked Borrower T/L B2	Tronox Blocked Borrower LLC	23-Sep-24	5.49888%	598,604.64	-	598,604.64	0.12%
LX168581	Tronox T/L B (09/17)	Tronox Finance LLC	23-Sep-24	5.49888%	1,381,395.36	-	1,381,395.36	0.28%
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	Truck Hero, Inc.	22-Apr-24	6.25188%	2,462,500.00	-	2,462,500.00	0.51%
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Truck Hero, Inc.	21-Apr-25	10.75188%	400,000.00	-	400,000.00	0.08%
LX172243	Uber Technologies T/L (3/18)	Uber Technologies Inc	04-Apr-25	6.51688%	1,994,987.47	-	1,994,987.47	0.41%
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	UFC Holdings, LLC	18-Aug-23	5.75000%	1,246,811.22	-	1,246,811.22	0.26%
LX173324	United Airlines T/L B (05/18)	United Airlines, Inc.	01-Apr-24	4.24888%	1,473,750.00	-	1,473,750.00	0.30%
LX161197	Univision Communications T/L C5	Univision Communications Inc.	15-Mar-24	5.24888%	8,987,250.05	-	8,987,250.05	1.85%
LX162476	Urban One T/L	Urban One, Inc.	18-Apr-23	6.50000%	1,404,978.65	-	1,404,978.65	0.29%
LX153134	US Foods Second Incremental T/L	US Foods, Inc.	27-Jun-23	4.49888%	1,972,290.63	-	1,972,290.63	0.41%
LX167989	USI Incremental T/L	U.S.I., Inc.	16-May-24	5.80300%	1,975,000.00	-	1,975,000.00	0.41%
LX168054	USS Ultimate Holdings T/L (United Site)	USS Ultimate Holdings Inc	26-Aug-24	6.24888%	987,499.99	-	987,499.99	0.20%
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	VC GB Holdings, Inc.	28-Feb-25	10.49888%	323,333.33	-	323,333.33	0.07%
LX169239	VC GB Holdings T/L (Generation Brands)	VC GB Holdings, Inc.	28-Feb-24	5.49888%	3,932,365.40	-	3,932,365.40	0.81%
LX156640	Vertellus T/L 2nd Lien	Vertellus Holdings LLC	29-Oct-21	14.41000%	276,801.29	-	276,801.29	0.06%
LX155779	Vistra Operations (Tex Operations) Exit T/L B	Vistra Operations Company LLC	04-Aug-23	4.49888%	6,881,201.32	-	6,881,201.32	1.42%
LX157720	Vistra Operations Company T/L B (12/16)	Vistra Operations Company LLC	14-Dec-23	4.74888%	3,660,910.94	-	3,660,910.94	0.76%
LX144232	Wash Multifamily T/L (1st Lien)	Wash MultiFamily Acquisition, Inc.	16-May-22	5.74888%	903,302.77	-	903,302.77	0.19%
LX165665	WEX T/L B-2 (Wright Express)	WEX Inc.	30-Jun-23	4.74888%	5,310,263.78	-	5,310,263.78	1.10%
LX153816	WireCo WorldGroup T/L B	WireCo WorldGroup Inc.	29-Sep-23	7.49888%	487,525.04	-	487,525.04	0.10%
LX166414	Zayo Group T/L B2	Zayo Group, LLC	19-Jan-24	4.74888%	413,297.36	-	413,297.36	0.09%





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Security I.D. Security Description		Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX159375	Ziggo Secured Finance T/L E	Ziggo Secured Finance Partnership	15-Apr-25	4.98875%	500,000.00	-	500,000.00	0.10%
<b>Totals:</b>					447,539,665.12	-	447,539,665.12	





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	-	-	Yes	-	-	-	-
LX169636	84 Lumber T/L B-1	-	-	-	-	-	-	-
LX144914	Academy T/L B	-	-	-	-	-	-	-
LX172091	Acadia Healthcare T/L B3	-	-	-	-	-	-	-
LX172092	Acadia Healthcare T/L B4	-	-	-	-	-	-	-
LX167634	Accudyne Industries T/L (07/17)	-	-	-	-	-	-	-
LX155961	Advanced Disposal T/L B	-	-	-	-	-	-	-
LX138509	Advantage Sales 2nd lien T/L (Karman)	-	-	-	-	-	-	-
LX138508	Advantage Sales T/L 1st Lien (Karman)	-	-	-	-	-	-	-
LX163240	Advantage Sales T/L B Incremental	-	-	-	-	-	-	-
LX172523	AES Corporation T/L B (03/18)	-	-	-	-	-	-	-
LX159618	AI Mistral T/L (V. Group)	-	-	-	-	-	-	-
LX171691	Air Medical T/L B	-	-	-	-	-	-	-
LX132200	Akorn T/L B	-	-	-	-	-	-	-
LX164597	Albertson's T/L B5 (05/17)	-	-	-	-	-	-	-
LX176679	Albertson's T/L B7	-	-	-	-	-	-	-
LX161956	AlixPartners T/L B	-	-	Yes	-	-	-	-
LX155973	American Airlines Replacement T/L B (AMR)	-	-	-	-	-	-	-
LX165158	American Airlines T/L B (06/17)	-	-	-	-	-	-	-
LX172603	American Builders & Contractors T/L B-2	-	-	-	-	-	-	-
LX165074	American Renal T/L B	-	-	-	-	-	-	-
LX171458	Apex Tool Group T/L B (02/18)	-	-	-	-	-	-	-
LX168507	Applied Systems T/L B (09/17)	-	-	-	-	-	-	-
LX173667	Aramark Services T/L B-2	-	-	-	-	-	-	-
LX160614	Arch Coal T/L B (02/17)	-	-	-	-	-	-	-
LX151102	Armstrong World Industries T/L B	-	-	-	-	-	-	-
LX168847	AssuredPartners T/L (09/17)	-	-	-	-	-	-	-
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	-	-	-	-	-	-	-
LX169049	Belron Finance T/L B	-	-	Yes	-	-	-	-
LX171370	Berry Global (Berry Plastics) T/L Q	-	-	Yes	-	-	-	-
LX159354	BJs Wholesale Club T/L B	-	-	Yes	-	-	-	-
LX171678	Booz Allen T/L B	-	-	-	-	-	-	-





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LX161204	Boyd Gaming T/L B3	-	-	-	-	-	-	-
LX165183	Brand Energy & Infrastructure T/L	-	-	-	-	-	-	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX144710	Calpine Corporation T/L B-5	-	-	Yes	-	-	-	-
LX149099	Calpine Corporation T/L B-6	-	-	-	-	-	-	-
LX159606	Calpine T/L B8	-	-	Yes	-	-	-	-
LX167639	Canyon Valor Companies (GTCR) T/L B	-	-	-	-	-	-	-
LX161335	Capital Automotive 1st Lien T/L	-	-	-	-	-	-	-
LX177791	Carestream Health T/L (12/18)	-	-	-	-	-	-	-
LX137090	Catalent Pharma T/L B (new)	-	-	Yes	-	-	-	-
LX154537	CDW T/L	-	-	Yes	-	-	-	-
LX152766	Cengage Learning T/L B	-	-	-	-	-	-	-
LX161598	CenturyLink T/L B	-	-	-	-	-	-	-
LX159695	Change Healthcare T/L	-	-	-	-	-	-	-
LX144540	CHS/Community Health T/L H	-	-	-	-	-	-	-
LX171813	Clark Equipment T/L B	-	-	Yes	-	-	-	-
LX165894	Clean Harbors T/L	-	-	Yes	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	-	Yes	-	-	-	-
LX148894	Commscope T/L Tranche 5	-	-	Yes	-	-	-	-
LX161695	CSC Holdings T/L B (03/17)	-	-	-	-	-	-	-
LX174067	Cumulus Media T/L	-	-	-	-	-	-	-
LX161958	Cypress Intermediate (CCC Info) T/L B	-	-	Yes	-	-	-	-
LX163416	Dayco Products T/L B (04/17)	-	-	-	-	-	-	-
LX154380	Dayton Power T/L B	-	-	Yes	-	-	-	-
LX169099	Dell International T/L B	-	-	Yes	-	-	-	-
LX128948	Doncasters T/L	-	-	Yes	-	-	-	-
LX172338	DTI Holdco T/L B-1 (Epiq)	-	-	-	-	-	-	-
LX140953	Eastern Power (TPF II Power) T/L B	-	-	-	-	-	-	-
LX155237	Eldorado Resorts T/L B (03/17)	-	-	Yes	-	-	-	-
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	-	-	-	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX136501	Evergreen Skills T/L (First Lien)	-	-	-	-	-	-	-
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX165177	First Data T/L 2022D	-	-	-	-	-	-	-
LX169513	First Data T/L 2024A New Dollar	-	-	-	-	-	-	-
LX173110	Fitness International (LA Fitness) T/L A (4/18)	-	-	-	-	-	-	-
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	Yes	-	-	-	-
LX155300	Fort Dearborn 1st Lien T/L	-	-	Yes	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	-	-	Yes	-	-	-	-
LX148220	Frontier Communications T/L 2	-	-	-	-	-	-	-
LX155134	G-III Apparel Group T/L B (10/16)	-	-	-	-	-	-	-
LX173608	Generac Power T/L B (6/2018)	-	-	Yes	-	-	-	-
LX175013	GIP III Stetson T/L B	-	-	-	-	-	-	-
LX172106	Global Payments T/L B (03/18)	-	-	-	-	-	-	-
LX168592	Golden Nugget T/L B (09/17)	-	-	-	-	-	-	-
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	-	-	-	-	-	-	-
LX141384	Granite Acq T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141385	Granite Acq T/L C (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	-	-	-	-	-	-
LX158207	Grifols Worldwide Operations T/L B	-	-	-	-	-	-	-
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX170998	Harbor Freight Tools T/L B (1/18)	-	-	-	-	-	-	-
LX167057	Hayward Industries T/L	-	-	-	-	-	-	-
LX144819	HCA Inc T/L A5	-	-	-	-	-	-	-
LX171927	HCA Inc T/L B11	-	-	-	-	-	-	-
LX176498	HD Supply T/L B-5	-	-	-	-	-	-	-
LX167192	HD Supply Waterworks T/L (CD&R Merger)	-	-	-	-	-	-	-
LX130210	Iheart T/L D (Clear Channel)	-	-	-	-	-	-	-
LX169195	Ineos US Finance T/L (2024 Dollar)	-	-	Yes	-	-	-	-
LX159959	Infor US (Lawson) T/L B-6	-	-	-	-	-	-	-
LX164174	ION Media T/L (05/17)	-	-	-	-	-	-	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX155217	Jo-Ann Stores T/L	-	-	Yes	-	-	-	-
LX164714	KAR Auction Services T/L B-4	-	-	-	-	-	-	-
LX164715	KAR Auction Services T/L B-5	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	-	-	-	-	-	-
LX146807	Kenan Advantage T/L B (U.S.)	-	-	-	-	-	-	-
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	-	-	-	-	-	-
LX163804	Kronos T/L B	-	-	-	-	-	-	-
LX162675	Laureate Education T/L 2024	-	-	-	-	-	-	-
LX154098	Leslie's Poolmart T/L B	-	-	-	-	-	-	-
LX160334	Level 3 Financing T/L	-	-	Yes	-	-	-	-
LX136370	Libbey Glass T/L	-	-	Yes	-	-	-	-
LX138016	Liberty Cablevision T/L B (San Juan Cable)	-	-	-	-	-	-	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX171260	Lightstone Holdco T/L B	-	-	-	-	-	-	-
LX171261	Lightstone T/L C	-	-	-	-	-	-	-
LX165714	Live Nation T/L B-3	-	-	-	-	-	-	-
LX168615	LPL Holdings Incremental T/L B	-	-	-	-	-	-	-
LX162914	MA FinanceCo T/L B2	-	-	-	-	-	-	-
LX168182	Match Group T/L B	-	-	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	-	-	-	-	-	-	-
LX173656	Michaels Stores T/L B	-	-	Yes	-	-	-	-
LX145695	Minerals Technologies T/L B2 (Fixed)	-	-	-	-	-	-	-
LX155231	Mohegan Tribal T/L A	-	-	-	-	-	-	-
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	-	Yes	-	-	-	-
LX157681	National Financial Partners (NFP) T/L B	-	-	-	-	-	-	-
LX171717	NeuStar T/L B4 (03/18)	-	-	-	-	-	-	-
LX162460	Nielsen Finance T/L B4	-	-	Yes	-	-	-	-
LX155280	NN, Inc T/L B (9/16)	-	-	Yes	-	-	-	-
LX153092	NRG Energy T/L B 6/16	-	-	-	-	-	-	-





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LX157595	Oberthur Technologies T/L B (USD)	-	-	Yes	-	-	-	-
LX157136	Ocwen T/L B	-	-	-	-	-	-	-
LX161654	Outfront Media T/L B (CBS Outdoor)	-	-	Yes	-	-	-	-
LX170070	Oxbow Carbon T/L B (12/17)	-	-	-	-	-	-	-
LX167279	Parexel International T/L B	-	-	-	-	-	-	-
LX171402	Party City T/L	-	-	Yes	-	-	-	-
LX159002	Prestige Brands T/L B4	-	-	-	-	-	-	-
LX155959	Quikrete T/L B	-	-	-	-	-	-	-
LX152098	Quorum Health T/L	-	-	-	-	-	-	-
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	-	-	-	-	-	-	-
LX152765	Riverbed Technology T/L 1st Lien	-	-	-	-	-	-	-
LX155106	RP Crown Parent (JDA Software) T/L B	-	-	-	-	-	-	-
LX152375	Russell Investments T/L B	-	-	Yes	-	-	-	-
LX171269	Scientific Games T/L B-5	-	-	-	-	-	-	-
LX135384	Seadrill T/L B	-	-	-	-	-	-	-
LX156211	ServiceMaster T/L C	-	-	-	-	-	-	-
LX158094	Sinclair Television T/L B2	-	-	-	-	-	-	-
LX145736	Six Flags T/L B	-	-	-	-	-	-	-
LX151194	Solera T/L B	-	-	-	-	-	-	-
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX141908	Southeast PowerGen T/L B	-	-	-	-	-	-	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	-	-	-	-	-	-	-
LX169358	Springer Science T/L B13	-	-	-	-	-	-	-
LX159257	Sprint Communications T/L	-	-	-	-	-	-	-
LX160837	SS&C Technologies T/L B1 (03/17)	-	-	-	-	-	-	-
LX145044	StandardAero (DAE Aviation/VCSA) T/L	-	-	-	-	-	-	-
LX152816	Station Casinos T/L B (6/16)	-	-	-	-	-	-	-
LX165294	Surgery Center Holdings T/L B (06/17)	-	-	-	-	-	-	-
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	-	-	-	-	-	-	-
LX159275	Telesat Canada T/L 2018 B-4	-	-	-	-	-	-	-





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LX168447	TMK Hawk T/L (Trimark USA)	-	-	-	-	-	-	-
LX141526	Toys R Us T/L B4	-	-	Yes	-	-	-	-
LX173457	Transdigm 2018 New T/L F	-	-	-	-	-	-	-
LX168620	Traverse Midstream T/L B	-	-	-	-	-	-	-
LX159214	Tribune Media T/L C (01/17)	-	-	-	-	-	-	-
LX168798	Tronox Blocked Borrower T/L B2	-	-	-	-	-	-	-
LX168581	Tronox T/L B (09/17)	-	-	-	-	-	-	-
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	-	-	-	-	-	-	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	-	-	-	-	-	-	-
LX172243	Uber Technologies T/L (3/18)	-	-	Yes	-	-	-	-
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	-	-	-	-	-	-	-
LX173324	United Airlines T/L B (05/18)	-	-	-	-	-	-	-
LX161197	Univision Communications T/L C5	-	-	-	-	-	-	-
LX162476	Urban One T/L	-	-	-	-	-	-	-
LX153134	US Foods Second Incremental T/L	-	-	-	-	-	-	-
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX168054	USS Ultimate Holdings T/L (United Site)	-	-	Yes	-	-	-	-
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	-	-	-	-	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	-	-	-	-	-	-	-
LX156640	Vertellus T/L 2nd Lien	-	-	-	-	-	-	-
LX155779	Vistra Operations (Tex Operations) Exit T/L B	-	-	-	-	-	-	-
LX157720	Vistra Operations Company T/L B (12/16)	-	-	-	-	-	-	-
LX144232	Wash Multifamily T/L (1st Lien)	-	-	Yes	-	-	-	-
LX165665	WEX T/L B-2 (Wright Express)	-	-	-	-	-	-	-
LX153816	WireCo WorldGroup T/L B	-	-	-	-	-	-	-
LX166414	Zayo Group T/L B2	-	-	-	-	-	-	-
LX159375	Ziggo Secured Finance T/L E	-	-	-	-	-	-	-
<b>Totals:</b>		<b>187</b>						





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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169636	84 Lumber T/L B-1	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX144914	Academy T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX172091	Acadia Healthcare T/L B3	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX172092	Acadia Healthcare T/L B4	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX167634	Accudyne Industries T/L (07/17)	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX155961	Advanced Disposal T/L B	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	-
LX138509	Advantage Sales 2nd lien T/L (Karman)	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	2nd Lien Loan	-
LX138508	Advantage Sales T/L 1st Lien (Karman)	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	Senior Secured Loan	-
LX163240	Advantage Sales T/L B Incremental	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	Senior Secured Loan	-
LX172523	AES Corporation T/L B (03/18)	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX159618	AI Mistral T/L (V. Group)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX171691	Air Medical T/L B	United States	Transportation: Consumer	Health care	Term Loan	Senior Secured Loan	-
LX132200	Akorn T/L B	United States	Healthcare & Pharmaceuticals	Drugs	Term Loan	Senior Secured Loan	-
LX164597	Albertson's T/L B5 (05/17)	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	-
LX176679	Albertson's T/L B7	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	-
LX161956	AlixPartners T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155973	American Airlines Replacement T/L B (AMR)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	-
LX165158	American Airlines T/L B (06/17)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	-
LX172603	American Builders & Contractors T/L B-2	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX165074	American Renal T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX171458	Apex Tool Group T/L B (02/18)	United States	Consumer goods: Non-durable	Building & Development	Term Loan	Senior Secured Loan	-
LX168507	Applied Systems T/L B (09/17)	United States	High Tech Industries	Telecommunications	Term Loan	Senior Secured Loan	-
LX173667	Aramark Services T/L B-2	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	-
LX160614	Arch Coal T/L B (02/17)	United States	Metals & Mining	Oil & gas	Term Loan	Senior Secured Loan	-
LX151102	Armstrong World Industries T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX168847	AssuredPartners T/L (09/17)	United States	Banking, Finance, Insurance & Real Estate	Property & Casualty Insurance	Term Loan	Senior Secured Loan	-
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX169049	Belron Finance T/L B	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171370	Berry Global (Berry Plastics) T/L Q	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX159354	BJs Wholesale Club T/L B	United States	Retail	Food/drug retailers	Term Loan	Senior Secured Loan	Cov-Lite Loan





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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX171678	Booz Allen T/L B	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX161204	Boyd Gaming T/L B3	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX165183	Brand Energy & Infrastructure T/L	United States	Capital Equipment	Building & Development	Term Loan	Senior Secured Loan	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Netherlands	Capital Equipment	Automotive	Term Loan	Senior Secured Loan	-
LX159595	Builders Firstsource T/L	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	-
LX144710	Calpine Corporation T/L B-5	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX149099	Calpine Corporation T/L B-6	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX159606	Calpine T/L B8	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX167639	Canyon Valor Companies (GTCR) T/L B	United States	Media: Advertising, Printing & Publishing	Telecommunications	Term Loan	Senior Secured Loan	-
LX161335	Capital Automotive 1st Lien T/L	United States	Automotive	Building & Development	Term Loan	Senior Secured Loan	-
LX177791	Carestream Health T/L (12/18)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX137090	Catalent Pharma T/L B (new)	United States	Services: Business	Drugs	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX154537	CDW T/L	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX152766	Cengage Learning T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX161598	CenturyLink T/L B	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX159695	Change Healthcare T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX144540	CHS/Community Health T/L H	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX171813	Clark Equipment T/L B	United States	Capital Equipment	Equipment leasing	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX165894	Clean Harbors T/L	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX148894	Commscope T/L Tranche 5	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX161695	CSC Holdings T/L B (03/17)	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX174067	Cumulus Media T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX161958	Cypress Intermediate (CCC Info) T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX163416	Dayco Products T/L B (04/17)	United States	Automotive	Surface transport	Term Loan	Senior Secured Loan	-
LX154380	Dayton Power T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169099	Dell International T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX128948	Doncasters T/L	United Kingdom	Capital Equipment	Aerospace & Defense	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX172338	DTI Holdco T/L B-1 (Epiq)	United States	Services: Business	Conglomerates	Term Loan	Senior Secured Loan	-
LX140953	Eastern Power (TPF II Power) T/L B	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX155237	Eldorado Resorts T/L B (03/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX163026	Endo Luxembourg Finance T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-





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LX173466	ESH Hospitality (Extended Stay) T/L B (New)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX136501	Evergreen Skills T/L (First Lien)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX159615	ExamWorks T/L B1	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX173032	Ferro T/L B-1	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX165177	First Data T/L 2022D	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX169513	First Data T/L 2024A New Dollar	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX173110	Fitness International (LA Fitness) T/L A (4/18)	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX167187	Flexential Intermediate T/L B (Peak 10)	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155300	Fort Dearborn 1st Lien T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX162521	Forterra Finance T/L (04/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX148220	Frontier Communications T/L 2	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX155134	G-III Apparel Group T/L B (10/16)	United States	Consumer goods: Non-durable	Clothing/textiles	Term Loan	Senior Secured Loan	-
LX173608	Generac Power T/L B (6/2018)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX175013	GIP III Stetson T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX172106	Global Payments T/L B (03/18)	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX168592	Golden Nugget T/L B (09/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	2nd Lien Loan	-
LX141384	Granite Acq T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX141385	Granite Acq T/L C (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX159621	Gray Television T/L B	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX158207	Grifols Worldwide Operations T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX165794	Gruden Acquisition T/L	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX170998	Harbor Freight Tools T/L B (1/18)	United States	Consumer goods: Durable	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX167057	Hayward Industries T/L	United States	Consumer goods: Durable	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX144819	HCA Inc T/L A5	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX171927	HCA Inc T/L B11	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX176498	HD Supply T/L B-5	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	-
LX167192	HD Supply Waterworks T/L (CD&R Merger)	United States	Utilities:Water	Building & Development	Term Loan	Senior Secured Loan	-
LX130210	Iheart T/L D (Clear Channel)	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX169195	Ineos US Finance T/L (2024 Dollar)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX159959	Infor US (Lawson) T/L B-6	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-





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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX164174	ION Media T/L (05/17)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX155217	Jo-Ann Stores T/L	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX164714	KAR Auction Services T/L B-4	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX164715	KAR Auction Services T/L B-5	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX146975	Kenan Advantage T/L B (Canadian)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX146807	Kenan Advantage T/L B (U.S.)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	United States	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
LX163804	Kronos T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX162675	Laureate Education T/L 2024	United States	Services: Consumer	Publishing	Term Loan	Senior Secured Loan	-
LX154098	Leslie's Poolmart T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX160334	Level 3 Financing T/L	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX136370	Libbey Glass T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX138016	Liberty Cablevision T/L B (San Juan Cable)	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX171260	Lightstone Holdco T/L B	United States	Energy: Oil & Gas	Utilities	Term Loan	Senior Secured Loan	-
LX171261	Lightstone T/L C	United States	Energy: Oil & Gas	Utilities	Term Loan	Senior Secured Loan	-
LX165714	Live Nation T/L B-3	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX168615	LPL Holdings Incremental T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX162914	MA FinanceCo T/L B2	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX168182	Match Group T/L B	United States	Media: Diversified & Production	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX152400	McGraw-Hill Global Education Holdings T/L	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX172427	Mediacom T/L N	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX173656	Michaels Stores T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX145695	Minerals Technologies T/L B2 (Fixed)	United States	Metals & Mining	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX155231	Mohegan Tribal T/L A	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX152711	MPH Acquisition (Multiplan) T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX165715	MTS Systems Corporation T/L B (06/17)	United States	Aerospace & Defense	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX157681	National Financial Partners (NFP) T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX171717	NeuStar T/L B4 (03/18)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX162460	Nielsen Finance T/L B4	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155280	NN, Inc T/L B (9/16)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX153092	NRG Energy T/L B 6/16	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX157595	Oberthur Technologies T/L B (USD)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX157136	Ocwen T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX161654	Outfront Media T/L B (CBS Outdoor)	United States	Media: Broadcasting & Subscription	Publishing	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX170070	Oxbow Carbon T/L B (12/17)	United States	Metals & Mining	Oil & gas	Term Loan	Senior Secured Loan	-
LX167279	Parexel International T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX171402	Party City T/L	United States	Retail	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX159002	Prestige Brands T/L B4	United States	Consumer goods: Non-durable	Drugs	Term Loan	Senior Secured Loan	-
LX155959	Quikrete T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX152098	Quorum Health T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX159617	RadNet Management T/L B (01/17)	United States	Services: Consumer	Health care	Term Loan	Senior Secured Loan	-
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX152765	Riverbed Technology T/L 1st Lien	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX155106	RP Crown Parent (JDA Software) T/L B	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX152375	Russell Investments T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171269	Scientific Games T/L B-5	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX135384	Seadrill T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX156211	ServiceMaster T/L C	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-
LX158094	Sinclair Television T/L B2	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX145736	Six Flags T/L B	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX151194	Solera T/L B	United States	Services: Business	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX159036	Sophia / Ellucian T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX141908	Southeast PowerGen T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	United States	Consumer goods: Non-durable	Business equipment & services	Term Loan	Senior Secured Loan	-
LX169358	Springer Science T/L B13	Germany	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX159257	Sprint Communications T/L	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX160837	SS&C Technologies T/L B1 (03/17)	United States	Banking, Finance, Insurance & Real Estate	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX145044	StandardAero (DAE Aviation/VCSA) T/L	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX152816	Station Casinos T/L B (6/16)	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX165294	Surgery Center Holdings T/L B (06/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX171276	Syniverse Holdings T/L (01/18)	United States	Telecommunications	Business equipment & services	Term Loan	Senior Secured Loan	-
LX156377	Team Health Holdings T/L	United States	Healthcare & Pharmaceuticals	Conglomerates	Term Loan	Senior Secured Loan	-
LX159275	Telesat Canada T/L 2018 B-4	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX168447	TMK Hawk T/L (Trimark USA)	United States	Capital Equipment	Business equipment & services	Term Loan	Senior Secured Loan	-
LX141526	Toys R Us T/L B4	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX173457	Transdigm 2018 New T/L F	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX168620	Traverse Midstream T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX159214	Tribune Media T/L C (01/17)	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX168798	Tronox Blocked Borrower T/L B2	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX168581	Tronox T/L B (09/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	United States	Automotive	Automotive	Term Loan	2nd Lien Loan	-
LX172243	Uber Technologies T/L (3/18)	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	United States	Services: Business	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX173324	United Airlines T/L B (05/18)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX161197	Univision Communications T/L C5	United States	Media: Diversified & Production	Radio & Television	Term Loan	Senior Secured Loan	-
LX162476	Urban One T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX153134	US Foods Second Incremental T/L	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	-
LX167989	USI Incremental T/L	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX168054	USS Ultimate Holdings T/L (United Site)	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	United States	Consumer goods: Durable	Conglomerates	Term Loan	2nd Lien Loan	-
LX169239	VC GB Holdings T/L (Generation Brands)	United States	Consumer goods: Durable	Conglomerates	Term Loan	Senior Secured Loan	-
LX156640	Vertellus T/L 2nd Lien	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	2nd Lien Loan	-
LX155779	Vistra Operations (Tex Operations) Exit T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX157720	Vistra Operations Company T/L B (12/16)	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX144232	Wash Multifamily T/L (1st Lien)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX165665	WEX T/L B-2 (Wright Express)	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX153816	WireCo WorldGroup T/L B	United States	Capital Equipment	Building & Development	Term Loan	Senior Secured Loan	-
LX166414	Zayo Group T/L B2	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-





**ACIS CLO 2014-5 Ltd.**  
**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D. Security Description		Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX159375	Ziggo Secured Finance T/L E	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
Totals:		187					





# Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	Floating	1,627,775.43	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	36,624.95
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	Floating	1,319,724.57	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	29,693.80
LX169636	84 Lumber T/L B-1	Floating	2,549,604.44	LIBOR (1 month)	2.51%	5.25%	5.25%	1.00%	133,854.23
LX144914	Academy T/L B	Floating	933,131.52	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	37,325.26
LX144914	Academy T/L B	Floating	1,029,928.72	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	41,197.15
LX144914	Academy T/L B	Floating	1,609,263.63	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	64,370.55
LX144914	Academy T/L B	Floating	1,689,726.82	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	67,589.07
LX172091	Acadia Healthcare T/L B3	Floating	3,011,909.92	LIBOR (1 month)	2.50%	2.50%	2.50%		75,297.75
LX172092	Acadia Healthcare T/L B4	Floating	1,659,655.09	LIBOR (1 month)	2.50%	2.50%	2.50%		41,491.38
LX167634	Accudyne Industries T/L (07/17)	Floating	444,166.66	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	13,325.00
LX155961	Advanced Disposal T/L B	Floating	450,771.79	LIBOR (1 week)	2.42%	2.25%	2.25%	0.75%	10,142.37
LX138509	Advantage Sales 2nd lien T/L (Karman)	Floating	3,574,181.80	LIBOR (1 month)	2.50%	6.50%	6.50%	1.00%	232,321.82
LX138508	Advantage Sales T/L 1st Lien (Karman)	Floating	15,984.30	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	519.49
LX138508	Advantage Sales T/L 1st Lien (Karman)	Floating	6,106,000.65	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	198,445.02
LX163240	Advantage Sales T/L B Incremental	Floating	1,668,449.09	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	54,224.60
LX163240	Advantage Sales T/L B Incremental	Floating	4,245.42	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	137.98
LX172523	AES Corporation T/L B (03/18)	Floating	1,759,749.28	LIBOR (3 months)	2.71%	1.75%	1.75%		30,795.61
LX159618	Al Mistral T/L (V. Group)	Floating	294,750.00	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	8,842.50
LX171691	Air Medical T/L B	Floating	7,082,346.01	LIBOR (1 month)	2.49%	3.25%	3.25%	1.00%	230,176.25
LX132200	Akorn T/L B	Floating	281,000.18	LIBOR (1 month)	2.50%	5.50%	5.50%	1.00%	15,455.01
LX164597	Albertson's T/L B5 (05/17)	Floating	2,803,928.71	LIBOR (3 months)	2.82%	3.00%	3.00%	0.75%	84,117.86
LX176679	Albertson's T/L B7	Floating	3,150,175.26	LIBOR (1 month)	2.50%	3.00%	3.00%	0.75%	94,505.26
LX161956	AlixPartners T/L B	Floating	3,934,937.20	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	108,210.77
LX155973	American Airlines Replacement T/L B (AMR)	Floating	3,981,930.60	LIBOR (1 month)	2.50%	2.00%	2.00%		79,638.61
LX165158	American Airlines T/L B (06/17)	Floating	2,691,625.98	LIBOR (1 month)	2.52%	2.00%	2.00%		53,832.52
LX172603	American Builders & Contractors T/L B-2	Floating	3,799,741.37	LIBOR (1 month)	2.50%	2.00%	2.00%	0.75%	75,994.83
LX165074	American Renal T/L B	Floating	583,161.37	LIBOR (1 month)	2.50%	3.25%	3.25%		18,952.74
LX171458	Apex Tool Group T/L B (02/18)	Floating	1,987,261.14	LIBOR (1 month)	2.50%	3.75%	3.75%	1.25%	74,522.29
LX168507	Applied Systems T/L B (09/17)	Floating	987,500.00	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	29,625.00
LX173667	Aramark Services T/L B-2	Floating	2,784,042.68	LIBOR (1 month)	2.50%	1.75%	1.75%		48,720.75
LX160614	Arch Coal T/L B (02/17)	Floating	98,496.22	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	2,708.65
LX151102	Armstrong World Industries T/L B	Floating	349,579.20	LIBOR (1 month)	2.50%	2.75%	2.75%	0.75%	9,613.43





# Weighted Average Spread

As of Date: 02/21/2019  
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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX151102	Armstrong World Industries T/L B	Floating	244,247.48	LIBOR (3 months)	2.80%	2.75%	2.75%	0.75%	6,716.81
LX168847	AssuredPartners T/L (09/17)	Floating	2,401,928.79	LIBOR (1 month)	2.50%	3.25%	3.25%		78,062.69
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	Floating	384,347.99	LIBOR (3 months)	2.80%	1.75%	1.75%		6,726.09
LX169049	Belron Finance T/L B	Floating	495,000.00	LIBOR (3 months)	2.74%	2.25%	2.25%		11,137.50
LX171370	Berry Global (Berry Plastics) T/L Q	Floating	3,883,495.73	LIBOR (2 months)	2.61%	2.00%	2.00%		77,669.91
LX159354	BJs Wholesale Club T/L B	Floating	929,506.05	LIBOR (1 month)	2.50%	3.00%	3.00%		27,885.18
LX171678	Booz Allen T/L B	Floating	1,393,775.84	LIBOR (1 month)	2.50%	2.00%	2.00%		27,875.52
LX161204	Boyd Gaming T/L B3	Floating	2,346,083.94	LIBOR (1 week)	2.41%	2.25%	2.25%		52,786.89
LX165183	Brand Energy & Infrastructure T/L	Floating	113,274.34	LIBOR (3 months)	2.76%	4.25%	4.25%	1.00%	4,814.16
LX165183	Brand Energy & Infrastructure T/L	Floating	229,092.92	LIBOR (2 months)	2.65%	4.25%	4.25%	1.00%	9,736.45
LX165183	Brand Energy & Infrastructure T/L	Floating	145,132.74	LIBOR (3 months)	2.76%	4.25%	4.25%	1.00%	6,168.14
LX165183	Brand Energy & Infrastructure T/L	Floating	5,000.00	LIBOR (2 months)	2.65%	4.25%	4.25%	1.00%	212.50
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	1,681,562.77	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	58,854.70
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	447,660.69	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	15,668.12
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	358,128.55	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	12,534.50
LX159595	Builders Firstsource T/L	Floating	3,489,771.86	LIBOR (3 months)	2.80%	3.00%	3.00%	1.00%	104,693.16
LX144710	Calpine Corporation T/L B-5	Floating	537,234.11	LIBOR (3 months)	2.81%	2.50%	2.50%		13,430.85
LX149099	Calpine Corporation T/L B-6	Floating	1,488,491.04	LIBOR (3 months)	2.81%	2.50%	2.50%		37,212.28
LX159606	Calpine T/L B8	Floating	1,296,700.51	LIBOR (1 month)	2.50%	1.75%	1.75%		22,692.26
LX167639	Canyon Valor Companies (GTCR) T/L B	Floating	4,134,799.40	LIBOR (3 months)	2.80%	2.75%	2.75%		113,706.98
LX161335	Capital Automotive 1st Lien T/L	Floating	4,476,103.26	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	111,902.58
LX177791	Carestream Health T/L (12/18)	Floating	2,332,774.23	LIBOR (1 month)	2.50%	5.75%	5.75%	1.00%	134,134.52
LX137090	Catalent Pharma T/L B (new)	Floating	2,734,960.53	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	61,536.61
LX154537	CDW T/L	Floating	491,183.85	LIBOR (1 month)	2.50%	1.75%	1.75%		8,595.72
LX152766	Cengage Learning T/L B	Floating	3,765,595.00	LIBOR (1 month)	2.52%	4.25%	4.25%	1.00%	160,037.79
LX161598	CenturyLink T/L B	Floating	2,489,114.44	LIBOR (1 month)	2.50%	2.75%	2.75%		68,450.65
LX159695	Change Healthcare T/L	Floating	682,763.05	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	18,775.98
LX159695	Change Healthcare T/L	Floating	838,663.52	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	23,063.25
LX159695	Change Healthcare T/L	Floating	2,420,158.18	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	66,554.35
LX159695	Change Healthcare T/L	Floating	1,288,326.00	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	35,428.97
LX144540	CHS/Community Health T/L H	Floating	2,299,826.52	LIBOR (3 months)	2.71%	3.25%	3.25%	1.00%	74,744.36
LX171813	Clark Equipment T/L B	Floating	2,166,830.85	LIBOR (3 months)	2.80%	2.00%	2.00%		43,336.62
LX165894	Clean Harbors T/L	Floating	492,500.00	LIBOR (1 month)	2.50%	1.75%	1.75%		8,618.75





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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Floating	204,681.36	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	6,652.14
LX148894	Commscope T/L Tranche 5	Floating	1,185,976.11	LIBOR (1 month)	2.50%	2.00%	2.00%		23,719.52
LX161695	CSC Holdings T/L B (03/17)	Floating	374,691.26	LIBOR (1 month)	2.49%	2.25%	2.25%		8,430.55
LX174067	Cumulus Media T/L	Floating	5,028,759.04	LIBOR (1 month)	2.50%	4.50%	4.50%	1.00%	226,294.16
LX161958	Cypress Intermediate (CCC Info) T/L B	Floating	1,704,807.72	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	51,144.23
LX163416	Dayco Products T/L B (04/17)	Floating	1,469,210.53	LIBOR (3 months)	2.71%	4.25%	4.25%		62,441.45
LX154380	Dayton Power T/L B	Floating	563,500.00	LIBOR (1 month)	2.50%	2.00%	2.00%	0.75%	11,270.00
LX169099	Dell International T/L B	Floating	2,995,693.22	LIBOR (1 month)	2.50%	2.00%	2.00%	0.75%	59,913.86
LX128948	Doncasters T/L	Floating	2,043,295.38	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	71,515.34
LX128948	Doncasters T/L	Floating	432,997.66	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	15,154.92
LX172338	DTI Holdco T/L B-1 (Epiq)	Floating	2,540.73	LIBOR (2 months)	2.63%	4.75%	4.75%	1.00%	120.68
LX172338	DTI Holdco T/L B-1 (Epiq)	Floating	989,837.08	LIBOR (3 months)	2.74%	4.75%	4.75%	1.00%	47,017.26
LX140953	Eastern Power (TPF II Power) T/L B	Floating	1,075,141.37	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	40,317.80
LX155237	Eldorado Resorts T/L B (03/17)	Floating	231,594.83	LIBOR (2 months)	2.63%	2.25%	2.25%		5,210.88
LX155237	Eldorado Resorts T/L B (03/17)	Floating	206,379.32	LIBOR (2 months)	2.56%	2.25%	2.25%		4,643.53
LX155237	Eldorado Resorts T/L B (03/17)	Floating	56,896.55	LIBOR (2 months)	2.56%	2.25%	2.25%		1,280.17
LX163026	Endo Luxembourg Finance T/L B	Floating	483,837.92	LIBOR (1 month)	2.50%	4.25%	4.25%	0.75%	20,563.11
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	Floating	1,398,882.07	LIBOR (1 month)	2.50%	2.00%	2.00%		27,977.64
LX136501	Evergreen Skills T/L (First Lien)	Floating	3,399,442.22	LIBOR (1 month)	2.50%	4.75%	4.75%	1.00%	161,473.51
LX136501	Evergreen Skills T/L (First Lien)	Floating	3,220,567.09	LIBOR (1 month)	2.50%	4.75%	4.75%	1.00%	152,976.94
LX159615	ExamWorks T/L B1	Floating	2,912,750.82	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	94,664.40
LX173032	Ferro T/L B-1	Floating	1,228,218.75	LIBOR (3 months)	2.80%	2.25%	2.25%		27,634.92
LX165177	First Data T/L 2022D	Floating	3,066,633.19	LIBOR (1 month)	2.52%	2.00%	2.00%		61,332.66
LX169513	First Data T/L 2024A New Dollar	Floating	5,671,134.62	LIBOR (1 month)	2.52%	2.00%	2.00%		113,422.69
LX173110	Fitness International (LA Fitness) T/L A (4/18)	Floating	487,500.03	LIBOR (1 month)	2.50%	2.75%	2.75%		13,406.25
LX167187	Flexential Intermediate T/L B (Peak 10)	Floating	2,487,405.54	LIBOR (3 months)	2.80%	3.50%	3.50%		87,059.19
LX155300	Fort Dearborn 1st Lien T/L	Floating	1,406,080.28	LIBOR (3 months)	2.79%	4.00%	4.00%	1.00%	56,243.21
LX155300	Fort Dearborn 1st Lien T/L	Floating	890,159.23	LIBOR (3 months)	2.79%	4.00%	4.00%	1.00%	35,606.37
LX155300	Fort Dearborn 1st Lien T/L	Floating	83,251.88	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	3,330.08
LX162521	Forterra Finance T/L (04/17)	Floating	775,083.06	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	23,252.49
LX148220	Frontier Communications T/L 2	Floating	2,429,577.46	LIBOR (1 month)	2.50%	2.75%	2.75%		66,813.38
LX155134	G-III Apparel Group T/L B (10/16)	Floating	274,798.29	LIBOR (1 month)	2.56%	5.25%	5.25%	1.00%	14,426.91
LX155134	G-III Apparel Group T/L B (10/16)	Floating	824,394.88	LIBOR (1 month)	2.50%	5.25%	5.25%	1.00%	43,280.73





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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX173608	Generac Power T/L B (6/2018)	Floating	2,873,732.95	LIBOR (1 month)	2.51%	1.75%	1.75%	0.75%	50,290.33
LX175013	GIP III Stetson T/L B	Floating	1,497,195.81	LIBOR (1 month)	2.48%	4.25%	4.25%		63,630.82
LX172106	Global Payments T/L B (03/18)	Floating	3,521,206.97	LIBOR (1 month)	2.50%	1.75%	1.75%		61,621.12
LX168592	Golden Nugget T/L B (09/17)	Floating	1,330,515.63	LIBOR (1 month)	2.50%	2.75%	2.75%	0.75%	36,589.18
LX168592	Golden Nugget T/L B (09/17)	Floating	1,056,366.59	LIBOR (1 month)	2.49%	2.75%	2.75%	0.75%	29,050.08
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	Floating	2,112,001.20	LIBOR (3 months)	2.80%	7.25%	7.25%	1.00%	153,120.09
LX141384	Granite Acq T/L B (Wheelabrator)	Floating	7,184,957.96	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	251,473.53
LX141385	Granite Acq T/L C (Wheelabrator)	Floating	1,840,559.14	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	64,419.57
LX159621	Gray Television T/L B	Floating	927,336.21	LIBOR (1 month)	2.51%	2.25%	2.25%		20,865.06
LX158207	Grifols Worldwide Operations T/L B	Floating	340,796.98	LIBOR (1 week)	2.42%	2.25%	2.25%		7,667.93
LX165794	Gruden Acquisition T/L	Floating	2,831,533.41	LIBOR (3 months)	2.80%	5.50%	5.50%	1.00%	155,734.34
LX170998	Harbor Freight Tools T/L B (1/18)	Floating	3,884,922.89	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	97,123.07
LX167057	Hayward Industries T/L	Floating	864,367.29	LIBOR (1 month)	2.50%	3.50%	3.50%		30,252.86
LX144819	HCA Inc T/L A5	Floating	6,159,903.42	LIBOR (1 month)	2.50%	1.50%	1.50%		92,398.55
LX171927	HCA Inc T/L B11	Floating	2,036,996.55	LIBOR (1 month)	2.50%	1.75%	1.75%		35,647.44
LX176498	HD Supply T/L B-5	Floating	6,054,823.06	LIBOR (1 month)	2.50%	1.75%	1.75%		105,959.40
LX167192	HD Supply Waterworks T/L (CD&R Merger)	Floating	524,883.72	LIBOR (6 months)	2.71%	3.00%	3.00%	1.00%	15,746.51
LX167192	HD Supply Waterworks T/L (CD&R Merger)	Floating	462,616.28	LIBOR (3 months)	2.74%	3.00%	3.00%	1.00%	13,878.49
LX169195	Ineos US Finance T/L (2024 Dollar)	Floating	3,960,000.00	LIBOR (1 month)	2.50%	2.00%	2.00%		79,200.00
LX159959	Infor US (Lawson) T/L B-6	Floating	2,372,985.84	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	65,257.11
LX164174	ION Media T/L (05/17)	Floating	1,203,332.98	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	33,091.66
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	Floating	2,101,338.18	LIBOR (3 months)	2.80%	2.00%	2.00%	0.75%	42,026.76
LX155217	Jo-Ann Stores T/L	Floating	2,934,399.32	LIBOR (6 months)	2.76%	5.00%	5.00%	1.00%	146,719.97
LX164714	KAR Auction Services T/L B-4	Floating	960,120.56	LIBOR (3 months)	2.81%	2.25%	2.25%		21,602.71
LX164715	KAR Auction Services T/L B-5	Floating	5,132,278.40	LIBOR (3 months)	2.81%	2.50%	2.50%		128,306.96
LX146975	Kenan Advantage T/L B (Canadian)	Floating	263,550.13	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	7,906.50
LX146807	Kenan Advantage T/L B (U.S.)	Floating	868,676.37	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	26,060.29
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	Floating	492,500.00	LIBOR (3 months)	2.80%	3.25%	3.25%	1.00%	16,006.25
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	631,439.42	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	25,257.58
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,956,827.76	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	78,273.11
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,361,660.88	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	54,466.44





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LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,098,155.49	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	43,926.22
LX163804	Kronos T/L B	Floating	4,961,134.83	LIBOR (3 months)	2.74%	3.00%	3.00%	1.00%	148,834.04
LX162675	Laureate Education T/L 2024	Floating	1,676,143.41	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	58,665.02
LX154098	Leslie's Poolmart T/L B	Floating	575,882.93	LIBOR (1 month)	2.50%	3.50%	3.50%		20,155.90
LX160334	Level 3 Financing T/L	Floating	6,100,000.00	LIBOR (1 month)	2.51%	2.25%	2.25%		137,250.00
LX136370	Libbey Glass T/L	Floating	2,485,617.16	LIBOR (1 month)	2.52%	3.00%	3.00%	0.75%	74,568.51
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Floating	2,250,000.00	LIBOR (1 month)	2.49%	3.50%	3.50%	1.00%	78,750.00
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	4,164,918.37	LIBOR (3 months)	2.71%	2.75%	2.75%	1.00%	114,535.26
LX171260	Lightstone Holdco T/L B	Floating	6,545,276.24	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	245,447.86
LX171261	Lightstone T/L C	Floating	360,844.95	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	13,531.69
LX165714	Live Nation T/L B-3	Floating	1,445,530.63	LIBOR (1 month)	2.50%	1.75%	1.75%		25,296.79
LX168615	LPL Holdings Incremental T/L B	Floating	480,171.89	LIBOR (1 month)	2.48%	2.25%	2.25%		10,803.87
LX162914	MA FinanceCo T/L B2	Floating	3,745,541.56	LIBOR (1 month)	2.50%	2.25%	2.25%		84,274.69
LX168182	Match Group T/L B	Floating	1,877,099.32	LIBOR (2 months)	2.58%	2.50%	2.50%		46,927.48
LX152400	McGraw-Hill Global Education Holdings T/L	Floating	5,028,816.70	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	201,152.67
LX172427	Mediacom T/L N	Floating	1,477,584.37	LIBOR (1 week)	2.42%	1.75%	1.75%		25,857.73
LX173656	Michaels Stores T/L B	Floating	44,573.14	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	1,114.33
LX173656	Michaels Stores T/L B	Floating	258,524.22	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	6,463.11
LX173656	Michaels Stores T/L B	Floating	445,731.42	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	11,143.29
LX173656	Michaels Stores T/L B	Floating	235,101.04	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	5,877.53
LX155231	Mohegan Tribal T/L A	Floating	2,542,744.89	LIBOR (1 month)	2.50%	3.75%	3.75%		95,352.93
LX152711	MPH Acquisition (Multiplan) T/L B	Floating	4,545,380.56	LIBOR (3 months)	2.80%	2.75%	2.75%	1.00%	124,997.97
LX165715	MTS Systems Corporation T/L B (06/17)	Floating	761,590.86	LIBOR (1 month)	2.49%	3.25%	3.25%	0.75%	24,751.70
LX157681	National Financial Partners (NFP) T/L B	Floating	3,589,987.15	LIBOR (1 month)	2.50%	3.00%	3.00%		107,699.61
LX171717	NeuStar T/L B4 (03/18)	Floating	4,376,800.83	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	153,188.03
LX162460	Nielsen Finance T/L B4	Floating	501,460.17	LIBOR (1 month)	2.52%	2.00%	2.00%		10,029.20
LX155280	NN, Inc T/L B (9/16)	Floating	3,157,368.16	LIBOR (1 month)	2.50%	3.75%	3.75%	0.75%	118,401.31
LX153092	NRG Energy T/L B 6/16	Floating	242,496.75	LIBOR (1 month)	2.50%	1.75%	1.75%		4,243.69
LX157595	Oberthur Technologies T/L B (USD)	Floating	491,250.00	LIBOR (3 months)	2.80%	3.75%	3.75%		18,421.88
LX157136	Ocwen T/L B	Floating	319,397.30	LIBOR (1 month)	2.52%	5.00%	5.00%	1.00%	15,969.87
LX161654	Outfront Media T/L B (CBS Outdoor)	Floating	1,409,598.66	LIBOR (1 month)	2.51%	2.00%	2.00%		28,191.97
LX170070	Oxbow Carbon T/L B (12/17)	Floating	475,000.00	LIBOR (1 month)	2.50%	3.50%	3.50%		16,625.00
LX167279	Parexel International T/L B	Floating	493,750.00	LIBOR (1 month)	2.50%	2.75%	2.75%		13,578.13





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LX171402	Party City T/L	Floating	434,948.46	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	10,873.71
LX171402	Party City T/L	Floating	66,511.12	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	1,662.78
LX171402	Party City T/L	Floating	674,713.70	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	16,867.84
LX171402	Party City T/L	Floating	1,236,162.80	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	30,904.07
LX171402	Party City T/L	Floating	64,700.10	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	1,617.50
LX159002	Prestige Brands T/L B4	Floating	785,777.68	LIBOR (1 month)	2.50%	2.00%	2.00%		15,715.55
LX155959	Quikrete T/L B	Floating	5,205,673.61	LIBOR (1 month)	2.50%	2.75%	2.75%		143,156.02
LX152098	Quorum Health T/L	Floating	3,157,275.54	LIBOR (1 month)	2.50%	6.75%	6.75%	1.00%	213,116.10
LX159617	RadNet Management T/L B (01/17)	Floating	32,834.53	Prime	5.50%	2.75%	8.25%		2,708.85
LX159617	RadNet Management T/L B (01/17)	Floating	2,298,417.07	LIBOR (3 months)	2.78%	3.75%	3.75%	1.00%	86,190.64
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	Floating	393,000.00	LIBOR (3 months)	2.78%	2.00%	2.00%		7,860.00
LX152765	Riverbed Technology T/L 1st Lien	Floating	2,500,000.00	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	81,250.00
LX155106	RP Crown Parent (JDA Software) T/L B	Floating	3,656,142.97	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	100,543.93
LX152375	Russell Investments T/L B	Floating	8,853,544.15	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	287,740.18
LX171269	Scientific Games T/L B-5	Floating	3,191,199.78	LIBOR (1 month)	2.50%	2.75%	2.75%		87,757.99
LX171269	Scientific Games T/L B-5	Floating	763,614.75	LIBOR (1 month)	2.50%	2.75%	2.75%		20,999.41
LX135384	Seadrill T/L B	Floating	4,188.53	LIBOR (3 months)	2.80%	6.00%	6.00%	1.00%	251.31
LX156211	ServiceMaster T/L C	Floating	1,304,294.85	LIBOR (1 month)	2.50%	2.50%	2.50%		32,607.37
LX158094	Sinclair Television T/L B2	Floating	1,407,078.80	LIBOR (1 month)	2.50%	2.25%	2.25%		31,659.27
LX145736	Six Flags T/L B	Floating	524,886.39	LIBOR (3 months)	2.75%	1.75%	1.75%		9,185.51
LX151194	Solera T/L B	Floating	1,603,349.43	LIBOR (1 month)	2.50%	2.75%	2.75%		44,092.11
LX159036	Sophia / Ellucian T/L B	Floating	3,528,083.93	LIBOR (3 months)	2.80%	3.25%	3.25%	1.00%	114,662.73
LX141908	Southeast PowerGen T/L B	Floating	779,154.89	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	27,270.42
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Floating	3,447,499.98	LIBOR (3 months)	2.78%	3.25%	3.25%	1.00%	112,043.75
LX169358	Springer Science T/L B13	Floating	132,334.62	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	4,631.71
LX169358	Springer Science T/L B13	Floating	1,499,896.00	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	52,496.36
LX169358	Springer Science T/L B13	Floating	262,217.36	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	9,177.61
LX159257	Sprint Communications T/L	Floating	1,965,000.00	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	49,125.00
LX160837	SS&C Technologies T/L B1 (03/17)	Floating	2,457,180.78	LIBOR (1 month)	2.50%	2.25%	2.25%		55,286.57
LX145044	StandardAero (DAE Aviation/VCSA) T/L	Floating	6,273,278.64	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	235,247.95
LX152816	Station Casinos T/L B (6/16)	Floating	3,527,219.57	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	88,180.49
LX165294	Surgery Center Holdings T/L B (06/17)	Floating	1,908,212.55	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	62,016.91
LX171276	Syniverse Holdings T/L (01/18)	Floating	2,493,718.59	LIBOR (1 month)	2.49%	5.00%	5.00%	1.00%	124,685.93





# Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX156377	Team Health Holdings T/L	Floating	2,341,182.41	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	64,382.52
LX159275	Telesat Canada T/L 2018 B-4	Floating	7,553,956.95	LIBOR (3 months)	2.81%	2.50%	2.50%	0.75%	188,848.92
LX168447	TMK Hawk T/L (Trimark USA)	Floating	493,803.42	LIBOR (1 month)	2.50%	3.50%	3.50%		17,283.12
LX173457	Transdigm 2018 New T/L F	Floating	3,740,315.78	LIBOR (1 month)	2.50%	2.50%	2.50%		93,507.89
LX168620	Traverse Midstream T/L B	Floating	2,919,133.51	LIBOR (6 months)	2.60%	4.00%	4.00%	1.00%	116,765.34
LX159214	Tribune Media T/L C (01/17)	Floating	476,373.07	LIBOR (1 month)	2.50%	3.00%	3.00%	0.75%	14,291.19
LX168798	Tronox Blocked Borrower T/L B2	Floating	598,604.64	LIBOR (1 month)	2.50%	3.00%	3.00%		17,958.14
LX168581	Tronox T/L B (09/17)	Floating	1,381,395.36	LIBOR (1 month)	2.50%	3.00%	3.00%		41,441.86
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	Floating	2,462,500.00	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	92,343.75
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Floating	400,000.00	LIBOR (1 month)	2.50%	8.25%	8.25%	1.00%	33,000.00
LX172243	Uber Technologies T/L (3/18)	Floating	1,994,987.47	LIBOR (1 month)	2.52%	4.00%	4.00%	1.00%	79,799.50
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	Floating	1,246,811.22	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	40,521.36
LX173324	United Airlines T/L B (05/18)	Floating	1,473,750.00	LIBOR (1 month)	2.50%	1.75%	1.75%		25,790.63
LX161197	Univision Communications T/L C5	Floating	8,987,250.05	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	247,149.38
LX162476	Urban One T/L	Floating	1,404,978.65	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	56,199.15
LX153134	US Foods Second Incremental T/L	Floating	1,972,290.63	LIBOR (1 month)	2.50%	2.00%	2.00%		39,445.81
LX167989	USI Incremental T/L	Floating	1,975,000.00	LIBOR (3 months)	2.80%	3.00%	3.00%		59,250.00
LX168054	USS Ultimate Holdings T/L (United Site)	Floating	987,499.99	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	37,031.25
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	Floating	323,333.33	LIBOR (1 month)	2.50%	8.00%	8.00%	1.00%	25,866.67
LX169239	VC GB Holdings T/L (Generation Brands)	Floating	3,932,365.40	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	117,970.96
LX156640	Vertellus T/L 2nd Lien	Floating	276,801.29	LIBOR (1 week)	2.41%	12.00%	12.00%	1.00%	33,216.15
LX155779	Vistra Operations (Tex Operations) Exit T/L B	Floating	6,881,201.32	LIBOR (1 month)	2.50%	2.00%	2.00%		137,624.03
LX157720	Vistra Operations Company T/L B (12/16)	Floating	3,660,910.94	LIBOR (1 month)	2.50%	2.25%	2.25%		82,370.50
LX144232	Wash Multifamily T/L (1st Lien)	Floating	903,302.77	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	29,357.34
LX165665	WEX T/L B-2 (Wright Express)	Floating	5,310,263.78	LIBOR (1 month)	2.50%	2.25%	2.25%		119,480.94
LX153816	WireCo WorldGroup T/L B	Floating	487,525.04	LIBOR (1 month)	2.50%	5.00%	5.00%	1.00%	24,376.25
LX166414	Zayo Group T/L B2	Floating	413,297.36	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	9,299.19
LX159375	Ziggo Secured Finance T/L E	Floating	500,000.00	LIBOR (1 month)	2.49%	2.50%	2.50%		12,500.00
<b>Totals:</b>	<b>223</b>		<b>435,792,743.17</b>				<b>3.05%</b>		<b>13,258,956.68</b>





**ACIS CLO 2014-5 Ltd.**  
**Weighted Average Coupon**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Coupon Type	Principal Balance	Cash Coupon
LX145695	Minerals Technologies T/L B2 (Fixed)	Fixed	5,367,427.22	4.75%
Totals:		1	5,367,427.22	4.75%





ACIS CLO 2014-5 Ltd.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3		Ba3	B1		50.00		B+		30.00
LX169636	84 Lumber T/L B-1		B3	B2		40.00		B+		40.00
LX144914	Academy T/L B		Caa2	Caa1		40.00		CCC+		27.00
LX172091	Acadia Healthcare T/L B3		Ba2	B1		60.00		B		50.00
LX172092	Acadia Healthcare T/L B4		Ba2	B1		60.00		B		50.00
LX167634	Accudyne Industries T/L (07/17)		B3	B3		45.00		B		30.00
LX155961	Advanced Disposal T/L B		Ba3	B1		50.00		BB-		65.00
LX138509	Advantage Sales 2nd lien T/L (Karman)	CW-	Caa1	B2	16-Jan-19	15.00		B		2.00
LX138508	Advantage Sales T/L 1st Lien (Karman)	CW-	B1	B2	16-Jan-19	50.00		B		40.00
LX163240	Advantage Sales T/L B Incremental	CW-	B1	B2	16-Jan-19	50.00		B		40.00
LX172523	AES Corporation T/L B (03/18)		Baa3	Ba1		50.00		BB+		65.00
LX159618	AI Mistral T/L (V. Group)		B2	B3		50.00		B		30.00
LX171691	Air Medical T/L B		B1	B2		50.00		B		40.00
LX132200	Akorn T/L B		Caa1	Caa1		45.00		B-		30.00
LX164597	Albertson's T/L B5 (05/17)		Ba2	B1		60.00		B		65.00
LX176679	Albertson's T/L B7		Ba2	B1		60.00		B		65.00
LX161956	AlixPartners T/L B		B2	B2		45.00		B+		30.00
LX155973	American Airlines Replacement T/L B (AMR)		Ba1	Ba3		60.00		BB-		65.00
LX165158	American Airlines T/L B (06/17)		Ba1	Ba3		60.00		BB-		65.00
LX172603	American Builders & Contractors T/L B-2		B1	B1		45.00		BB		60.00
LX165074	American Renal T/L B		B2	B2		45.00		B		30.00
LX171458	Apex Tool Group T/L B (02/18)		B2	B3		50.00		B		40.00
LX168507	Applied Systems T/L B (09/17)		B2	B3		50.00		B-		40.00
LX173667	Aramark Services T/L B-2		Ba1	Ba2		50.00		BB+		65.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





## Rating Detail

As of Date: 02/21/2019  
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Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX160614	Arch Coal T/L B (02/17)		Ba3	Ba3		45.00		BB-		60.00
LX151102	Armstrong World Industries T/L B		Ba3	Ba3		45.00		BB+		60.00
LX168847	AssuredPartners T/L (09/17)		B2	B3		50.00		B		30.00
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)		Ba1	Ba3		60.00		BB		65.00
LX169049	Belron Finance T/L B		Ba3	Ba3		45.00		BB		30.00
LX171370	Berry Global (Berry Plastics) T/L Q		Ba2	Ba3		50.00		BB+		65.00
LX159354	BJs Wholesale Club T/L B		B2	B1		40.00		B		50.00
LX171678	Booz Allen T/L B		Ba1	Ba2		50.00		BB		40.00
LX161204	Boyd Gaming T/L B3		Ba3	B2		60.00		B+		65.00
LX165183	Brand Energy & Infrastructure T/L		B3	B3		45.00		B		30.00
LX171142	Bright Bidco (Lumileds) T/L B (02/18)		B1	B1		45.00		B		40.00
LX159595	Builders Firstsource T/L		B3	B2		40.00		BB-		30.00
LX144710	Calpine Corporation T/L B-5		Ba2	Ba3		50.00		B+		65.00
LX149099	Calpine Corporation T/L B-6		Ba2	Ba3		50.00		B+		65.00
LX159606	Calpine T/L B8		Ba2	Ba3		50.00		B+		65.00
LX167639	Canyon Valor Companies (GTCR) T/L B		B2	B2		45.00		B		40.00
LX161335	Capital Automotive 1st Lien T/L		B1	B2		50.00		B		30.00
LX177791	Carestream Health T/L (12/18)		B1	B3		60.00		B		40.00
LX137090	Catalent Pharma T/L B (new)		Ba2	B1		60.00		BB-		60.00
LX154537	CDW T/L		Baa3	Ba1		50.00		BB+		50.00
LX152766	Cengage Learning T/L B		B2	B3		50.00		B-		50.00
LX161598	CenturyLink T/L B		Ba3	Ba3		45.00		BB		65.00
LX159695	Change Healthcare T/L		B1	B2		50.00		B+		40.00
LX144540	CHS/Community Health T/L H		Caa1	Caa3		60.00		CCC+		60.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





## Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX171813	Clark Equipment T/L B		Ba3	Ba3		45.00		BB-		50.00
LX165894	Clean Harbors T/L		Ba1	Ba2		50.00		BB+		65.00
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien		B2	B3		50.00		B		40.00
LX148894	Commscope T/L Tranche 5		Baa3	Ba3		60.00		BB-		65.00
LX161695	CSC Holdings T/L B (03/17)		Ba3	B1		50.00		B+		50.00
LX174067	Cumulus Media T/L		B3	B3		45.00		B-		50.00
LX161958	Cypress Intermediate (CCC Info) T/L B		B2	B3		50.00		B-		50.00
LX163416	Dayco Products T/L B (04/17)		B2	B2		45.00		B		27.00
LX154380	Dayton Power T/L B		A3	Ba1		60.00		BBB-		75.00
LX169099	Dell International T/L B		Baa3	Ba1		50.00		BB+		50.00
LX128948	Doncasters T/L		Caa1	Caa1		45.00		CCC+		27.00
LX172338	DTI Holdco T/L B-1 (Epiq)		B3	B3		45.00		B		30.00
LX140953	Eastern Power (TPF II Power) T/L B		B1	B2		50.00		B+		40.00
LX155237	Eldorado Resorts T/L B (03/17)		Ba1	B1		60.00		B+		65.00
LX163026	Endo Luxembourg Finance T/L B		Ba2	B2		60.00		B		65.00
LX173466	ESH Hospitality (Extended Stay) T/L B (New)		Ba2	Ba3		50.00		BB-		65.00
LX136501	Evergreen Skills T/L (First Lien)		B3	Caa1		50.00		CCC+		40.00
LX159615	ExamWorks T/L B1		B1	B2		50.00		B		30.00
LX173032	Ferro T/L B-1		Ba3	Ba3		45.00		BB-		30.00
LX165177	First Data T/L 2022D	CW+	Ba2	Ba3	16-Jan-19	50.00	CW+	BB	16-Jan-19	60.00
LX169513	First Data T/L 2024A New Dollar	CW+	Ba2	Ba3	16-Jan-19	50.00	CW+	BB	16-Jan-19	60.00
LX173110	Fitness International (LA Fitness) T/L A (4/18)		B1	B2		50.00		B+		50.00
LX167187	Flexential Intermediate T/L B (Peak 10)		B2	B3		50.00		B-		40.00
LX155300	Fort Dearborn 1st Lien T/L		B2	B3		50.00		B-		30.00

## Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





Rating Detail

As of Date: 02/21/2019  
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Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX162521	Forterra Finance T/L (04/17)		B3	B3		45.00		B-		27.00
LX148220	Frontier Communications T/L 2		B2	B3		50.00		CCC+		65.00
LX155134	G-III Apparel Group T/L B (10/16)		Ba3	Ba3		45.00		BB-		60.00
LX173608	Generac Power T/L B (6/2018)		Ba2	Ba2		45.00		BB-		30.00
LX175013	GIP III Stetson T/L B		Ba3	Ba3		45.00		B+		30.00
LX172106	Global Payments T/L B (03/18)		Ba2	Ba2		45.00		BB+		50.00
LX168592	Golden Nugget T/L B (09/17)		Ba3	B2		60.00		B		60.00
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)		B3	B1		15.00		B+		2.00
LX141384	Granite Acq T/L B (Wheelabrator)		B1	B1		45.00		B+		30.00
LX141385	Granite Acq T/L C (Wheelabrator)		B1	B1		45.00		B+		30.00
LX159621	Gray Television T/L B		Ba2	B1		60.00		B+		65.00
LX158207	Grifols Worldwide Operations T/L B		Ba2	Ba3		50.00		BB		60.00
LX165794	Gruden Acquisition T/L		B2	B3		50.00		B-		30.00
LX170998	Harbor Freight Tools T/L B (1/18)		Ba3	Ba3		45.00		BB-		30.00
LX167057	Hayward Industries T/L		B3	B3		45.00		B		30.00
LX144819	HCA Inc T/L A5		Baa3	Ba1		50.00		BB+		65.00
LX171927	HCA Inc T/L B11		Baa3	Ba1		50.00		BB+		65.00
LX176498	HD Supply T/L B-5		Ba2	Ba2		45.00		BB+		65.00
LX167192	HD Supply Waterworks T/L (CD&R Merger)		B2	B2		45.00		B+		40.00
LX130210	Iheart T/L D (Clear Channel)	DEF	Caa3	Caa3	29-Mar-18	45.00	DEF	CCC-	29-Mar-18	30.00
LX169195	Ineos US Finance T/L (2024 Dollar)		Ba1	Ba2		50.00		BB		60.00
LX159959	Infor US (Lawson) T/L B-6	CW+	B1	B3	18-Jan-19	60.00		B-		50.00
LX164174	ION Media T/L (05/17)		B1	B1		45.00		BB-		40.00
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)		Ba1	Ba2		50.00		BB+		50.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-5 Ltd.

## Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX155217	Jo-Ann Stores T/L		B1	B2		50.00		B		40.00
LX164714	KAR Auction Services T/L B-4	CW-	Ba2	B1	01-Mar-18	60.00		BB-		30.00
LX164715	KAR Auction Services T/L B-5	CW-	Ba2	B1	01-Mar-18	60.00		BB-		30.00
LX146975	Kenan Advantage T/L B (Canadian)		B1	B2		50.00		B		50.00
LX146807	Kenan Advantage T/L B (U.S.)		B1	B2		50.00		B		50.00
LX159619	Kinetic Concepts (Acelity) (1/17) T/L		B1	B2		50.00		B		40.00
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)		B1	B3		60.00		CCC+		30.00
LX163804	Kronos T/L B		B2	B3		50.00		B-		50.00
LX162675	Laureate Education T/L 2024		B2	B2		45.00		B		50.00
LX154098	Leslie's Poolmart T/L B		B2	B3		50.00		B		27.00
LX160334	Level 3 Financing T/L		Ba1	Ba3		60.00		BB		65.00
LX136370	Libbey Glass T/L		B2	B2		45.00		B		30.00
LX138016	Liberty Cablevision T/L B (San Juan Cable)		B2	B3		50.00		B		30.00
LX159083	Life Time Fitness 2017 Refinancing T/L B		B1	B2		50.00		B		65.00
LX171260	Lightstone Holdco T/L B		Ba3	B1		50.00		B+		50.00
LX171261	Lightstone T/L C		Ba3	B1		50.00		B+		50.00
LX165714	Live Nation T/L B-3		Ba1	Ba3		60.00		BB-		60.00
LX168615	LPL Holdings Incremental T/L B		Ba2	Ba3		50.00		BB		45.00
LX162914	MA FinanceCo T/L B2		B1	B1		45.00		BB-		40.00
LX168182	Match Group T/L B		Ba2	Ba2		45.00		BB		65.00
LX152400	McGraw-Hill Global Education Holdings T/L		B1	B2		50.00		B		60.00
LX172427	Mediacom T/L N		Ba2	Ba2		45.00		BB		50.00
LX173656	Michaels Stores T/L B		Ba2	Ba2		45.00		BB-		65.00
LX145695	Minerals Technologies T/L B2 (Fixed)		Ba2	Ba2		45.00		BB		50.00

### Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





## Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX155231	Mohegan Tribal T/L A		B1	B2		50.00		B-		45.00
LX152711	MPH Acquisition (Multiplan) T/L B		B1	B3		60.00		B+		30.00
LX165715	MTS Systems Corporation T/L B (06/17)		B1	B1		45.00		BB-		40.00
LX157681	National Financial Partners (NFP) T/L B		B2	B3		50.00		B		30.00
LX171717	NeuStar T/L B4 (03/18)		B1	B2		50.00		B		65.00
LX162460	Nielsen Finance T/L B4		Ba1	Ba3		60.00		BB		65.00
LX155280	NN, Inc T/L B (9/16)		B2	B3		50.00		B		40.00
LX153092	NRG Energy T/L B 6/16		Baa3	Ba2		60.00		BB		65.00
LX157595	Oberthur Technologies T/L B (USD)		B2	B2		45.00		B-		40.00
LX157136	Ocwen T/L B		B2	Caa1		60.00		B-		65.00
LX161654	Outfront Media T/L B (CBS Outdoor)		Ba1	Ba3		60.00		BB-		65.00
LX170070	Oxbow Carbon T/L B (12/17)		B1	B2		50.00		BB-		60.00
LX167279	Parexel International T/L B		B1	B2		50.00		B		27.00
LX171402	Party City T/L		Ba2	Ba3		50.00		B+		50.00
LX159002	Prestige Brands T/L B4		Ba3	B2		60.00		B+		65.00
LX155959	Quikrete T/L B		B1	B1		45.00		BB-		27.00
LX152098	Quorum Health T/L		B1	B3		60.00		B-		40.00
LX159617	RadNet Management T/L B (01/17)		B1	B2		50.00		B		30.00
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)		Ba3	Ba3		45.00		B+		65.00
LX152765	Riverbed Technology T/L 1st Lien		B2	B3		50.00		B		50.00
LX155106	RP Crown Parent (JDA Software) T/L B		B1	B2		50.00		B		30.00
LX152375	Russell Investments T/L B		Ba2	Ba2		45.00		BB-		27.00
LX171269	Scientific Games T/L B-5		Ba3	B2		60.00		B		60.00
LX135384	Seadrill T/L B		Caa2	Caa2		45.00		CCC+		30.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





## Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX156211	ServiceMaster T/L C		Baa3	Ba3		60.00		BB-		65.00
LX158094	Sinclair Television T/L B2		Ba1	Ba3		60.00		BB-		65.00
LX145736	Six Flags T/L B		Ba1	B1		60.00		BB		65.00
LX151194	Solera T/L B		Ba3	B2		60.00		B-		60.00
LX159036	Sophia / Ellucian T/L B		B2	B3		50.00		B-		50.00
LX141908	Southeast PowerGen T/L B		Ba3	B1		50.00		B-		40.00
LX165477	Spin Holdco (Coinmach) T/L B (02/18)		B2	B3		50.00		B		40.00
LX169358	Springer Science T/L B13		B2	B2		45.00		B		40.00
LX159257	Sprint Communications T/L	CW+	Ba2	B2	29-Apr-18	60.00	CW+	B+	30-Apr-18	65.00
LX160837	SS&C Technologies T/L B1 (03/17)		Ba3	Ba3		45.00		BB		30.00
LX145044	StandardAero (DAE Aviation/VCSA) T/L		B2	B3		50.00		B		30.00
LX152816	Station Casinos T/L B (6/16)		Ba3	B1		50.00		B+		60.00
LX165294	Surgery Center Holdings T/L B (06/17)		B1	B3		60.00		B-		30.00
LX171276	Syniverse Holdings T/L (01/18)		B2	B3		50.00		B		27.00
LX156377	Team Health Holdings T/L		B2	B3		50.00		B		30.00
LX159275	Telesat Canada T/L 2018 B-4		Ba3	B1		50.00		BB-		40.00
LX168447	TMK Hawk T/L (Trimark USA)		B3	B3		45.00		B		30.00
LX141526	Toys R Us T/L B4	DEF	Caa3	Caa3	20-Sep-17	45.00	DEF	NR	20-Sep-17	37.00
LX173457	Transdigm 2018 New T/L F		Ba3	B1		50.00		B+		30.00
LX168620	Traverse Midstream T/L B		B2	B2		45.00		B+		27.00
LX159214	Tribune Media T/L C (01/17)		Ba3	B1		50.00		BB-		65.00
LX168798	Tronox Blocked Borrower T/L B2		Ba3	B1		50.00		B		65.00
LX168581	Tronox T/L B (09/17)		Ba3	B1		50.00		B		65.00
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L		B2	B3		50.00		B		30.00

## Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-5 Ltd.

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L		Caa2	B3		15.00		B		2.00
LX172243	Uber Technologies T/L (3/18)		-	-		-		-		-
LX153867	UFC Holdings (Zuffa) 1st Lien T/L		B1	B2		50.00		B		60.00
LX173324	United Airlines T/L B (05/18)		Baa3	Ba2		60.00		BB		65.00
LX161197	Univision Communications T/L C5		B2	B2		45.00		B		40.00
LX162476	Urban One T/L		B2	B3		50.00		B-		40.00
LX153134	US Foods Second Incremental T/L	CW-	Ba3	Ba3	30-Jul-18	45.00		BB+		50.00
LX167989	USI Incremental T/L		B2	B3		50.00		B		30.00
LX168054	USS Ultimate Holdings T/L (United Site)		B2	B3		50.00		B		40.00
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L		Caa1	B2		15.00		B		2.00
LX169239	VC GB Holdings T/L (Generation Brands)		B2	B2		45.00		B		30.00
LX156640	Vertellus T/L 2nd Lien		Caa3	Caa3		30.00		CCC-		16.00
LX155779	Vistra Operations (Tex Operations) Exit T/L B		Ba1	Ba2		50.00		BB		65.00
LX157720	Vistra Operations Company T/L B (12/16)		Ba1	Ba2		50.00		BB		65.00
LX144232	Wash Multifamily T/L (1st Lien)		B2	B3		50.00		B		40.00
LX165665	WEX T/L B-2 (Wright Express)		Ba3	Ba3		45.00		BB-		30.00
LX153816	WireCo WorldGroup T/L B		B3	B3		45.00		B		50.00
LX166414	Zayo Group T/L B2	CW-	Ba2	B2	08-Nov-18	60.00		B+		65.00
LX159375	Ziggo Secured Finance T/L E		B1	B1		45.00		B+		30.00

Totals: 187

Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





### Rating Change History

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Principal Balance	Moody's			S & P		
			Curr	Date	Action (1)	Curr	Date	Action (1)
LX144914	Academy T/L B	5,262,050.69	Caa2	29-Jan-19	DNG			
LX148894	Commscope T/L Tranche 5	1,185,976.11	Baa3	29-Jan-19	OFF(CW-)			
LX151102	Armstrong World Industries T/L B	593,826.68	Ba3	29-Jan-19	UPG			
LX154098	Leslie's Poolmart T/L B	575,882.93	B2	30-Jan-19	DNG			
LX159375	Ziggo Secured Finance T/L E	500,000.00				B+	31-Jan-19	DNG
LX159618	AI Mistral T/L (V. Group)	294,750.00	B2	07-Feb-19	DNG			
LX159695	Change Healthcare T/L	5,229,910.75	B1	30-Jan-19	DNG			
LX161695	CSC Holdings T/L B (03/17)	374,691.26	Ba3	04-Feb-19	DNG			
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	2,462,500.00	B2	11-Feb-19	DNG			
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	400,000.00	Caa2	11-Feb-19	DNG			

**Totals:** 10 16,879,588.42

Upgrades: 1 Aggregate Balance: 593,826.68

Downgrades: 8 Aggregate Balance: 15,099,785.63

**Asset Status Legend: (1)**

<b>DNG</b> - Downgrade	<b>N</b> - Notched / Implied Rating	<b>CW-</b> - Credit Watch with negative implications
<b>UPG</b> - Upgrade	<b>E</b> - Credit Estimate	<b>CW+</b> - Credit Watch with positive implications
<b>WDR</b> - Withdrawn	<b>S</b> - Shadow Rated	<b>DEF</b> - In Default





## Caa/CCC Obligations

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Moody's			S & P		
		Rating	Rating Type	Principal Balance	Rating	Rating Type	Principal Balance
LX144914	Academy T/L B	Caa2	MR	5,262,050.69	CCC+	SCC	5,262,050.69
LX138509	Advantage Sales 2nd lien T/L (Karman)	Caa1	MR	3,574,181.80	B	SCC	-
LX132200	Akorn T/L B	Caa1	MR	281,000.18	B-	SCC	-
LX144540	CHS/Community Health T/L H	Caa1	MR	2,299,826.52	CCC+	SCC	2,299,826.52
LX128948	Doncasters T/L	Caa1	MR	2,476,293.04	CCC+	SCC	2,476,293.04
LX136501	Evergreen Skills T/L (First Lien)	B3	MR	-	CCC+	SCC	6,620,009.31
LX148220	Frontier Communications T/L 2	B2	MR	-	CCC+	SCC	2,429,577.46
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	B1	MR	-	CCC+	SCC	5,048,083.55
LX135384	Seadrill T/L B	Caa2	MR	4,188.53	CCC+	SCC	4,188.53
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Caa2	MR	400,000.00	B	SCC	-
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	Caa1	MR	323,333.33	B	SCC	-
LX156640	Vertellus T/L 2nd Lien	Caa3	MR	276,801.29	CCC-	SCC	276,801.29

Totals:	12	14,897,675.38	24,416,830.39
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**Rating Type Legend:**

<b>SS</b> - Senior Secured	<b>RE</b> - Rating Estimate	<b>MSUS</b> - Moody's Senior	<b>SSUS</b> - S&P Senior Unsecured
<b>IR</b> - Issuer	<b>SH</b> - Shadow Rating	<b>MSI</b> - Moody's Senior Implied	<b>SCC</b> - S&P Corporate Credit
	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured

**Asset Status Legend:**

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications

**DOR** Derived from other rating agency





Discount Obligations

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's Rating	Purchase Price	Principal Balance
LX144914	Academy T/L B	Caa2	79.00	15,651.77
LX144914	Academy T/L B	Caa2	79.00	15,651.77
LX144914	Academy T/L B	Caa2	79.00	16,434.36
LX144914	Academy T/L B	Caa2	79.00	16,434.36
LX144914	Academy T/L B	Caa2	79.00	9,075.68
LX144914	Academy T/L B	Caa2	79.00	9,075.68
LX144914	Academy T/L B	Caa2	79.00	10,017.13
LX144914	Academy T/L B	Caa2	79.00	10,017.13
Totals:				8102,357.90





## 76

As of Date: 02/21/2019

Payment Date: 05/01/2019

**Total:**





## 76

As of Date: 02/21/2019

Payment Date: 05/01/2019

<b>Totals:</b>	<b>0</b>	<b>-</b>
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**Current Pay Obligations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Principal Balance	% of Collateral Principal Amount	Market Value
LX144540	CHS/Community Health T/L H	2,299,826.52	0.47%	2,264,915.15
<b>Totals:</b>		<b>2,299,826.52</b>		<b>2,264,915.15</b>





Hedge Characteristics

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Nbr	Primary Type	Reference Security I.D.	Synthetic Asset and Hedge Characteristics	Counterparty	Trade Date	Effective Date	Termination Date	Reference Index	(1) Reference Index
Totals: 0									





Hedge Calculations

As of Date: 02/21/2019  
Payment Date: 05/01/2019



		Party A				Party B				
Nbr	P / I	Notional Amount	Rate	Current Days	Current Payment	Notional Amount	Rate	Current Days	Current Payment	Net Payment

Totals: 0





**ACIS CLO 2014-5 Ltd.**

**ETB Subsidiary**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Blocker Subsidiary Name	Security or Obligation Held	Issuer	Asset	Amount	Collateral that has been transferred in and/or out
ACIS CLO 2014-5 Chemical Holdings, LLC		Vertellus Holdings	Common	221,441.00	In - 10/31/2016
Cash Held:				0.00	
<b>Total:</b>				<b>221,441.00</b>	





Equity Securities

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security ID	Security Description	Asset Description	# of Units/Shares
75957V104	FGI Operating Company - C/S	Equity	28,642
31660T201	Fieldwood Energy - C/S	Equity	9,248

Totals: 2





**ACIS CLO 2014-5 Ltd.**  
**Defaulted/Deferring Obligations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Asset Description	Date of Action	Par Amount	Moody's Recovery Amount	S&P Recovery Amount	Market Value	Applicable Value
LX130210	Iheart T/L D (Clear Channel)	Defaulted	20-Oct-17	100,000.00	45,000.00	30,000.00	69,750.00	30,000.00
LX141526	Toys R Us T/L B4	Defaulted	18-Sep-17	6,279,494.76	2,825,772.64	2,323,413.06	3,171,144.85	2,323,413.06





## Stratifications - Characteristics

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

### Distribution of Principal Balances

Current Principal Balances	# of Assets	Principal Balance	% of Balance	Rating(1)
0 to 500,000.00	36	13,698,377.99	3.11 %	B1
500,000.00 to 1,000,000.00	23	17,972,279.65	4.07 %	B1
1,000,000.00 to 1,500,000.00	20	26,887,140.72	6.09 %	Ba2
1,500,000.00 to 2,000,000.00	15	27,491,257.67	6.23 %	B1
2,000,000.00 to 2,500,000.00	25	59,105,368.92	13.40 %	B1
2,500,000.00 to 3,000,000.00	13	36,521,650.46	8.28 %	Ba3
3,000,000.00 to 3,500,000.00	7	22,480,633.91	5.10 %	B1
3,500,000.00 to 4,000,000.00	18	67,641,393.39	15.33 %	B1
4,000,000.00 to 4,500,000.00	4	17,152,621.86	3.89 %	B1
4,500,000.00 to 5,000,000.00	2	9,506,515.39	2.15 %	B2
5,000,000.00 to 5,500,000.00	9	46,613,263.74	10.57 %	B2
5,500,000.00 to 6,000,000.00	1	5,671,134.62	1.29 %	Ba2
6,000,000.00 to 6,500,000.00	6	30,709,990.05	6.96 %	Ba3
6,500,000.00 to 7,000,000.00	3	20,046,486.87	4.54 %	B1
7,000,000.00 to 7,500,000.00	2	14,267,303.97	3.23 %	B1
7,500,000.00 to 8,000,000.00	1	7,553,956.95	1.71 %	Ba3
8,000,000.00 to 8,500,000.00	-	-	-	-
8,500,000.00 to 9,000,000.00	2	17,840,794.20	4.04 %	B1
9,000,000.00 to 9,500,000.00	-	-	-	-
9,500,000.00 to 10,000,000.00	-	-	-	-
10,000,000.00 to 10,500,000.00	-	-	-	-
10,500,000.00 to 11,000,000.00	-	-	-	-
11,000,000.00 to 11,050,000.00	-	-	-	-
11,050,000.00 to 12,000,000.00	-	-	-	-
12,000,000.00 to 99,999,999.00	-	-	-	-
<b>Total</b>	<b>187</b>	<b>441,160,170.36</b>	<b>100.00 %</b>	<b>B1</b>

### Distribution of Coupon Type

Collateral Type	# of Assets	Principal Balance	% of Balance	Rating(1)
Fixed	1	5,367,427.22	1.22 %	Ba2
Floating	186	435,792,743.14	98.78 %	B1
<b>Total</b>	<b>187</b>	<b>441,160,170.36</b>	<b>100.00 %</b>	<b>B1</b>

### Distribution of Fixed Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Rating(1)
0.000% to 5.000%	1	5,367,427.22	100.00 %	Ba2
5.001% to 5.500%	-	-	-	-
5.501% to 6.000%	-	-	-	-
6.001% to 6.500%	-	-	-	-
6.501% to 7.000%	-	-	-	-
7.001% to 7.500%	-	-	-	-
7.501% to 8.000%	-	-	-	-
8.001% to 8.500%	-	-	-	-
8.501% to 9.000%	-	-	-	-
9.001% to 9.500%	-	-	-	-
9.501% to 99.000%	-	-	-	-
<b>Total</b>	<b>1</b>	<b>5,367,427.22</b>	<b>100.00 %</b>	<b>Ba2</b>

### Distribution of Spread Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Rating(1)
-0.500% to 0.000%	-	-	-	-
0.000% to 0.500%	-	-	-	-
0.500% to 1.000%	-	-	-	-
1.000% to 1.500%	1	6,159,903.42	1.41 %	-
1.500% to 2.000%	35	77,663,418.20	17.82 %	Baa3
2.000% to 2.500%	35	80,994,243.01	18.59 %	Ba2
2.500% to 3.000%	40	96,413,718.57	22.12 %	B1
3.000% to 3.500%	31	76,783,088.21	17.62 %	Ba3
3.500% to 4.000%	18	52,251,958.94	11.99 %	B1
4.000% to 4.500%	6	12,737,098.30	2.92 %	Baa3
4.500% to 99.000%	20	32,789,314.49	7.52 %	B2
<b>Total</b>	<b>186</b>	<b>435,792,743.14</b>	<b>100.00 %</b>	<b>Ba3</b>

(1) Based on the definition of "Rating" in the Indenture





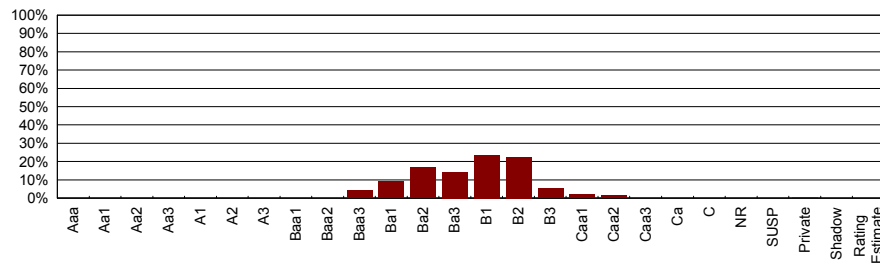
# Stratifications - Ratings

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Ratings

Moody's (1)	# of Assets	Principal Balance	% of Balance
Aaa		0.00	-
Aa1		0.00	-
Aa2		0.00	-
Aa3		0.00	-
A1		0.00	-
A2		0.00	-
A3	1	563,500.00	0.13 %
Baa1		0.00	-
Baa2		0.00	-
Baa3	9	17,650,044.03	4.00 %
Ba1	17	40,215,098.88	9.12 %
Ba2	29	74,892,424.14	16.98 %
Ba3	30	63,498,546.30	14.39 %
B1	36	104,027,255.83	23.58 %
B2	41	99,070,669.20	22.46 %
B3	12	24,349,969.13	5.52 %
Caa1	5	8,954,634.87	2.03 %
Caa2	3	5,666,239.22	1.28 %
Caa3	3	276,801.29	0.06 %
Ca		0.00	-
C		0.00	-
NR		0.00	-
SUSP		0.00	-
Private	1	1,994,987.47	0.45 %
Shadow		0.00	-
Rating Estimate		0.00	-
<b>Total</b>	<b>187</b>	<b>441,160,170.36</b>	<b>100.00 %</b>

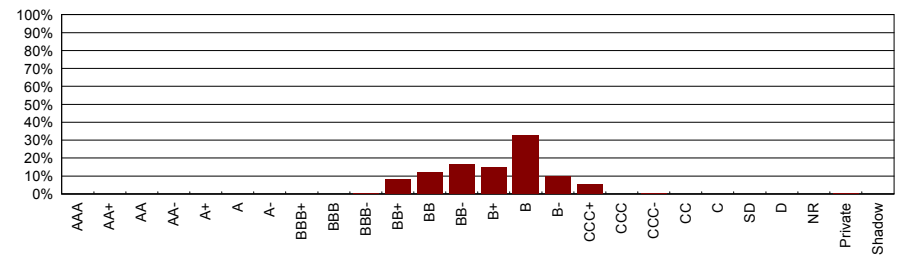


■ Current

(1) Based on the definition of "Rating" in the Indenture

## Distribution of S&P Ratings

S&P (1)	# of Assets	Principal Balance	% of Balance
AAA		0.00	-
AA+		0.00	-
AA		0.00	-
AA-		0.00	-
A+		0.00	-
A		0.00	-
A-		0.00	-
BBB+		0.00	-
BBB		0.00	-
BBB-	1	563,500.00	0.13 %
BB+	13	34,847,050.25	7.90 %
BB	21	52,644,713.58	11.93 %
BB-	29	73,513,422.45	16.66 %
B+	30	65,484,497.49	14.84 %
B	62	144,385,425.54	32.73 %
B-	20	43,309,743.19	9.82 %
CCC+	7	24,140,029.10	5.47 %
CCC		0.00	-
CCC-	2	276,801.29	0.06 %
CC		0.00	-
C		0.00	-
SD		0.00	-
D		0.00	-
NR	1	0.00	-
Private	1	1,994,987.47	0.45 %
Shadow		0.00	-
<b>Total</b>	<b>187</b>	<b>441,160,170.36</b>	<b>100.00 %</b>



■ Current





## Stratifications - Industries

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments &amp; Defaulted Obligations)

## Distribution of Moody's Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Aerospace & Defense	7	19,286,684.36	4.37 %	3.76	5.24%	Ba2
Automotive	8	20,052,568.38	4.55 %	4.49	5.84%	B1
Banking, Finance, Insurance & Real Estate	11	37,646,448.62	8.53 %	4.46	5.10%	Ba3
Beverage, Food & Tobacco	5	13,657,937.28	3.10 %	5.01	5.00%	Ba1
Capital Equipment	10	19,792,629.60	4.49 %	3.34	6.13%	B1
Chemicals, Plastics, & Rubber	6	7,829,368.03	1.77 %	5.08	5.19%	Ba1
Construction & Building	5	12,923,929.16	2.93 %	4.56	5.54%	Ba3
Consumer goods: Durable	4	9,004,988.91	2.04 %	4.84	5.51%	B1
Consumer goods: Non-durable	5	12,367,815.52	2.80 %	3.89	6.31%	Ba3
Containers, Packaging & Glass	3	8,748,604.28	1.98 %	3.49	5.46%	Ba2
Energy: Electricity	5	12,455,156.42	2.82 %	3.15	6.89%	B1
Energy: Oil & Gas	5	11,326,639.04	2.57 %	5.16	6.40%	Ba3
Environmental Industries	2	943,271.79	0.21 %	4.98	4.45%	Ba2
Healthcare & Pharmaceuticals	15	32,318,943.43	7.33 %	3.40	5.66%	Ba2
High Tech Industries	9	23,286,930.95	5.28 %	3.90	5.36%	Ba3
Hotel, Gaming & Leisure	12	23,667,333.33	5.36 %	4.15	5.16%	Ba2
Media: Advertising, Printing & Publishing	9	27,170,353.56	6.16 %	3.40	6.42%	Ba3
Media: Broadcasting & Subscription	10	14,780,026.99	3.35 %	4.05	5.80%	Baa2
Media: Diversified & Production	2	10,864,349.37	2.46 %	4.87	5.22%	B2
Metals & Mining	3	5,940,923.44	1.35 %	2.39	4.86%	Ba2
Retail	7	13,162,804.99	2.98 %	3.84	6.30%	B3
Services: Business	10	21,553,155.74	4.89 %	4.73	5.45%	Ba3
Services: Consumer	6	6,914,673.99	1.57 %	4.30	5.89%	B1
Telecommunications	11	35,150,990.25	7.97 %	4.70	5.46%	Ba2
Transportation: Cargo	4	4,258,509.91	0.97 %	3.57	7.36%	B2
Transportation: Consumer	2	8,556,096.01	1.94 %	3.50	5.49%	-
Utilities: Electric	8	16,966,942.09	3.85 %	3.97	4.70%	Ba1
Utilities: Water	1	987,500.00	0.22 %	5.37	5.72%	B2
Wholesale	2	9,544,594.92	2.16 %	4.74	4.82%	Ba2
<b>Total</b>	<b>187</b>	<b>441,160,170.36</b>	<b>100.00 %</b>	<b>4.12</b>	<b>5.59%</b>	<b>Ba3</b>

## Distribution of S&amp;P Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Aerospace & Defense	5	14,327,829.96	3.25 %	3.37	5.74%	B
Air transport	3	8,147,306.58	1.85 %	3.82	4.46%	BB-
Automotive	6	13,437,238.44	3.05 %	4.69	5.97%	B+
Building & Development	12	30,899,413.52	7.00 %	4.61	5.35%	BB-
Business equipment & services	16	38,545,083.51	8.74 %	3.75	6.01%	B
Cable & satellite television	3	2,352,275.63	0.53 %	5.42	4.43%	BB-
Chemicals & plastics	7	13,196,795.25	2.99 %	3.93	5.01%	BB-
Clothing/textiles	1	1,099,193.17	0.25 %	3.83	7.77%	BB-
Conglomerates	4	7,589,258.95	1.72 %	4.94	5.90%	B
Containers & glass products	3	8,748,604.28	1.98 %	3.49	5.46%	B+
Cosmetics/toiletries	1	5,048,083.55	1.14 %	4.23	6.50%	CCC+
Drugs	3	3,801,738.39	0.86 %	4.93	4.94%	BB-
Ecological services & equipment	2	943,271.79	0.21 %	4.98	4.45%	BB
Electronics/electrical	12	29,092,593.96	6.59 %	3.57	5.75%	B
Equipment leasing	1	2,166,830.85	0.49 %	5.12	4.80%	BB-
Financial intermediaries	9	32,787,339.05	7.43 %	4.46	5.08%	BB-
Food service	3	7,703,833.31	1.75 %	4.80	4.50%	BB
Food/drug retailers	3	6,883,610.02	1.56 %	5.23	5.63%	B
Health care	19	49,163,578.01	11.14 %	3.57	5.68%	B+
Industrial equipment	3	6,792,691.97	1.54 %	4.03	5.35%	B+
Leisure goods/activities/movies	9	16,615,368.99	3.77 %	3.87	5.16%	B+
Lodging & casinos	7	13,517,278.35	3.06 %	4.42	5.23%	B
Oil & gas	5	4,994,014.07	1.13 %	5.37	6.56%	B+
Property & Casualty Insurance	1	2,401,928.79	0.54 %	5.63	5.75%	B
Publishing	7	14,752,434.99	3.34 %	4.00	6.16%	B
Radio & Television	7	20,005,402.75	4.53 %	4.28	5.80%	B
Retailers (except food & drug)	6	13,641,185.65	3.09 %	4.03	6.22%	B
Surface transport	5	5,727,720.44	1.30 %	3.74	7.26%	B
Telecommunications	9	30,450,046.44	6.90 %	4.71	5.30%	B+
Utilities	15	36,328,219.70	8.23 %	3.87	5.74%	BB-
<b>Total</b>	<b>187</b>	<b>441,160,170.36</b>	<b>100.00 %</b>	<b>4.12</b>	<b>5.59%</b>	<b>B+</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





General Information

As of Date: 02/21/2019  
Payment Date: 05/01/2019



General Information

Sec. 5.1(g) Event of Default calculation (Minimum 102.5%)

Aggregate Principal Balance of Collateral Obligations:	447,539,665.12
Amounts on deposit in the Collection Account and the Ramp-Up Account:	43,633,015.71
Less:	
Aggregate Principal Balance of Defaulted Obligations:	6,379,494.76
Plus:	
Aggregate Market Value of Defaulted Obligations:	3,240,894.85
Collateral Principal Amount:	488,034,080.92
Divided by:	
Aggregate Outstanding Amount of the Class A Notes:	310,553,455.58
<b>Result:</b>	<b>157.1%</b>





**General Information**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



**Description**

Weighted Average Moody's Rating Factor:	2,771
Weighted Average Adjusted Moody's Rating Factor w/o the Rating Factor Adjustment Amount:	2,530
Weighted Average Floating Spread determined as if the Libor Floor of each Libor Floor Obligation were equal to zero:	3.04%
Excess Weighted Average Coupon:	0.00%
Excess Weighted Average Floating Spread:	0.04%
S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	44.8%
S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	54.5%
S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	60.2%
S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	66.3%
S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	71.3%
S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	74.0%





**Disclaimer**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



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## **ACIS CLO 2014-5, Ltd.**

Monthly Report

As of September 21, 2020





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 As of Date: 09/21/2020  
 Payment Date: 11/02/2020



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**Notice**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



The Notes may be held or beneficially owned, as applicable, only by Persons that (a)(i) are not U.S. persons and are purchasing their beneficial interest in an offshore transaction or (ii) are either (A) Qualified Purchasers (as defined for purposes of Section 3(c)(7) of the Investment Company Act) ("Qualified Purchasers") or (B) (in the case of the Subordinated Notes only) Knowledgeable Employees (as defined in Rule 3c-5 under the Investment Company Act) ("Knowledgeable Employees") with respect to the Issuer or corporations, partnerships, limited liability companies or other entities (other than trusts) each shareholder, partner, member or other equity owner of which is either (x) a Knowledgeable Employee with respect to the Issuer or (y) a Qualified Purchaser that in the case of (A) and (B) are either (1) "institutional" accredited investors ("Accredited Investors") (in the case of the Class E Notes and the Subordinated Notes only) meeting the requirements of Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who, in the case of Subordinated Notes only, if "individual" Accredited Investors, are also Knowledgeable Employees with respect to the Issuer or (2) qualified institutional buyers ("Qualified Institutional Buyers") within the meaning of Rule 144A under the Securities Act and (b) can make the representations set forth in Section 2.6 (Registration, Registration of Transfer and Exchange) of the Indenture or the appropriate Exhibit to the Indenture. Beneficial ownership interests in the Rule 144A Global Notes may be transferred only to a Person that is both a Qualified Institutional Buyer and a Qualified Purchaser and that can make the representations referred to in clause (b) of the preceding sentence. The Issuer has the right to compel any beneficial owner of an interest in Rule 144A Global Notes that does not meet the qualifications set forth in such clauses to sell its interest in such Notes, or may sell such interest on behalf of such owner, pursuant to Section 2.12 (Notes Beneficially Owned by Persons Not QIB/QPs or in Violation of ERISA Representations) of the Indenture.





**Executive Summary**  
As of Date: 09/21/2020  
Payment Date: 11/02/2020



Contact Information			Electronic Reports			Relevant Dates		
Issuer:	ACIS CLO 2014-5, Ltd.		Issue ID: .....	ACIS1405		Closing Date:	18-Nov-14	
Co-Issuer:	ACIS CLO 2014-5, LLC		Monthly Data File Name:			First Payment Date:	01-May-15	
Investment Advisor:	Acis Capital Management, LP		ACIS1405_09/21/20_D_3.CSV	Test History Standard		Interim Ramp-Up Date:	21-Jan-15	
Rated By:	Moody's Investors Service, Inc.		ACIS1405_09/21/20_D_4.CSV	Holdings Standard		Investment Period End Date:	21-Jan-15	
	S&P Global Ratings		ACIS1405_09/21/20_D_2.CSV	Transaction Details Standard		Reinvestment Period End Date:	18-Nov-19	
Account Manager:	Taylor Potts		ACIS1405_09/21/20_D_12.CSV	Amortization		Scheduled Termination Date:	02-Nov-26	
Phone:	312/332-7830		ACIS1405_09/21/20_D_13.CSV	Cash Account Summary				
Email:	taylor.potts@usbank.com		ACIS1405_09/21/20_D_14.CSV	Liability Details				

Asset Positions			Account Balances			Note Information					
Position	Current Count	Current	Account	Currency	Balance	Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon
Delayed Drawdown Loan	-	-	Collection - Interest	USD	1,809,477.58	Class A-1	280,750,000.00	127,543,071.96	567,747.36	0.25100 %	1.76100 %
Revolving Loan	-	-	Collection - Principal	USD	31,820,898.14	Class A-2	30,000,000.00	13,628,823.36	120,431.10	N/A	3.53460 %
Term Loan	88	285,701,570.37	Custodial	USD	0.00	Class B	68,000,000.00	68,000,000.00	445,364.11	0.25100 %	2.59100 %
Cash	-	31,820,898.14	Expense Reserve	USD	0.00	Class C-1	25,000,000.00	25,000,000.00	230,722.92	0.25100 %	3.65100 %
Settled Par Amount	-	285,773,528.10	Hedge	USD	0.00	Class C-2	7,000,000.00	7,000,000.00	101,963.75	N/A	5.82650 %
			Interest Reserve	USD	0.00	Class D	26,000,000.00	26,000,000.00	301,730.72	0.25100 %	4.59100 %
			Payment	USD	0.00	Class E-1	10,500,000.00	10,500,000.00	179,713.63	0.25100 %	6.77100 %
			Ramp-Up	USD	0.00	Class E-2	10,500,000.00	10,500,000.00	147,332.79	0.25100 %	5.55100 %
			Revolver Funding	USD	0.00	Subordinated	53,000,000.00	53,000,000.00	N/A	N/A	N/A
			Supplemental Reserve	USD	0.00	Totals:	510,750,000.00	341,171,895.32	2,095,006.38		

Coverage Tests					Quality Tests				
Test Name	Current Threshold	09/21/2020 Current	Result	08/21/2020 Prior	Test Name	Current Threshold	09/21/2020 Current	Result	08/21/2020 Prior
Class A/B Overcollateralization Test	122.00%	144.28%	Pass	144.25%	Minimum Weighted Average Coupon Test	5.00%	-	N/A	-
Class C Overcollateralization Test	113.70%	125.14%	Pass	125.11%	Minimum Floating Spread Test	3.20%	3.88%	Pass	3.87%
Class D Overcollateralization Test	108.50%	112.96%	Pass	112.93%	Moody's Weighted Average Recovery Rate Test	44.00%	48.4%	Pass	48.3%
Class E Overcollateralization Test	105.20%	104.73%	Fail	104.70%	Maximum Moody's Rating Factor Test	3,004	4,092	Fail	4,292
Class A/B Interest Coverage Test	120.00%	265.73%	Pass	269.54%	Moody's Diversity Test	50	37	Fail	37
Class C Interest Coverage Test	115.00%	205.44%	Pass	208.38%	Weighted Average Life Test	2.16	2.98	Fail	2.98
Class D Interest Coverage Test	110.00%	170.38%	Pass	172.82%					
Class E Interest Coverage Test	105.00%	143.78%	Pass	145.84%					





## Note Summary Information

As of Date: 09/21/2020  
Payment Date: 11/02/2020



### Note Information

Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon	Moody's		S&P	
						Orig	Curr	Orig	Curr
Class A-1	280,750,000.00	127,543,071.96	567,747.36	0.25100%	1.76100%	Aaa	Aaa	AAA	AAA
Class A-2	30,000,000.00	13,628,823.36	120,431.10	N/A	3.53460%	Aaa	Aaa	AAA	AAA
Class B	68,000,000.00	68,000,000.00	445,364.11	0.25100%	2.59100%	NR	NR	AA	AA
Class C-1	25,000,000.00	25,000,000.00	230,722.92	0.25100%	3.65100%	NR	NR	A	A
Class C-2	7,000,000.00	7,000,000.00	101,963.75	N/A	5.82650%	NR	NR	A	A
Class D	26,000,000.00	26,000,000.00	301,730.72	0.25100%	4.59100%	NR	NR	BBB	BBB-
Class E-1	10,500,000.00	10,500,000.00	179,713.63	0.25100%	6.77100%	NR	NR	BB	B-
Class E-2	10,500,000.00	10,500,000.00	147,332.79	0.25100%	5.55100%	NR	NR	BB	B-
Subordinated	53,000,000.00	53,000,000.00	N/A	N/A	N/A	NR	NR	NR	NR
<b>Totals:</b>	<b>510,750,000.00</b>	<b>341,171,895.32</b>	<b>2,095,006.38</b>						

### Asset Positions

Position	Curr Count	Current	Prior Count	Prior
Delayed Drawdown Loan	-	-	-	-
Revolving Loan	-	-	-	-
Term Loan	88	285,701,570.37	90	298,506,408.47
Cash	-	31,820,898.14	-	19,006,965.23
<b>Totals:</b>	<b>88</b>	<b>317,522,468.51</b>	<b>90</b>	<b>317,513,373.70</b>

### Test Summary

Test Type	Pass	Fail	N/A
Coverage	7	1	1
Quality	2	3	2
Portfolio Profile	44	5	0
<b>Totals:</b>	<b>53</b>	<b>9</b>	<b>3</b>

(1) Cash is based on Trade Date





## Coverage and Quality Tests

As of Date: 09/21/2020  
Payment Date: 11/02/2020

### Coverage Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Overcollateralization Test	144.25%	144.28%	122.00%	Minimum	Pass
2	Class C Overcollateralization Test	125.11%	125.14%	113.70%	Minimum	Pass
3	Class D Overcollateralization Test	112.93%	112.96%	108.50%	Minimum	Pass
4	Class E Overcollateralization Test	104.70%	104.73%	105.20%	Minimum	Fail
5	Class A/B Interest Coverage Test	269.54%	265.73%	120.00%	Minimum	Pass
6	Class C Interest Coverage Test	208.38%	205.44%	115.00%	Minimum	Pass
7	Class D Interest Coverage Test	172.82%	170.38%	110.00%	Minimum	Pass
8	Class E Interest Coverage Test	145.84%	143.78%	105.00%	Minimum	Pass

### Collateral Quality Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	S&P CDO Monitor Test	*** See S&P CDO Monitor Report ***				
2	Minimum Weighted Average Coupon Test	-	-	5.00%	Minimum	N/A
3	Minimum Floating Spread Test	3.87%	3.88%	3.20%	Minimum	Pass
4	Moody's Weighted Average Recovery Rate Test	48.3%	48.4%	44.00%	Minimum	Pass
5	Maximum Moody's Rating Factor Test	4,292	4,092	3,004	Maximum	Fail
6	Moody's Diversity Test	37	37	50	Minimum	Fail
7	Weighted Average Life Test	2.98	2.98	2.16	Maximum	Fail





# Concentration Limitations

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
1	Senior Secured Loans, Cash and Eligible Investments	97.18% / 303,469,962.76	97.27% / 301,404,887.84	90.00%	Minimum	Pass
2	Floating Rate Collateral Obligations	100.00% / 312,268,008.82	100.00% / 309,854,798.03	95.00%	Minimum	Pass
3	Participations	-	-	20.00%	Maximum	Pass
4	Second Lien Loans	2.71% / 8,449,910.19	2.73% / 8,449,910.19	10.00%	Maximum	Pass
5	DIP Loans	3.04% / 9,500,000.00	-	5.00%	Maximum	Pass
6	DIP Loans - Single obligor	3.04% / 9,500,000.00	-	2.00%	Maximum	Pass
7	Single obligor - five above 2%	2.54% / 7,918,367.32	2.55% / 7,906,279.45	2.00%	Maximum	Fail
8	Single obligor - zero above 2.5%	3.52% / 10,977,692.91	3.54% / 10,977,692.91	2.50%	Maximum	Fail
9	Moody's Rating of "Caa1" or below	23.15% / 72,302,986.34	19.46% / 60,290,057.04	7.50%	Maximum	Fail
10	S&P Rating of "CCC+" or below	22.61% / 70,594,653.10	22.65% / 70,197,288.88	7.50%	Maximum	Fail
11	Delayed Drawdown Loans and Revolving Loans	-	-	15.00%	Maximum	Pass
12	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aaa	-	-	20.00%	Maximum	Pass
13	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa1	-	-	20.00%	Maximum	Pass
14	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa2	-	-	20.00%	Maximum	Pass
15	Moody's Counterparty Criteria - Aggregate Counterparty Limit - Aa3	-	-	15.00%	Maximum	Pass
16	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A1	-	-	10.00%	Maximum	Pass
17	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A2 and P-1	-	-	5.00%	Maximum	Pass
18	Moody's Counterparty Criteria - Aggregate Counterparty Limit - A2 or below	-	-	0.00%	Maximum	Pass
19	Moody's Counterparty Criteria - Individual Counterparty Limit - Aaa	-	-	20.00%	Maximum	Pass
20	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa1	-	-	10.00%	Maximum	Pass
21	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa2	-	-	10.00%	Maximum	Pass
22	Moody's Counterparty Criteria - Individual Counterparty Limit - Aa3	-	-	10.00%	Maximum	Pass
23	Moody's Counterparty Criteria - Individual Counterparty Limit - A1	-	-	5.00%	Maximum	Pass
24	Moody's Counterparty Criteria - Individual Counterparty Limit - A2 and P-1	-	-	5.00%	Maximum	Pass
25	Moody's Counterparty Criteria - Individual Counterparty Limit - A2 or below	-	-	0.00%	Maximum	Pass
26	Third Party Credit Exposure	-	-	20.00%	Maximum	Pass
27	S&P Third Party Credit Exposure Limit - Aggregate Percentage - below AA	-	-	5.00%	Maximum	Pass
28	S&P Rating derived from a Moody's Rating	-	-	10.00%	Maximum	Pass
29	Moody's Rating derived from an S&P Rating	-	-	10.00%	Maximum	Pass
30	Non-Emerging Market Obligors	100.00% / 293,261,043.59	100.00% / 278,033,899.89	100.00%	Minimum	Pass
31	Other than the United States	2.88% / 8,997,699.16	2.36% / 7,313,405.49	20.00%	Maximum	Pass





# Concentration Limitations

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
32	Other than the United States or Canada	1.26% / 3,949,615.61	1.27% / 3,949,615.61	15.00%	Maximum	Pass
33	Canada	1.62% / 5,048,083.55	1.09% / 3,363,789.88	15.00%	Maximum	Pass
34	United Kingdom	-	-	10.00%	Maximum	Pass
35	Tax Jurisdiction	1.26% / 3,949,615.61	1.27% / 3,949,615.61	10.00%	Maximum	Pass
36	Group I Countries	-	-	10.00%	Maximum	Pass
37	Group II Countries	-	-	10.00%	Maximum	Pass
38	Group III Countries	1.26% / 3,949,615.61	1.27% / 3,949,615.61	7.50%	Maximum	Pass
39	Any individual country other than United States, United Kingdom or Canada	1.26% / 3,949,615.61	1.27% / 3,949,615.61	5.00%	Maximum	Pass
40	Largest S&P Industry Classification - one up to 15%	19.49% / 60,857,596.65	19.64% / 60,857,596.65	15.00%	Maximum	Fail
41	Largest S&P Industry Classification - two up to 12%	10.81% / 33,750,015.26	7.83% / 24,250,015.26	12.00%	Maximum	Pass
42	Largest S&P Industry Classification - 10%, with exception of three	4.98% / 15,559,634.61	5.02% / 15,544,248.78	10.00%	Maximum	Pass
43	Cov-Lite Loans	3.02% / 9,419,574.05	3.04% / 9,417,329.86	60.00%	Maximum	Pass
44	Non-Quarterly Assets	-	-	5.00%	Maximum	Pass
45	Collateral Obligations that pay interest less frequently than semi-annually	-	-	3.00%	Maximum	Pass
46	Deferrable Securities	-	-	3.00%	Maximum	Pass
47	Current Pay Obligations	-	-	2.50%	Maximum	Pass
48	Non-Discount Obligations - Not more than 10% per clause (B) since Closing Date	0.5% / 2,589,748.55	0.5% / 2,589,748.55	10.00%	Maximum	Pass
49	Non-Discount Obligations - Not more than 5% of CPA per clause (A)	0.8% / 2,589,748.55	0.8% / 2,589,748.55	5.00%	Maximum	Pass





**ACIS CLO 2014-5, Ltd**  
**Standard & Poor's CDO Monitor**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Portfolio Statistics

Number of Assets:	112
Number of Obligors:	79
Total Principal Balance of Collateral Debt Securities:	278,033,899.89
Weighted Average Maturity (in years):	3.05
Weighted Average Rating:	B
S&P Default Measure (Annualized Expected Portfolio Default Rate):	8.558%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	5.689%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	1.85

Class Statistics

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Test Results
Class A-1	280,750,000.00	AAA		38.048%	62.238%	PASS
Class A-2	30,000,000.00	AAA		38.048%	62.238%	PASS





# Interest Coverage Ratio Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



	Calculation	Ratio	Minimum	Result
Class A/B	A/ (D+E)	265.73%	120.00%	Pass
Class C	A/ (D+E+F)	205.44%	115.00%	Pass
Class D	A/ (D+E+F+G)	170.38%	110.00%	Pass
Class E	A/ (D+E+F+G+H)	143.78%	105.00%	Pass

## Received:

Scheduled Interest Proceeds and Fees Received:	1,807,622.79	
Interest on Eligible Investments:	1,854.79	
Amendment and waiver fees, late payment fees and other fees (except Turbo Payment Amounts):	0.00	
Amounts from the Expense Reserve Account:	0.00	
Principal Proceeds treated as Interest Proceeds:	0.00	
Payment received with respect to any Hedge Agreement:	0.00	
Commitment fees and other similar fees:	0.00	
Amounts from the Ramp-Up Account:	0.00	
Amounts from the Interest Reserve Account:	0.00	
		1,809,477.58

## Projected:

Scheduled Interest:	1,349,938.56	
Reinvestment Income:	0.00	
Reinvestment Income on Eligible Investments:	0.00	
		1,349,938.56

## Less:

Taxes, Registration, and Filing Fees Owed by the Issuer or the Co-Issuer:	0.00	
Fees, Expenses and Indemnities to the Trustee:	14,914.49	
Fees, Expenses and Indemnities to the Collateral Administrator:	0.00	
Fees, Expenses and Indemnities to the Bank:	0.00	
Fees, Expenses and Indemnities to Independent accountants, agents, and counsel of the Issuer and any ETB Subsidiary:	0.00	
Fees and Expenses to the Rating Agencies:	0.00	
Fees, Expenses and Indemnities in relation to Petition Expenses:	0.00	
Fees, Expenses and Indemnities to the Portfolio Manager:	0.00	
Fees, Expenses, and Indemnities to the Administrator:	0.00	
Amounts due and payable to any other person permitted under the Indenture:	0.00	
Accrued and Unpaid Senior Management Fee:	132,309.82	
		147,224.31
		3,012,191.83 (A)





# Interest Coverage Ratio Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



## Denominator:

Amounts due to any Hedge Counterparty, excluding termination amounts:	0.00 (B)
Amounts due to any Hedge Counterparty pursuant to an early termination:	0.00 (C)
Class A Notes Interest Distribution Amount:	688,178.46 (D)
Class B Notes Interest Distribution Amount:	445,364.11 (E)
Class C Notes Interest Distribution Amount, including any interest on Deferred Interest:	332,686.67 (F)
Class D Notes Interest Distribution Amount, including any interest on Deferred Interest:	301,730.72 (G)
Class E Notes Interest Distribution Amount, including any interest on Deferred Interest:	327,046.42 (H)





## Overcollateralization Ratio Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

	Calculation	Ratio	Minimum	Result
Class A/B	A/(B+C)	144.28%	122.00%	Pass
Class C	A/(B+C+D)	125.14%	113.70%	Pass
Class D	A/(B+C+D+E)	112.96%	108.50%	Pass
Class E	A/(B+C+D+E+F)	104.73%	105.20%	Fail
Interest Reinvestment	A/(B+C+D+E+F)	104.73%	106.20%	N/A

**Collateral:**

Aggregate Principal Balance of the Collateral Obligations:	285,701,570.37	
Available Principal Amounts:	31,820,898.14	
Unpaid Principal Financed Accrued Interest:	0.00	
		317,522,468.51

**Less:**

Aggregate Principal Balance of Defaulted Obligations:	7,667,670.48	
Aggregate Principal Balance of Discounted Obligations:	938,194.51	
Aggregate Principal Balance of Deferring Securities:	0.00	
CCC/Caa Par Reduction Amount:	9,082,232.64	
		17,688,097.63

**Plus:**

Lesser of Market Value and (i) S&P Recovery Amount and (ii) Moody's Recovery Amount of Defaulted Securities:	1,245,653.68	
Lesser of (i) S&P Collateral Value (ii) Moody's Collateral Value of Deferring Securities:	0.00	
Purchase Price of Discount Obligations:	713,027.83	
		1,958,681.51

Adjusted Collateral Principal Amount: **301,793,052.39 (A)**

**Notes:**

Aggregate Principal Amount of the Class A Notes:	141,171,895.32 (B)
Aggregate Principal Amount of the Class B Notes:	68,000,000.00 (C)
Aggregate Principal Amount of the Class C Notes, including Deferred Interest:	32,000,000.00 (D)
Aggregate Principal Amount of the Class D Notes, including Deferred Interest:	26,000,000.00 (E)
Aggregate Principal Amount of the Class E Notes, including Deferred Interest:	21,000,000.00 (F)





# Caa/CCC Excess Haircut Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

## Caa Excess Calculation:

Balance of Caa Obligations	60,290,057.04
Less: Threshold	23,239,109.85
Caa Excess	37,050,947.19
Market Value of Excess	29,058,263.85
Caa Excess Adjustment Amount	7,992,683.34

## CCC Excess Calculation:

Balance of CCC Obligations	70,197,288.88
Less: Threshold	23,239,109.85
CCC Excess	46,958,179.03
Market Value of Excess	37,875,946.39
CCC Excess Adjustment Amount	9,082,232.64

The greater of the Caa and CCC Excess Adjustment Amounts: 9,082,232.64

Caa Excess Obligation	Principal Balance	Caa Excess	Market Price	Market Value	CCC Excess Obligation	Principal Balance	CCC Excess	Market Price	Market Value
McGraw-Hill Global Education Holdings T/L	3,545,221.42	1,851,047.92	85.68	1,586,014.88	Life Time Fitness 2017 Refinancing T/L B	483,781.40	259,790.75	92.88	241,280.66
Cengage Learning T/LB	1,979,381.44	1,979,381.44	85.05	1,683,463.91	Life Time Fitness 2017 Refinancing T/L B	605,660.17	605,660.17	92.88	562,506.88
Cengage Learning T/LB	1,513,331.73	1,513,331.73	85.05	1,287,088.64	Life Time Fitness 2017 Refinancing T/L B	477,724.99	477,724.99	92.88	443,687.08
Cengage Learning T/LB	1,689,887.10	1,689,887.10	85.05	1,437,248.98	Life Time Fitness 2017 Refinancing T/L B	465,208.72	465,208.72	92.88	432,062.60
Cengage Learning T/LB	504,443.95	504,443.95	85.05	429,029.58	Life Time Fitness 2017 Refinancing T/L B	7,653.06	7,653.06	92.88	7,107.78
American Tire Distributors T/L B	3,288,344.61	3,288,344.61	84.82	2,789,206.78	Life Time Fitness 2017 Refinancing T/L B	287.17	287.17	92.88	266.71
American Tire Distributors T/L B	405,650.19	405,650.19	84.82	344,076.55	Life Time Fitness 2017 Refinancing T/L B	3,768.84	3,768.84	92.88	3,500.31
Team Health Holdings T/L	1,641,805.48	1,641,805.48	84.35	1,384,862.92	Life Time Fitness 2017 Refinancing T/L B	1,250.00	1,250.00	92.88	1,160.94
Team Health Holdings T/L	1,979,539.64	1,979,539.64	84.35	1,669,741.69	Life Time Fitness 2017 Refinancing T/L B	1,246.86	1,246.86	92.88	1,158.02
Team Health Holdings T/L	1,974,489.80	1,974,489.80	84.35	1,665,482.15	Life Time Fitness 2017 Refinancing T/L B	1,560.98	1,560.98	92.88	1,449.76
Team Health Holdings T/L	1,387,308.91	1,387,308.91	84.35	1,170,195.07	Life Time Fitness 2017 Refinancing T/L B	1,231.25	1,231.25	92.88	1,143.52
Team Health Holdings T/L	2,305,439.17	2,305,439.17	84.35	1,944,637.94	Life Time Fitness 2017 Refinancing T/L B	1,198.99	1,198.99	92.88	1,113.56
Syniverse Holdings T/L (01/18)	2,962,121.20	2,962,121.20	77.44	2,293,807.41	Red Lobster Management T/L B	248,606.99	248,606.99	92.50	229,961.47
Syniverse Holdings T/L (01/18)	1,286,539.13	1,286,539.13	77.44	996,270.17	Red Lobster Management T/L B	143,193.39	143,193.39	92.50	132,453.89
Syniverse Holdings T/L (01/18)	2,456,030.13	2,456,030.13	77.44	1,901,900.61	Affinity Gaming T/L (Initial)	1,978,558.60	1,978,558.60	86.83	1,718,041.79
Envision Healthcare (Enterprise Merger) T/L B	1,974,937.35	1,974,937.35	73.60	1,453,553.89	Flexential Intermediate T/L B (Peak 10)	2,969,465.64	2,969,465.64	86.50	2,568,587.78
Envision Healthcare (Enterprise Merger) T/L B	3,949,874.70	3,949,874.70	73.60	2,907,107.78	Flexential Intermediate T/L B (Peak 10)	997,213.28	997,213.28	86.50	862,589.49





**Caa/CCC Excess Haircut Detail**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Dayco Products T/L B (04/17)	1,451,250.03	1,451,250.03	62.33	904,607.68	Flexential Intermediate T/L B (Peak 10)	2,449,622.16	2,449,622.16	86.50	2,118,923.17
Bright Bidco (Lumileds) T/L B (02/18)	447,660.69	447,660.69	49.40	221,126.47	McGraw-Hill Global Education Holdings T/L	1,925,721.85	1,925,721.85	85.68	1,649,997.00
Bright Bidco (Lumileds) T/L B (02/18)	358,128.55	358,128.55	49.40	176,901.18	McGraw-Hill Global Education Holdings T/L	2,347,416.72	2,347,416.72	85.68	2,011,313.59
Bright Bidco (Lumileds) T/L B (02/18)	1,643,735.47	1,643,735.47	49.40	811,939.57	McGraw-Hill Global Education Holdings T/L	1,231,732.34	1,231,732.34	85.68	1,055,372.90
					McGraw-Hill Global Education Holdings T/L	3,545,221.42	3,545,221.42	85.68	3,037,616.62
					Cengage Learning T/LB	1,979,381.44	1,979,381.44	85.05	1,683,463.91
					Cengage Learning T/LB	1,513,331.73	1,513,331.73	85.05	1,287,088.64
					Cengage Learning T/LB	1,689,887.10	1,689,887.10	85.05	1,437,248.98
					Cengage Learning T/LB	504,443.95	504,443.95	85.05	429,029.58
					American Tire Distributors T/L B	3,288,344.61	3,288,344.61	84.82	2,789,206.78
					American Tire Distributors T/L B	405,650.19	405,650.19	84.82	344,076.55
					Urban One T/L	1,383,528.59	1,383,528.59	83.65	1,157,321.67
					Syniverse Holdings T/L (01/18)	2,962,121.20	2,962,121.20	77.44	2,293,807.41
					Syniverse Holdings T/L (01/18)	1,286,539.13	1,286,539.13	77.44	996,270.17
					Syniverse Holdings T/L (01/18)	2,456,030.13	2,456,030.13	77.44	1,901,900.61
					Envision Healthcare (Enterprise Merger) T/L B	1,974,937.35	1,974,937.35	73.60	1,453,553.89
					Envision Healthcare (Enterprise Merger) T/L B	3,949,874.70	3,949,874.70	73.60	2,907,107.78
					Dayco Products T/L B (04/17)	1,451,250.03	1,451,250.03	62.33	904,607.68
					Bright Bidco (Lumileds) T/L B (02/18)	447,660.69	447,660.69	49.40	221,126.47
					Bright Bidco (Lumileds) T/L B (02/18)	358,128.55	358,128.55	49.40	176,901.18
					Bright Bidco (Lumileds) T/L B (02/18)	1,643,735.47	1,643,735.47	49.40	811,939.57
<b>Total:</b>		<b>37,050,947.19</b>		<b>29,058,263.85</b>			<b>46,958,179.03</b>		<b>37,875,946.39</b>





**Assets: Purchased**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Primary Asset Type	Par Amount	Purchase Price	Cost	Accrued Interest Amount	Trade Date
			-	-	-	-	
Totals:			0				





**ACIS CLO 2014-5 Ltd.**

**Assets: Sold**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Primary Asset Type	Par Amount	Sale Price	Proceeds	Reason For Sale	Trade Date
			-	-	-		
Total:			0				





**Intra-Period Collection Account Detail**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX144914	Academy T/L B	31,464.34	28,915.46	60,379.80	-	-	-	60,379.80
LX172091	Acadia Healthcare T/L B3	11,244.00	10,090.95	21,334.95	-	-	-	21,334.95
LX172092	Acadia Healthcare T/L B4	3,714.11	3,333.23	7,047.34	-	-	-	7,047.34
LX155961	Advanced Disposal T/L B	1,267.74	1,008.88	2,276.62	3,248.81	3,248.81	6,497.62	8,774.24
LX153030	Affinity Gaming T/L (Initial)	7,240.97	6,540.24	13,781.21	-	-	-	13,781.21
LX161956	AlixPartners T/L B	8,936.48	8,020.06	16,956.54	-	-	-	16,956.54
LX152754	Allnex T/L B2	-	17,353.93	17,353.93	-	-	-	17,353.93
LX152923	Allnex T/L B3	-	13,074.55	13,074.55	-	-	-	13,074.55
LX163228	Almonde (Misys) T/L B	65,363.83	53.84	65,417.67	-	15,385.83	15,385.83	80,803.50
LX155973	American Airlines Replacement T/L B (AMR)	3,496.15	3,468.32	6,964.47	-	-	-	6,964.47
LX172399	American Greetings T/L (3/18)	16,775.26	15,151.85	31,927.11	-	9,445.84	9,445.84	41,372.95
LX143787	American Tire Distributors T/L B	24,068.86	21,739.61	45,808.47	-	-	-	45,808.47
LX173667	Aramark Services T/L B-2	3,398.75	3,477.24	6,875.99	-	-	-	6,875.99
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	-	-	-	-	-	-	-
LX168609	BCP Renaissance T/L B	-	-	-	-	-	-	-
LX183349	Berry Global (Berry Plastics) T/L W	12,028.59	11,847.91	23,876.50	-	-	-	23,876.50
LX171932	Boardriders T/L B	46,546.26	-	46,546.26	6,195.15	-	6,195.15	52,741.41
LX189759	Boardriders T/L B2	-	-	-	-	-	-	-
LX174341	Boxer Parent Company T/L	22,630.43	20,361.36	42,991.79	-	-	-	42,991.79
LX161204	Boyd Gaming T/L B3	3,601.60	2,882.71	6,484.31	-	-	-	6,484.31
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	4,004.03	4,004.03	-	-	-	4,004.03
LX144710	Calpine Corporation T/L B-5	1,106.69	995.48	2,102.17	-	-	-	2,102.17
LX152766	Cengage Learning T/L B	76,301.17	-	76,301.17	-	-	-	76,301.17
LX159695	Change Healthcare T/L	36,291.28	435.05	36,726.33	-	-	-	36,726.33
LX179100	Clarios Global T/L B	9,126.66	8,795.16	17,921.82	-	-	-	17,921.82
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	-	-	-	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	737.43	666.07	1,403.50	-	-	-	1,403.50
LX178454	CommScope T/L B (04/19)	8,789.89	7,899.61	16,689.50	-	-	-	16,689.50
LX156731	Conduent T/L B (Xerox)	6,865.45	6,161.42	13,026.87	-	-	-	13,026.87





# ACIS CLO 2014-5 Ltd. Intra-Period Collection Account Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX177266	ConvergeOne T/L (01/19)	26,486.19	23,843.92	50,330.11	-	-	-	50,330.11
LX161958	Cypress Intermediate (CCC Info) T/L B	5,782.69	5,223.08	11,005.77	-	-	-	11,005.77
LX163416	Dayco Products T/L B (04/17)	-	16,964.39	16,964.39	-	3,750.00	3,750.00	20,714.39
LX162899	Diebold T/L B (New Dollar)	17,312.77	16,230.72	33,543.49	-	-	-	33,543.49
LX155237	Eldorado Resorts T/L B (03/17)	-	4,222.14	4,222.14	-	-	-	4,222.14
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	20,041.62	18,023.22	38,064.84	-	-	-	38,064.84
LX173582	Epic Y-Grade T/L B	24,500.00	10,888.89	35,388.89	-	-	-	35,388.89
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	16,914.18	17,091.79	34,005.97	-	816,507.44	816,507.44	850,513.41
LX155134	G-III Apparel Group T/L B (10/16)	7,824.13	-	7,824.13	1,099,193.17	-	1,099,193.17	1,107,017.30
LX175013	GIP III Stetson T/L B	1,833.52	1,335.11	3,168.63	2,069.95	-	2,069.95	5,238.58
LX171691	Global Medical Response T/L B	-	108,060.07	108,060.07	-	-	-	108,060.07
LX151642	GLP Capital T/L A	7,738.30	526.32	8,264.62	3,651,864.13	348,135.87	4,000,000.00	4,008,264.62
LX168592	Golden Nugget T/L B (09/17)	9,882.19	6,161.45	16,043.64	-	-	-	16,043.64
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	2,057.99	1,797.06	3,855.05	-	-	-	3,855.05
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX176498	HD Supply T/L B-5	9,902.47	8,864.76	18,767.23	-	-	-	18,767.23
LX173879	IBC Capital T/L B1 (Goodpack)	-	23,039.57	23,039.57	-	-	-	23,039.57
LX169195	Ineos US Finance T/L (2024 Dollar)	7,315.29	-	7,315.29	-	-	-	7,315.29
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	3,489.14	3,123.50	6,612.64	-	-	-	6,612.64
LX146975	Kenan Advantage T/L B (Canadian)	893.71	807.22	1,700.93	-	-	-	1,700.93
LX146807	Kenan Advantage T/L B (U.S.)	2,945.76	2,660.69	5,606.45	-	-	-	5,606.45
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	42,768.49	21,816.69	64,585.18	-	1,684,293.67	1,684,293.67	1,748,878.85
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	61,597.79	-	61,597.79	-	-	-	61,597.79
LX136370	Libbey Glass T/L	-	-	-	-	-	-	-





# ACIS CLO 2014-5 Ltd. Intra-Period Collection Account Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	67,100.12	67,100.12	-	-	-	67,100.12
LX173565	Lifescan Global T/L	-	-	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	1,505.80	1,281.14	2,786.94	-	330,833.34	330,833.34	333,620.28
LX155231	Mohegan Tribal T/L A	-	14,256.76	14,256.76	-	-	-	14,256.76
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	1,144.34	1,033.59	2,177.93	-	2,244.19	2,244.19	4,422.12
LX162460	Nielsen Finance T/L B4	957.98	886.95	1,844.93	-	-	-	1,844.93
LX155280	NN, Inc T/L B (9/16)	17,386.01	15,703.49	33,089.50	-	-	-	33,089.50
LX167279	Parexel International T/L B	1,110.30	996.99	2,107.29	-	-	-	2,107.29
LX159002	Prestige Brands T/L B4	1,224.70	1,066.33	2,291.03	18,537.35	4,119.41	22,656.76	24,947.79
LX169594	Rackspace T/L B (11/17)	80,063.49	-	80,063.49	-	-	-	80,063.49
LX159617	RadNet Management T/L B (01/17)	25,907.35	-	25,907.35	-	-	-	25,907.35
LX138244	Red Lobster Management T/L B	7,645.49	467.56	8,113.05	-	86,873.70	86,873.70	94,986.75
LX153860	Revlon Consumer Products T/L B (Initial)	24,209.58	5,561.66	29,771.24	-	-	-	29,771.24
LX155106	RP Crown Parent (JDA Software) T/L B	11,625.59	-	11,625.59	3,600,181.57	-	3,600,181.57	3,611,807.16
LX152375	Russell Investments T/L B	-	-	-	-	-	-	-
LX171269	Scientific Games T/L B-5	30,111.41	1,728.99	31,840.40	-	-	-	31,840.40
LX158094	Sinclair Television T/L B2	2,899.25	2,607.90	5,507.15	-	-	-	5,507.15
LX151194	Solera T/L B	3,980.56	3,574.33	7,554.89	-	-	-	7,554.89
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	33,023.97	29,828.10	62,852.07	-	-	-	62,852.07
LX168620	Traverse Midstream T/L B	20,925.37	18,900.33	39,825.70	-	-	-	39,825.70
LX168581	Tronox T/L B (09/17)	2,493.20	2,307.42	4,800.62	-	-	-	4,800.62
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	8,202.95	7,376.83	15,579.78	-	-	-	15,579.78
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	3,186.11	2,877.78	6,063.89	-	-	-	6,063.89
LX173324	United Airlines T/L B (05/18)	2,409.71	2,157.19	4,566.90	-	-	-	4,566.90
LX161197	Univision Communications T/L C5	25,530.69	23,059.98	48,590.67	-	-	-	48,590.67
LX162476	Urban One T/L	5,956.86	5,380.39	11,337.25	-	-	-	11,337.25
LX153134	US Foods Second Incremental T/L	3,224.48	2,886.58	6,111.06	-	-	-	6,111.06





**Intra-Period Collection Account Detail**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX168054	USS Ultimate Holdings T/L (United Site)	-	-	-	-	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	13,346.27	12,054.70	25,400.97	-	-	-	25,400.97
LX165578	Veritas US T/L B1 (06/17)	65,591.18	-	65,591.18	8,418,119.22	-	8,418,119.22	8,483,710.40
LX144232	Wash Multifamily T/L (1st Lien)	3,254.45	2,939.50	6,193.95	-	-	-	6,193.95
LX165396	WideOpenWest T/L B (6/17)	11,750.11	11,750.11	23,500.22	-	-	-	23,500.22
LX179044	Windstream Services T/L (DIP)	21,923.89	36,575.00	58,498.89	-	9,500,000.00	9,500,000.00	9,558,498.89
<b>Totals:</b>	<b>98</b>	<b>1,100,873.26</b>	<b>761,317.27</b>	<b>1,862,190.53</b>	<b>16,799,409.35</b>	<b>12,804,838.10</b>	<b>29,604,247.45</b>	<b>31,466,437.98</b>





**ACIS CLO 2014-5 Ltd.**  
**Proceeds Account Summary**

As of Date: 09/21/2020  
 Payment Date: 11/02/2020



**Accounts Summary**

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Collection - Interest	1,054,652.65	779,713.82	24,888.89	1,809,477.58
Collection - Principal	17,101,785.82	14,719,112.34	0.00	31,820,898.16
Custodial	0.00	0.00	0.00	0.00
Expense Reserve	0.00	0.00	0.00	0.00
Hedge	0.00	0.00	0.00	0.00
Interest Reserve	0.00	0.00	0.00	0.00
Payment	0.00	0.00	0.00	0.00
Ramp-Up	0.00	0.00	0.00	0.00
Revolver Funding	0.00	0.00	0.00	0.00
Supplemental Reserve	0.00	0.00	0.00	0.00
<b>Totals:</b>	<b>18,156,438.47</b>	<b>15,498,826.16</b>	<b>24,888.89</b>	<b>33,630,375.74</b>

**Asset Summary**

Balance of Collection:	33,630,375.72
Balance of Custodial:	0.00
Balance of Expense Reserve:	0.00
Balance of Hedge:	0.00
Balance of Interest Reserve:	0.00
Balance of Payment:	0.00
Balance of Ramp-Up:	0.00
Balance of Revolver Funding:	0.00
Balance of Supplemental Reserve:	0.00
<b>Total of All Proceeds:</b>	<b>33,630,375.72</b>

Account Summary: Based on Settlement Date

Asset Summary: Based on Trade Date





# Current Asset Characteristics - Part I

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX144914	Academy T/L B	Academy, Ltd.	01-Jul-22	5.00000%	7,011,974.51	-	7,011,974.51	2.26%
LX172091	Acadia Healthcare T/L B3	Acadia Healthcare Company, Inc.	11-Feb-22	2.65638%	4,875,403.84	-	4,875,403.84	1.57%
LX172092	Acadia Healthcare T/L B4	Acadia Healthcare Company, Inc.	16-Feb-23	2.65638%	1,610,438.51	-	1,610,438.51	0.52%
LX155961	Advanced Disposal T/L B	Advanced Disposal Services, Inc.	10-Nov-23	3.00000%	430,755.59	-	430,755.59	0.14%
LX153030	Affinity Gaming T/L (Initial)	Affinity Gaming, LLC	03-Jul-23	4.25000%	1,978,558.60	-	1,978,558.60	0.64%
LX161956	AlixPartners T/L B	AlixPartners, LLP	04-Apr-24	2.65638%	3,874,861.82	-	3,874,861.82	1.25%
LX152754	Allnex T/L B2	Allnex SARL	13-Sep-23	4.00000%	1,697,667.25	-	1,697,667.25	0.55%
LX152923	Allnex T/L B3	Allnex USA Inc	13-Sep-23	4.00000%	1,279,032.20	-	1,279,032.20	0.41%
LX163228	Almonde (Misys) T/L B	Almonde, Inc.	13-Jun-24	4.50000%	5,668,425.62	-	5,668,425.62	1.83%
LX155973	American Airlines Replacement T/L B (AMR)	American Airlines, Inc.	28-Apr-23	2.15638%	1,921,285.27	-	1,921,285.27	0.62%
LX172399	American Greetings T/L (3/18)	American Greetings Corporation	05-Apr-24	5.50000%	3,532,544.64	-	3,532,544.64	1.14%
LX143787	American Tire Distributors T/L B	American Tire Distributors Inc	02-Sep-24	8.50000%	3,693,994.80	-	3,693,994.80	1.19%
LX173667	Aramark Services T/L B-2	Aramark Services, Inc.	28-Mar-24	1.90328%	2,046,899.82	-	2,046,899.82	0.66%
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	Axalta Coating Systems Dutch Holding B B.V.	31-May-24	2.05788%	330,730.27	-	330,730.27	0.11%
LX168609	BCP Renaissance T/L B	BCP Renaissance Parent L.L.C.	31-Oct-24	4.50000%	1,984,616.13	-	1,984,616.13	0.64%
LX183349	Berry Global (Berry Plastics) T/L W	Berry Global, Inc.	03-Oct-22	2.15550%	6,383,495.72	-	6,383,495.72	2.06%
LX189759	Boardriders T/L B2	Boardriders, Inc.	23-Apr-24	6.74600%	2,422,305.60	-	2,422,305.60	0.78%
LX174341	Boxer Parent Company T/L	Boxer Parent Company, Inc.	02-Oct-25	4.40638%	5,934,736.34	-	5,934,736.34	1.92%
LX161204	Boyd Gaming T/L B3	Boyd Gaming Corporation	15-Sep-23	2.35600%	1,568,885.55	-	1,568,885.55	0.51%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Bright Bidco B.V.	28-Jun-24	4.57200%	2,449,524.71	-	2,449,524.71	0.79%
LX159595	Builders Firstsource T/L	Builders FirstSource, Inc.	29-Feb-24	4.00000%	396,002.48	-	396,002.48	0.13%
LX144710	Calpine Corporation T/L B-5	Calpine Corporation	15-Jan-24	2.41000%	528,883.31	-	528,883.31	0.17%
LX152766	Cengage Learning T/L B	Cengage Learning, Inc.	07-Jun-23	5.25000%	5,687,044.22	-	5,687,044.22	1.84%
LX159695	Change Healthcare T/L	Change Healthcare Holdings, Inc.	01-Mar-24	3.50000%	4,057,409.26	-	4,057,409.26	1.31%
LX179100	Clarios Global T/L B	Clarios Global LP	30-Apr-26	3.65849%	2,977,500.00	-	2,977,500.00	0.96%
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	Clark Equipment Company	17-May-24	2.05788%	1,450,455.38	-	1,450,455.38	0.47%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Coinamatic Canada Inc.	16-May-22	4.25000%	201,499.80	-	201,499.80	0.07%
LX178454	CommScope T/L B (04/19)	CommScope, Inc.	06-Apr-26	3.40638%	2,977,500.00	-	2,977,500.00	0.96%
LX156731	Conduent T/L B (Xerox)	Conduent Incorporated	07-Dec-23	2.65638%	2,976,863.76	-	2,976,863.76	0.96%
LX177266	ConvergeOne T/L (01/19)	ConvergeOne Holdings Corp.	04-Jan-26	5.15638%	5,939,874.49	-	5,939,874.49	1.92%
LX161958	Cypress Intermediate (CCC Info) T/L B	Cypress Intermediate Holdings III, Inc.	29-Apr-24	4.00000%	1,678,846.20	-	1,678,846.20	0.54%





# Current Asset Characteristics - Part I

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX163416	Dayco Products T/L B (04/17)	Dayco Products, LLC	19-May-23	4.50588%	1,451,250.03	-	1,451,250.03	0.47%
LX162899	Diebold T/L B (New Dollar)	Diebold Nixdorf, Incorporated.	06-Nov-23	2.93750%	6,630,423.54	-	6,630,423.54	2.14%
LX163026	Endo Luxembourg Finance T/L B	Endo Luxembourg Finance Company I S.a.r.l.	29-Apr-24	5.00000%	3,949,615.61	-	3,949,615.61	1.27%
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Envision Healthcare Corporation	10-Oct-25	3.90638%	5,924,812.05	-	5,924,812.05	1.91%
LX159615	ExamWorks T/L B1	Examworks Group Inc	27-Jul-23	4.32200%	2,868,169.32	-	2,868,169.32	0.93%
LX173032	Ferro T/L B-1	Ferro Corporation	14-Feb-24	2.55788%	1,209,656.25	-	1,209,656.25	0.39%
LX167187	Flexential Intermediate T/L B (Peak 10)	Flexential Intermediate Corporation	01-Aug-24	3.80788%	6,416,301.08	-	6,416,301.08	2.07%
LX162521	Forterra Finance T/L (04/17)	Forterra Finance, LLC	25-Oct-23	4.00000%	4,094,059.33	-	4,094,059.33	1.32%
LX171691	Global Medical Response T/L B	Global Medical Response, Inc.	28-Apr-22	4.25000%	9,939,569.02	-	9,939,569.02	3.21%
LX168592	Golden Nugget T/L B (09/17)	Golden Nugget, Inc.	04-Oct-23	3.25000%	2,287,500.81	-	2,287,500.81	0.74%
LX141384	Granite Acq 1st T/L B (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	4.50000%	8,876,347.59	-	8,876,347.59	2.86%
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	Granite Acquisition, Inc.	19-Dec-22	8.25000%	2,101,345.32	-	2,101,345.32	0.68%
LX159621	Gray Television T/L B	Gray Television, Inc.	07-Feb-24	2.40513%	927,336.21	-	927,336.21	0.30%
LX165794	Gruden Acquisition T/L	Gruden Acquisition, Inc.	18-Aug-22	6.50000%	2,787,746.79	-	2,787,746.79	0.90%
LX176498	HD Supply T/L B-5	HD Supply, Inc.	17-Oct-23	1.90638%	5,963,773.06	-	5,963,773.06	1.92%
LX173879	IBC Capital T/L B1 (Goodpack)	IBC Capital Limited	11-Sep-23	3.98325%	2,220,981.74	-	2,220,981.74	0.72%
LX169195	Ineos US Finance T/L (2024 Dollar)	Ineos US Finance LLC	01-Apr-24	2.21350%	3,900,000.00	-	3,900,000.00	1.26%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	IQVIA Inc.	07-Mar-24	1.90638%	2,101,338.18	-	2,101,338.18	0.68%
LX146975	Kenan Advantage T/L B (Canadian)	Kenan Advantage Group, Inc.	01-Aug-22	4.00000%	259,464.85	-	259,464.85	0.08%
LX146807	Kenan Advantage T/L B (U.S.)	Kenan Advantage Group, Inc.	01-Aug-22	4.00000%	855,221.61	-	855,221.61	0.28%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Kronos Acquisition Holdings Inc.	15-May-23	5.00000%	3,363,789.88	-	3,363,789.88	1.09%
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Lanai Holdings III, Inc.	29-Aug-22	5.75000%	4,191,910.40	-	4,191,910.40	1.35%
LX136370	Libbey Glass (Pre-Petition) T/L	Libbey Glass Inc.	09-Apr-21	-	2,474,156.66	-	2,474,156.66	0.80%
LX159083	Life Time Fitness 2017 Refinancing T/L B	Life Time, Inc.	10-Jun-22	3.75000%	7,078,694.64	-	7,078,694.64	2.28%
LX173565	Lifescan Global T/L	Lifescan Global Corporation	01-Oct-24	7.17525%	5,948,564.87	-	5,948,564.87	1.92%
LX152400	McGraw-Hill Global Education Holdings T/L	McGraw-Hill Global Education Holdings, LLC	04-May-22	5.00000%	9,050,092.33	-	9,050,092.33	2.92%
LX172427	Mediacom T/L N	Mediacom Illinois LLC	15-Feb-24	1.86000%	653,085.68	-	653,085.68	0.21%
LX152711	MPH Acquisition (Multiplan) T/L B	MPH Acquisition Holdings LLC	07-Jun-23	3.75000%	2,589,019.81	-	2,589,019.81	0.84%
LX165715	MTS Systems Corporation T/L B (06/17)	MTS Systems Corporation	05-Jul-23	4.00000%	329,982.57	-	329,982.57	0.11%
LX162460	Nielsen Finance T/L B4	Nielsen Finance LLC	04-Oct-23	2.15425%	493,804.29	-	493,804.29	0.16%
LX155280	NN, Inc T/L B (9/16)	NN, Inc.	19-Oct-22	6.50000%	3,106,185.64	-	3,106,185.64	1.00%





**Current Asset Characteristics - Part I**

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Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX167279	Parexel International T/L B	Parexel International Corporation	27-Sep-24	2.90638%	440,323.85	-	440,323.85	0.14%
LX159002	Prestige Brands T/L B4	Prestige Brands, Inc.	26-Jan-24	2.15638%	630,269.91	-	630,269.91	0.20%
LX169594	Rackspace T/L B (11/17)	Rackspace Hosting, Inc.	03-Nov-23	4.00000%	7,918,367.32	-	7,918,367.32	2.56%
LX159617	RadNet Management T/L B (01/17)	RadNet Management, Inc.	30-Jun-23	4.75000%	2,134,244.42	-	2,134,244.42	0.69%
LX138244	Red Lobster Management T/L B	Red Lobster Management LLC	28-Jul-21	6.25000%	391,800.38	-	391,800.38	0.13%
LX153860	Revlon Consumer Products T/L B (Initial)	Revlon Consumer Products Corporation	07-Sep-23	4.25000%	2,771,208.22	-	2,771,208.22	0.89%
LX152375	Russell Investments T/L B	Russell Investments US Institutional Holdco, Inc.	01-Jun-23	3.82200%	7,820,404.17	-	7,820,404.17	2.52%
LX171269	Scientific Games T/L B-5	Scientific Games International, Inc.	14-Aug-24	3.47215%	3,895,044.03	-	3,895,044.03	1.26%
LX158094	Sinclair Television T/L B2	Sinclair Television Group, Inc.	03-Jan-24	2.41000%	1,385,541.86	-	1,385,541.86	0.45%
LX151194	Solera T/L B	Solera, LLC	03-Mar-23	2.93792%	1,578,619.11	-	1,578,619.11	0.51%
LX159036	Sophia / Ellucian T/L B	Sophia, L.P.	30-Sep-22	4.25000%	3,245,399.62	-	3,245,399.62	1.05%
LX171276	Syniverse Holdings T/L (01/18)	Syniverse Holdings, Inc.	09-Mar-23	6.00000%	6,704,690.46	-	6,704,690.46	2.16%
LX156377	Team Health Holdings T/L	Team Health Holdings, Inc.	06-Feb-24	3.75000%	10,226,777.51	-	10,226,777.51	3.30%
LX168620	Traverse Midstream T/L B	Traverse Midstream Partners LLC	27-Sep-24	5.00000%	4,860,085.26	-	4,860,085.26	1.57%
LX168581	Tronox T/L B (09/17)	Tronox Finance LLC	23-Sep-24	3.21906%	1,686,431.67	-	1,686,431.67	0.54%
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	Truck Hero, Inc.	22-Apr-24	3.90638%	2,425,000.00	-	2,425,000.00	0.78%
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Truck Hero, Inc.	21-Apr-25	9.25000%	400,000.00	-	400,000.00	0.13%
LX173324	United Airlines T/L B (05/18)	United Airlines, Inc.	01-Apr-24	1.90638%	1,451,250.00	-	1,451,250.00	0.47%
LX161197	Univision Communications T/L C5	Univision Communications Inc.	15-Mar-24	3.75000%	7,906,279.45	-	7,906,279.45	2.55%
LX162476	Urban One T/L	Urban One, Inc.	18-Apr-23	5.00000%	1,383,528.59	-	1,383,528.59	0.45%
LX153134	US Foods Second Incremental T/L	US Foods, Inc.	27-Jun-23	1.90638%	1,941,947.67	-	1,941,947.67	0.63%
LX167989	USI Incremental T/L	U.S.I., Inc.	16-May-24	3.30788%	1,945,000.00	-	1,945,000.00	0.63%
LX168054	USS Ultimate Holdings T/L (United Site)	USS Ultimate Holdings Inc	26-Aug-24	4.75000%	972,499.99	-	972,499.99	0.31%
LX169239	VC GB Holdings T/L (Generation Brands)	VC GB Holdings, Inc.	28-Feb-24	4.00000%	3,874,723.88	-	3,874,723.88	1.25%
LX144232	Wash Multifamily T/L (1st Lien)	Wash MultiFamily Acquisition, Inc.	16-May-22	4.25000%	889,261.75	-	889,261.75	0.29%
LX165396	WideOpenWest T/L B (6/17)	WideOpenWest Finance, LLC	18-Aug-23	4.25000%	3,210,656.40	-	3,210,656.40	1.04%
<b>Totals:</b>	<b>88</b>				<b>285,701,570.37</b>	<b>-</b>	<b>285,701,570.37</b>	





**Current Asset Characteristics - Part II**

As of Date: 09/21/2020  
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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX144914	Academy T/L B	-	-	-	-	-	-	-
LX172091	Acadia Healthcare T/L B3	-	-	-	-	-	-	-
LX172092	Acadia Healthcare T/L B4	-	-	-	-	-	-	-
LX155961	Advanced Disposal T/L B	-	-	-	-	-	-	-
LX153030	Affinity Gaming T/L (Initial)	-	-	-	-	-	-	-
LX161956	AlixPartners T/L B	-	-	-	-	-	-	-
LX152754	Allnex T/L B2	-	-	-	-	-	-	-
LX152923	Allnex T/L B3	-	-	-	-	-	-	-
LX163228	Almonde (Misys) T/L B	-	-	-	-	-	-	-
LX155973	American Airlines Replacement T/L B (AMR)	-	-	-	-	-	-	-
LX172399	American Greetings T/L (3/18)	-	-	-	-	-	-	-
LX143787	American Tire Distributors T/L B	-	-	-	-	-	-	-
LX173667	Aramark Services T/L B-2	-	-	-	-	-	-	-
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	-	-	-	-	-	-	-
LX168609	BCP Renaissance T/L B	-	-	-	-	-	-	-
LX183349	Berry Global (Berry Plastics) T/L W	-	-	-	-	-	-	-
LX189759	Boardriders T/L B2	-	-	-	-	-	-	-
LX174341	Boxer Parent Company T/L	-	-	-	-	-	-	-
LX161204	Boyd Gaming T/L B3	-	-	-	-	-	-	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX144710	Calpine Corporation T/L B-5	-	-	-	-	-	-	-
LX152766	Cengage Learning T/L B	-	-	-	-	-	-	-
LX159695	Change Healthcare T/L	-	-	-	-	-	-	-
LX179100	Clarios Global T/L B	-	-	-	-	-	-	-
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	-	-	-	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	-	-	-	-	-	-
LX178454	CommScope T/L B (04/19)	-	-	-	-	-	-	-
LX156731	Conduent T/L B (Xerox)	-	-	-	-	-	-	-
LX177266	ConvergeOne T/L (01/19)	-	-	-	-	-	-	-
LX161958	Cypress Intermediate (CCC Info) T/L B	-	-	-	-	-	-	-
LX163416	Dayco Products T/L B (04/17)	-	-	-	-	-	-	-





**Current Asset Characteristics - Part II**

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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX162899	Diebold T/L B (New Dollar)	-	-	-	-	-	-	-
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	-	-	-	-	-	-	-
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	-	-	-	-	-	-	-
LX171691	Global Medical Response T/L B	-	-	-	-	-	-	-
LX168592	Golden Nugget T/L B (09/17)	-	-	-	-	-	-	-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	-	-	-	-	-	-
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX176498	HD Supply T/L B-5	-	-	-	-	-	-	-
LX173879	IBC Capital T/L B1 (Goodpack)	-	-	-	-	-	-	-
LX169195	Ineos US Finance T/L (2024 Dollar)	-	-	Yes	-	-	-	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	-	-	-	-	-	-
LX146807	Kenan Advantage T/L B (U.S.)	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	-	-	-	-	-	-
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	-	-	-	-	-	-	-
LX136370	Libbey Glass (Pre-Petition) T/L	-	-	-	-	-	-	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX173565	Lifescan Global T/L	-	-	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	-	-	-	-	-	-	-
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	-	Yes	-	-	-	-
LX162460	Nielsen Finance T/L B4	-	-	-	-	-	-	-
LX155280	NN, Inc T/L B (9/16)	-	-	-	-	-	-	-
LX167279	Parexel International T/L B	-	-	-	-	-	-	-
LX159002	Prestige Brands T/L B4	-	-	-	-	-	-	-





**Current Asset Characteristics - Part II**

As of Date: 09/21/2020  
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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX169594	Rackspace T/L B (11/17)	-	-	-	-	-	-	-
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX138244	Red Lobster Management T/L B	-	-	-	-	-	-	-
LX153860	Revlon Consumer Products T/L B (Initial)	-	-	-	-	-	-	-
LX152375	Russell Investments T/L B	-	-	-	-	-	-	-
LX171269	Scientific Games T/L B-5	-	-	-	-	-	-	-
LX158094	Sinclair Television T/L B2	-	-	-	-	-	-	-
LX151194	Solera T/L B	-	-	-	-	-	-	-
LX159036	Sophia / Ellucian T/L B	-	-	Yes	-	-	-	-
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	-	-	-	-	-	-	-
LX168620	Traverse Midstream T/L B	-	-	-	-	-	-	-
LX168581	Tronox T/L B (09/17)	-	-	-	-	-	-	-
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	-	-	-	-	-	-	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	-	-	-	-	-	-	-
LX173324	United Airlines T/L B (05/18)	-	-	-	-	-	-	-
LX161197	Univision Communications T/L C5	-	-	-	-	-	-	-
LX162476	Urban One T/L	-	-	-	-	-	-	-
LX153134	US Foods Second Incremental T/L	-	-	Yes	-	-	-	-
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX168054	USS Ultimate Holdings T/L (United Site)	-	-	-	-	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	-	-	-	-	-	-	-
LX144232	Wash Multifamily T/L (1st Lien)	-	-	-	-	-	-	-
LX165396	WideOpenWest T/L B (6/17)	-	-	-	-	-	-	-

**Totals: 88**





**Current Asset Characteristics - Part III**

As of Date: 09/21/2020  
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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX144914	Academy T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX172091	Acadia Healthcare T/L B3	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX172092	Acadia Healthcare T/L B4	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX155961	Advanced Disposal T/L B	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	-
LX153030	Affinity Gaming T/L (Initial)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX161956	AlixPartners T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX152754	Allnex T/L B2	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX152923	Allnex T/L B3	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX163228	Almonde (Misys) T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX155973	American Airlines Replacement T/L B (AMR)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX172399	American Greetings T/L (3/18)	United States	Consumer goods: Durable	Home furnishings	Term Loan	Senior Secured Loan	-
LX143787	American Tire Distributors T/L B	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX173667	Aramark Services T/L B-2	United States	Services: Business	Food service	Term Loan	Senior Secured Loan	-
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX168609	BCP Renaissance T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX183349	Berry Global (Berry Plastics) T/L W	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	-
LX189759	Boardriders T/L B2	United States	Consumer goods: Durable	Clothing/textiles	Term Loan	Senior Secured Loan	-
LX174341	Boxer Parent Company T/L	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX161204	Boyd Gaming T/L B3	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	-
LX159595	Builders Firstsource T/L	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	-
LX144710	Calpine Corporation T/L B-5	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX152766	Cengage Learning T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX159695	Change Healthcare T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX179100	Clarios Global T/L B	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	United States	Capital Equipment	Equipment leasing	Term Loan	Senior Secured Loan	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX178454	CommScope T/L B (04/19)	United States	Telecommunications	Radio & Television	Term Loan	Senior Secured Loan	-
LX156731	Conduent T/L B (Xerox)	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
LX177266	ConvergeOne T/L (01/19)	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX161958	Cypress Intermediate (CCC Info) T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX163416	Dayco Products T/L B (04/17)	United States	Automotive	Surface transport	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX162899	Diebold T/L B (New Dollar)	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX163026	Endo Luxembourg Finance T/L B	Luxembourg	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX159615	ExamWorks T/L B1	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX173032	Ferro T/L B-1	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX167187	Flexential Intermediate T/L B (Peak 10)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX162521	Forterra Finance T/L (04/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171691	Global Medical Response T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX168592	Golden Nugget T/L B (09/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	2nd Lien Loan	-
LX159621	Gray Television T/L B	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX165794	Gruden Acquisition T/L	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX176498	HD Supply T/L B-5	United States	Wholesale	Industrial equipment	Term Loan	Senior Secured Loan	-
LX173879	IBC Capital T/L B1 (Goodpack)	United States	Transportation: Cargo	Containers & glass products	Term Loan	Senior Secured Loan	-
LX169195	Ineos US Finance T/L (2024 Dollar)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX146975	Kenan Advantage T/L B (Canadian)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX146807	Kenan Advantage T/L B (U.S.)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Canada	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX136370	Libbey Glass (Pre-Petition) T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX159083	Life Time Fitness 2017 Refinancing T/L B	United States	Services: Consumer	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX173565	Lifescan Global T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX152400	McGraw-Hill Global Education Holdings T/L	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX172427	Mediacom T/L N	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX152711	MPH Acquisition (Multiplan) T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX165715	MTS Systems Corporation T/L B (06/17)	United States	Construction & Building	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX162460	Nielsen Finance T/L B4	United States	Services: Business	Publishing	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155280	NN, Inc T/L B (9/16)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX167279	Parexel International T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-





### Current Asset Characteristics - Part III

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX159002	Prestige Brands T/L B4	United States	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
LX169594	Rackspace T/L B (11/17)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX159617	RadNet Management T/L B (01/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX138244	Red Lobster Management T/L B	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	-
LX153860	Revlon Consumer Products T/L B (Initial)	United States	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
LX152375	Russell Investments T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX171269	Scientific Games T/L B-5	United States	Services: Business	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX158094	Sinclair Television T/L B2	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX151194	Solera T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
LX159036	Sophia / Ellucian T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX171276	Syniverse Holdings T/L (01/18)	United States	Services: Business	Telecommunications	Term Loan	Senior Secured Loan	-
LX156377	Team Health Holdings T/L	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX168620	Traverse Midstream T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX168581	Tronox T/L B (09/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	United States	Automotive	Automotive	Term Loan	2nd Lien Loan	-
LX173324	United Airlines T/L B (05/18)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX161197	Univision Communications T/L C5	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX162476	Urban One T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX153134	US Foods Second Incremental T/L	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	-
LX167989	USI Incremental T/L	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX168054	USS Ultimate Holdings T/L (United Site)	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169239	VC GB Holdings T/L (Generation Brands)	United States	Consumer goods: Durable	Conglomerates	Term Loan	Senior Secured Loan	-
LX144232	Wash Multifamily T/L (1st Lien)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX165396	WideOpenWest T/L B (6/17)	United States	Media: Broadcasting & Subscription	Telecommunications	Term Loan	Senior Secured Loan	-
<b>Totals:</b>	<b>88</b>						





# Weighted Average Spread

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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX144914	Academy T/L B	Floating	2,421,993.21	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	115,020.46
LX144914	Academy T/L B	Floating	22,278.94	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	1,058.03
LX144914	Academy T/L B	Floating	739,390.51	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	35,113.66
LX144914	Academy T/L B	Floating	2,392,694.91	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	113,629.08
LX144914	Academy T/L B	Floating	1,435,616.94	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	68,177.45
LX172091	Acadia Healthcare T/L B3	Floating	4,875,403.84	LIBOR (1 month)	0.16%	2.50%	2.50%		121,885.10
LX172092	Acadia Healthcare T/L B4	Floating	1,610,438.51	LIBOR (1 month)	0.16%	2.50%	2.50%		40,260.96
LX155961	Advanced Disposal T/L B	Floating	430,755.59	LIBOR (1 week)	0.75%	2.25%	2.75%	0.75%	11,841.47
LX153030	Affinity Gaming T/L (Initial)	Floating	1,978,558.60	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	79,122.56
LX161956	AlixPartners T/L B	Floating	3,874,861.82	LIBOR (1 month)	0.16%	2.50%	2.50%		96,871.55
LX152754	Allnex T/L B2	Floating	4,429.62	LIBOR (1 month)	0.75%	3.25%	3.75%	0.75%	166.07
LX152754	Allnex T/L B2	Floating	1,693,237.63	LIBOR (3 months)	0.75%	3.25%	3.75%	0.75%	63,479.48
LX152923	Allnex T/L B3	Floating	1,275,694.97	LIBOR (3 months)	0.75%	3.25%	3.75%	0.75%	47,825.80
LX152923	Allnex T/L B3	Floating	3,337.23	LIBOR (1 month)	0.75%	3.25%	3.75%	0.75%	125.11
LX163228	Almonde (Misys) T/L B	Floating	4,076,838.25	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	173,224.86
LX163228	Almonde (Misys) T/L B	Floating	833,291.81	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	35,406.57
LX163228	Almonde (Misys) T/L B	Floating	758,295.56	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	32,219.98
LX155973	American Airlines Replacement T/L B (AMR)	Floating	1,921,285.27	LIBOR (1 month)	0.16%	2.00%	2.00%		38,425.71
LX172399	American Greetings T/L (3/18)	Floating	3,532,544.64	LIBOR (1 month)	1.00%	4.50%	5.25%	1.00%	185,423.27
LX143787	American Tire Distributors T/L B	Floating	405,650.19	LIBOR (3 months)	1.00%	7.50%	8.25%	1.00%	33,462.08
LX143787	American Tire Distributors T/L B	Floating	3,288,344.61	LIBOR (1 month)	1.00%	7.50%	8.25%	1.00%	271,255.55
LX173667	Aramark Services T/L B-2	Floating	2,046,899.82	LIBOR (1 month)	0.15%	1.75%	1.75%		35,820.75
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	Floating	330,730.27	LIBOR (3 months)	0.31%	1.75%	1.75%		5,787.78
LX168609	BCP Renaissance T/L B	Floating	1,984,616.13	LIBOR (3 months)	1.00%	3.50%	4.25%	1.00%	84,326.34
LX183349	Berry Global (Berry Plastics) T/L W	Floating	6,383,495.72	LIBOR (1 month)	0.16%	2.00%	2.00%		127,669.91
LX174341	Boxer Parent Company T/L	Floating	5,934,736.34	LIBOR (1 month)	0.16%	4.25%	4.25%		252,226.29
LX161204	Boyd Gaming T/L B3	Floating	1,568,885.55	LIBOR (1 week)	0.11%	2.25%	2.25%		35,299.92
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	358,128.55	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	15,216.88
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	447,660.69	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	19,021.10
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	1,643,735.47	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	69,842.32
LX159595	Builders Firstsource T/L	Floating	396,002.48	LIBOR (3 months)	1.00%	3.00%	3.75%	1.00%	14,846.13
LX144710	Calpine Corporation T/L B-5	Floating	528,883.31	LIBOR (1 month)	0.16%	2.25%	2.25%		11,899.87
LX152766	Cengage Learning T/L B	Floating	5,687,044.22	LIBOR (6 months)	1.00%	4.25%	5.00%	1.00%	284,295.34





# Weighted Average Spread

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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX159695	Change Healthcare T/L	Floating	1,281,769.64	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	41,644.70
LX159695	Change Healthcare T/L	Floating	679,288.43	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	22,070.08
LX159695	Change Healthcare T/L	Floating	159,813.92	LIBOR (1 month)	1.00%	2.50%	3.25%	1.00%	5,192.35
LX159695	Change Healthcare T/L	Floating	674,028.54	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	21,899.19
LX159695	Change Healthcare T/L	Floating	1,262,508.73	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	41,018.91
LX179100	Clarios Global T/L B	Floating	2,977,500.00	LIBOR (1 month)	0.16%	3.50%	3.50%		104,212.50
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	Floating	1,450,455.38	LIBOR (3 months)	0.31%	1.75%	1.75%		25,382.97
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Floating	201,499.80	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	8,057.98
LX178454	CommScope T/L B (04/19)	Floating	2,977,500.00	LIBOR (1 month)	0.16%	3.25%	3.25%		96,768.75
LX156731	Conduent T/L B (Xerox)	Floating	2,976,863.76	LIBOR (1 month)	0.16%	2.50%	2.50%		74,421.59
LX177266	ConvergeOne T/L (01/19)	Floating	5,939,874.49	LIBOR (1 month)	0.16%	5.00%	5.00%		296,993.72
LX161958	Cypress Intermediate (CCC Info) T/L B	Floating	1,678,846.20	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	62,939.94
LX163416	Dayco Products T/L B (04/17)	Floating	1,451,250.03	LIBOR (3 months)	0.26%	4.25%	4.25%		61,678.13
LX162899	Diebold T/L B (New Dollar)	Floating	20,041.95	LIBOR (1 month)	0.19%	2.75%	2.75%		551.15
LX162899	Diebold T/L B (New Dollar)	Floating	6,610,381.59	LIBOR (1 month)	0.19%	2.75%	2.75%		181,785.49
LX163026	Endo Luxembourg Finance T/L B	Floating	3,949,615.61	LIBOR (3 months)	0.75%	4.25%	4.75%	0.75%	187,567.25
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Floating	5,924,812.05	LIBOR (1 month)	0.16%	3.75%	3.75%		222,180.45
LX159615	ExamWorks T/L B1	Floating	2,868,169.32	LIBOR (6 months)	1.07%	3.25%	4.00%	1.00%	114,698.09
LX173032	Ferro T/L B-1	Floating	1,209,656.25	LIBOR (3 months)	0.31%	2.25%	2.25%		27,217.27
LX167187	Flexential Intermediate T/L B (Peak 10)	Floating	6,416,301.08	LIBOR (3 months)	0.31%	3.50%	3.50%		224,570.54
LX162521	Forterra Finance T/L (04/17)	Floating	4,094,059.33	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	153,486.28
LX171691	Global Medical Response T/L B	Floating	9,939,569.02	LIBOR (6 months)	1.00%	3.25%	4.00%	1.00%	397,483.37
LX168592	Golden Nugget T/L B (09/17)	Floating	1,237,551.77	LIBOR (1 month)	0.75%	2.50%	3.00%	0.75%	37,114.18
LX168592	Golden Nugget T/L B (09/17)	Floating	1,049,949.04	LIBOR (1 month)	0.75%	2.50%	3.00%	0.75%	31,487.97
LX141384	Granite Acq 1st T/L B (Wheelabrator)	Floating	8,876,347.59	LIBOR (3 months)	1.00%	3.50%	4.25%	1.00%	377,156.01
LX141386	Granite Acq 2nd T/L B (Wheelabrator)	Floating	2,101,345.32	LIBOR (3 months)	1.00%	7.25%	8.00%	1.00%	168,086.61
LX159621	Gray Television T/L B	Floating	927,336.21	LIBOR (1 month)	0.16%	2.25%	2.25%		20,865.06
LX165794	Gruden Acquisition T/L	Floating	2,787,746.79	LIBOR (3 months)	1.00%	5.50%	6.25%	1.00%	174,206.30
LX176498	HD Supply T/L B-5	Floating	5,963,773.06	LIBOR (1 month)	0.16%	1.75%	1.75%		104,366.03
LX173879	IBC Capital T/L B1 (Goodpack)	Floating	2,220,981.74	LIBOR (3 months)	0.23%	3.75%	3.75%		83,286.82
LX169195	Ineos US Finance T/L (2024 Dollar)	Floating	3,900,000.00	LIBOR (2 months)	0.21%	2.00%	2.00%		78,000.00
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	Floating	2,101,338.18	LIBOR (1 month)	0.16%	1.75%	1.75%		36,773.42





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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX146975	Kenan Advantage T/L B (Canadian)	Floating	259,464.85	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	9,727.34
LX146807	Kenan Advantage T/L B (U.S.)	Floating	855,221.61	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	32,062.26
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	907,655.67	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	43,104.57
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,303,765.73	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	61,915.83
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	731,662.52	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	34,746.65
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	420,705.96	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	19,979.33
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	4,180,936.81	LIBOR (3 months)	1.00%	4.75%	5.50%	1.00%	229,909.72
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	10,973.59	LIBOR (2 months)	1.00%	4.75%	5.50%	1.00%	603.44
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	18,197.15	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	636.72
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	7,060,497.49	LIBOR (6 months)	1.00%	2.75%	3.50%	1.00%	247,046.81
LX173565	Lifescan Global T/L	Floating	5,948,564.87	LIBOR (6 months)	1.18%	6.00%	6.00%		356,913.89
LX152400	McGraw-Hill Global Education Holdings T/L	Floating	9,050,092.33	LIBOR (3 months)	1.00%	4.00%	4.75%	1.00%	429,788.88
LX172427	Mediacom T/L N	Floating	653,085.68	LIBOR (1 week)	0.11%	1.75%	1.75%		11,429.00
LX152711	MPH Acquisition (Multiplan) T/L B	Floating	2,589,019.81	LIBOR (3 months)	1.00%	2.75%	3.50%	1.00%	90,589.80
LX165715	MTS Systems Corporation T/L B (06/17)	Floating	329,982.57	LIBOR (1 month)	0.75%	3.25%	3.75%	0.75%	12,371.05
LX162460	Nielsen Finance T/L B4	Floating	493,804.29	LIBOR (1 month)	0.15%	2.00%	2.00%		9,876.09
LX155280	NN, Inc T/L B (9/16)	Floating	3,106,185.64	LIBOR (1 month)	0.75%	5.75%	6.25%	0.75%	194,105.54
LX167279	Parexel International T/L B	Floating	440,323.85	LIBOR (1 month)	0.16%	2.75%	2.75%		12,108.91
LX159002	Prestige Brands T/L B4	Floating	630,269.91	LIBOR (1 month)	0.16%	2.00%	2.00%		12,605.40
LX169594	Rackspace T/L B (11/17)	Floating	7,897,959.16	LIBOR (3 months)	1.00%	3.00%	3.75%	1.00%	296,094.49
LX169594	Rackspace T/L B (11/17)	Floating	20,408.16	LIBOR (2 months)	1.00%	3.00%	3.75%	1.00%	765.10
LX159617	RadNet Management T/L B (01/17)	Floating	2,134,244.42	LIBOR (6 months)	1.00%	3.75%	4.50%	1.00%	96,019.66
LX138244	Red Lobster Management T/L B	Floating	391,800.38	LIBOR (3 months)	1.00%	5.25%	6.00%	1.00%	23,504.10
LX152375	Russell Investments T/L B	Floating	7,820,404.17	LIBOR (6 months)	1.07%	2.75%	3.50%	1.00%	273,635.94
LX171269	Scientific Games T/L B-5	Floating	763,614.75	LIBOR (1 month)	0.16%	2.75%	2.75%		20,999.41
LX171269	Scientific Games T/L B-5	Floating	3,121,467.53	LIBOR (6 months)	0.86%	2.75%	2.75%		85,840.36
LX171269	Scientific Games T/L B-5	Floating	9,961.75	LIBOR (3 months)	0.31%	2.75%	2.75%		273.95
LX158094	Sinclair Television T/L B2	Floating	1,385,541.86	LIBOR (1 month)	0.16%	2.25%	2.25%		31,174.69
LX151194	Solera T/L B	Floating	1,574,497.39	LIBOR (2 months)	0.19%	2.75%	2.75%		43,298.68
LX151194	Solera T/L B	Floating	4,121.72	LIBOR (1 month)	0.16%	2.75%	2.75%		113.35
LX159036	Sophia / Ellucian T/L B	Floating	3,245,399.62	LIBOR (3 months)	1.00%	3.25%	4.00%	1.00%	129,783.53





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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX171276	Syniverse Holdings T/L (01/18)	Floating	6,704,690.46	LIBOR (6 months)	1.00%	5.00%	5.75%	1.00%	385,452.65
LX156377	Team Health Holdings T/L	Floating	10,226,777.51	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	357,834.95
LX168620	Traverse Midstream T/L B	Floating	4,860,085.26	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	230,805.45
LX168581	Tronox T/L B (09/17)	Floating	988,757.26	LIBOR (1 month)	0.16%	3.00%	3.00%		29,662.72
LX168581	Tronox T/L B (09/17)	Floating	697,674.41	LIBOR (3 months)	0.31%	3.00%	3.00%		20,930.23
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	Floating	2,425,000.00	LIBOR (1 month)	0.16%	3.75%	3.75%		90,937.50
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Floating	400,000.00	LIBOR (1 month)	1.00%	8.25%	9.00%	1.00%	35,996.00
LX173324	United Airlines T/L B (05/18)	Floating	1,451,250.00	LIBOR (1 month)	0.16%	1.75%	1.75%		25,396.88
LX161197	Univision Communications T/L C5	Floating	7,906,279.45	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	276,640.72
LX162476	Urban One T/L	Floating	1,383,528.59	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	65,703.77
LX153134	US Foods Second Incremental T/L	Floating	1,941,947.67	LIBOR (1 month)	0.16%	1.75%	1.75%		33,984.08
LX167989	USI Incremental T/L	Floating	1,945,000.00	LIBOR (3 months)	0.31%	3.00%	3.00%		58,350.00
LX168054	USS Ultimate Holdings T/L (United Site)	Floating	972,499.99	LIBOR (6 months)	1.00%	3.75%	4.50%	1.00%	43,752.77
LX169239	VC GB Holdings T/L (Generation Brands)	Floating	3,874,723.88	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	145,263.40
LX144232	Wash Multifamily T/L (1st Lien)	Floating	889,261.75	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	35,561.58
LX165396	WideOpenWest T/L B (6/17)	Floating	3,210,656.40	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	128,394.15

<b>Totals:</b>	<b>112</b>	<b>278,033,899.89</b>	<b>3.88%</b>	<b>10,779,101.83</b>
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## Rating Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX144914	Academy T/L B		Caa1	B3		40.00		CCC+		27.00
LX172091	Acadia Healthcare T/L B3		Ba3	B2		60.00		B		50.00
LX172092	Acadia Healthcare T/L B4		Ba3	B2		60.00		B		50.00
LX155961	Advanced Disposal T/L B		Ba3	B1		50.00		BB-		65.00
LX153030	Affinity Gaming T/L (Initial)		B2	B3		50.00		CCC+		60.00
LX161956	AlixPartners T/L B		B2	B2		45.00		B+		30.00
LX152754	Allnex T/L B2		B2	B2		45.00		B		30.00
LX152923	Allnex T/L B3		B2	B2		45.00		B		30.00
LX163228	Almonde (Misys) T/L B		B2	B3		50.00		CCC+		40.00
LX155973	American Airlines Replacement T/L B (AMR)		Ba3	B2		60.00		B-		40.00
LX172399	American Greetings T/L (3/18)		Ba3	B2		60.00		B		50.00
LX143787	American Tire Distributors T/L B		Ca	Caa3		40.00		CCC+		20.00
LX173667	Aramark Services T/L B-2		Ba2	Ba3		50.00		BB-		65.00
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)		Ba1	Ba3		60.00		BB		65.00
LX168609	BCP Renaissance T/L B		B2	B2		45.00		B		30.00
LX183349	Berry Global (Berry Plastics) T/L W		Ba2	Ba3		50.00		BB+		50.00
LX189759	Boardriders T/L B2	DEF	B3	Caa1	04-Sep-20	50.00	DEF	SD	04-Sep-20	30.00
LX174341	Boxer Parent Company T/L		B2	B3		50.00		B-		40.00
LX161204	Boyd Gaming T/L B3		Ba3	B2		60.00		B		65.00
LX171142	Bright Bidco (Lumileds) T/L B (02/18)		Caa3	Caa3		45.00		CCC		40.00
LX159595	Builders Firstsource T/L	CW+	B1	B1	31-Aug-20	45.00		BB-		65.00
LX144710	Calpine Corporation T/L B-5		Ba2	Ba3		50.00		B+		65.00
LX152766	Cengage Learning T/L B		Caa1	Caa2		50.00		CCC+		50.00
LX159695	Change Healthcare T/L		B1	B2		50.00		B+		40.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





**Rating Detail**  
As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX179100	Clarios Global T/L B		B1	B2		50.00		B		30.00
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)		Ba3	Ba3		45.00		BB		50.00
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien		B2	B3		50.00		B-		40.00
LX178454	CommScope T/L B (04/19)		Ba3	B1		50.00		B		50.00
LX156731	Conduent T/L B (Xerox)		B1	B1		45.00		B+		50.00
LX177266	ConvergeOne T/L (01/19)		B2	B3		50.00		B-		40.00
LX161958	Cypress Intermediate (CCC Info) T/L B		B3	B3		45.00		B-		30.00
LX163416	Dayco Products T/L B (04/17)		Caa2	Caa2		45.00		CCC+		20.00
LX162899	Diebold T/L B (New Dollar)		B3	B3		45.00		B-		40.00
LX163026	Endo Luxembourg Finance T/L B		B2	B3		50.00		B		50.00
LX175867	Envision Healthcare (Enterprise Merger) T/L B		Caa1	Caa2		50.00		CCC		30.00
LX159615	ExamWorks T/L B1		B1	B2		50.00		B		30.00
LX173032	Ferro T/L B-1		Ba3	Ba3		45.00		B+		30.00
LX167187	Flexential Intermediate T/L B (Peak 10)		B3	Caa1		50.00		CCC+		30.00
LX162521	Forterra Finance T/L (04/17)		B3	B3		45.00		B-		27.00
LX171691	Global Medical Response T/L B		B1	B2		50.00		B		40.00
LX168592	Golden Nugget T/L B (09/17)		B2	Caa1		60.00		B-		50.00
LX141384	Granite Acq 1st T/L B (Wheelabrator)		B1	B1		45.00		B+		30.00
LX141386	Granite Acq 2nd T/L B (Wheelabrator)		B3	B1		15.00		B+		2.00
LX159621	Gray Television T/L B		Ba2	B1		60.00		B+		65.00
LX165794	Gruden Acquisition T/L		B3	B3		45.00		B-		30.00
LX176498	HD Supply T/L B-5		Ba1	Ba1		45.00		BB		65.00
LX173879	IBC Capital T/L B1 (Goodpack)		B2	B2		45.00		B		40.00
LX169195	Ineos US Finance T/L (2024 Dollar)		Ba2	Ba3		50.00	CW-	BB-	01-Jul-20	60.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





Rating Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)		Ba1	Ba2		50.00		BB+		50.00
LX146975	Kenan Advantage T/L B (Canadian)		B3	Caa1		50.00		CCC+		60.00
LX146807	Kenan Advantage T/L B (U.S.)		B3	Caa1		50.00		CCC+		60.00
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)		B1	B3		60.00		B-		40.00
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)		Caa1	Caa2		50.00		CCC		30.00
LX136370	Libbey Glass (Pre-Petition) T/L	DEF	Ca	Ca	14-Apr-20	45.00	DEF	D	14-Apr-20	45.00
LX159083	Life Time Fitness 2017 Refinancing T/L B		B2	B3		50.00		CCC+		65.00
LX173565	Lifescan Global T/L		B3	B3		35.00		B		30.00
LX152400	McGraw-Hill Global Education Holdings T/L		Caa1	Caa2		50.00		CCC+		50.00
LX172427	Mediacom T/L N		Ba1	Ba1		45.00		BBB		45.00
LX152711	MPH Acquisition (Multiplan) T/L B	CW+	B1	B3	13-Jul-20	60.00		B+		40.00
LX165715	MTS Systems Corporation T/L B (06/17)		Ba2	B1		60.00		B+		60.00
LX162460	Nielsen Finance T/L B4		Ba1	Ba3		60.00	CW-	BB-	07-Nov-19	65.00
LX155280	NN, Inc T/L B (9/16)	CW+	Caa2	Caa2	25-Aug-20	45.00		B-		30.00
LX167279	Parexel International T/L B		B2	B3		50.00		B-		27.00
LX159002	Prestige Brands T/L B4		Ba3	B2		60.00		B+		65.00
LX169594	Rackspace T/L B (11/17)		B1	B2		50.00		B		60.00
LX159617	RadNet Management T/L B (01/17)		B1	B2		50.00		B		30.00
LX138244	Red Lobster Management T/L B		Caa1	Caa1		45.00	CW-	CCC	20-Mar-20	60.00
LX153860	Revlon Consumer Products T/L B (Initial)	DEF	Ca	Caa3	28-Jul-20	40.00	DEF	CC	28-Jul-20	5.00
LX152375	Russell Investments T/L B		Ba2	Ba2		45.00		BB-		27.00
LX171269	Scientific Games T/L B-5		B1	B3		60.00		B		50.00
LX158094	Sinclair Television T/L B2		Ba2	Ba3		50.00		BB-		65.00
LX151194	Solera T/L B		Ba3	B2		60.00		B-		60.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2014-5, Ltd.

Rating Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's					S & P			
		Status	Rating	Default Prob.	Date	Rec Rate	Status	Rating	Date	Rec Rate
LX159036	Sophia / Ellucian T/L B		B2	B3		50.00		B-		50.00
LX171276	Syniverse Holdings T/L (01/18)		Caa1	Caa1		45.00		CCC+		27.00
LX156377	Team Health Holdings T/L		Caa1	Caa2		50.00		B-		30.00
LX168620	Traverse Midstream T/L B		B3	B3		45.00		B		27.00
LX168581	Tronox T/L B (09/17)		Ba3	B1		50.00		B		60.00
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L		B2	B3		50.00		B-		30.00
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L		Caa2	B3		15.00		B-		2.00
LX173324	United Airlines T/L B (05/18)		Ba1	Ba2		50.00		B+		65.00
LX161197	Univision Communications T/L C5		B2	B2		45.00		B		40.00
LX162476	Urban One T/L		B3	B3		45.00		CCC		40.00
LX153134	US Foods Second Incremental T/L		B3	B2		40.00		BB-		30.00
LX167989	USI Incremental T/L		B2	B3		50.00		B		30.00
LX168054	USS Ultimate Holdings T/L (United Site)		B2	B3		50.00		B-		40.00
LX169239	VC GB Holdings T/L (Generation Brands)		B2	B2		45.00		B		30.00
LX144232	Wash Multifamily T/L (1st Lien)		B2	B3		50.00		B-		40.00
LX165396	WideOpenWest T/L B (6/17)		B2	B2		45.00		B		30.00

Totals: 88

Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





## Rating Change History

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Principal Balance	Moody's			S & P		
			Curr	Date	Action (1)	Curr	Date	Action (1)
LX147095	Kronos Acquisition Holdings 1st Lien T/L	3,363,789.88	B1	28-Aug-20	UPG			
LX152400	McGraw-Hill Global Education Holdings T/L	9,050,092.33				CCC+	04-Sep-20	DNG
LX152766	Cengage Learning T/LB	5,687,044.22				CCC+	04-Sep-20	DNG
LX153134	US Foods Second Incremental T/L	1,941,947.67				BB-	08-Sep-20	OFF(CW-)
LX153134	US Foods Second Incremental T/L	1,941,947.67				BB-	08-Sep-20	DNG
LX155280	NN, Inc T/L B (9/16)	3,106,185.64	Caa2	25-Aug-20	CW+	B-	25-Aug-20	OFF(CW-)
LX159595	Builders Firstsource T/L	396,002.48	B1	31-Aug-20	CW+			
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	2,449,524.71				CCC	31-Aug-20	OFF(CW-)
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	2,449,524.71				CCC	31-Aug-20	DNG

<b>Totals:</b>	<b>9</b>	<b>30,386,059.31</b>
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Upgrades:	1	Aggregate Balance:	3,363,789.88
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Downgrades:	4	Aggregate Balance:	19,128,608.93
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<b>Asset Status Legend: (1)</b>	<b>DNG</b> - Downgrade	<b>N</b> - Notched / Implied Rating	<b>CW-</b> - Credit Watch with negative implications
	<b>UPG</b> - Upgrade	<b>E</b> - Credit Estimate	<b>CW+</b> - Credit Watch with positive implications
	<b>WDR</b> - Withdrawn	<b>S</b> - Shadow Rated	<b>DEF</b> - In Default





## Caa/CCC Obligations

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Moody's			S & P		
		Rating	Rating Type	Principal Balance	Rating	Rating Type	Principal Balance
LX144914	Academy T/L B	Caa1	MR	7,011,974.51	CCC+	SCC	7,011,974.51
LX153030	Affinity Gaming T/L (Initial)	B2	MR	-	CCC+	SCC	1,978,558.60
LX163228	Almonde (Misys) T/L B	B2	MR	-	CCC+	SCC	5,668,425.62
LX143787	American Tire Distributors T/L B	Ca	MR	3,693,994.80	CCC+	SCC	3,693,994.80
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Caa3	MR	2,449,524.71	CCC	SCC	2,449,524.71
LX152766	Cengage Learning T/L B	Caa1	MR	5,687,044.22	CCC+	SCC	5,687,044.22
LX163416	Dayco Products T/L B (04/17)	Caa2	MR	1,451,250.03	CCC+	SCC	1,451,250.03
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Caa1	MR	5,924,812.05	CCC	SCC	5,924,812.05
LX167187	Flexential Intermediate T/L B (Peak 10)	B3	MR	-	CCC+	SCC	6,416,301.08
LX146975	Kenan Advantage T/L B (Canadian)	B3	MR	-	CCC+	SCC	259,464.85
LX146807	Kenan Advantage T/L B (U.S.)	B3	MR	-	CCC+	SCC	855,221.61
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Caa1	MR	4,191,910.40	CCC	SCC	4,191,910.40
LX159083	Life Time Fitness 2017 Refinancing T/L B	B2	MR	-	CCC+	SCC	7,078,694.64
LX152400	McGraw-Hill Global Education Holdings T/L	Caa1	MR	9,050,092.33	CCC+	SCC	9,050,092.33
LX155280	NN, Inc T/L B (9/16)	Caa2	MR	3,106,185.64	B-	SCC	-
LX138244	Red Lobster Management T/L B	Caa1	MR	391,800.38	CCC	SCC	391,800.38
LX171276	Syniverse Holdings T/L (01/18)	Caa1	MR	6,704,690.46	CCC+	SCC	6,704,690.46
LX156377	Team Health Holdings T/L	Caa1	MR	10,226,777.51	B-	SCC	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Caa2	MR	400,000.00	B-	SCC	-
LX162476	Urban One T/L	B3	MR	-	CCC	SCC	1,383,528.59

Totals:	20	60,290,057.04	70,197,288.88
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**Rating Type Legend:**

<b>SS</b> - Senior Secured	<b>RE</b> - Rating Estimate	<b>MSUS</b> - Moody's Senior	<b>SSUS</b> - S&P Senior Unsecured
<b>IR</b> - Issuer	<b>SH</b> - Shadow Rating	<b>MSI</b> - Moody's Senior Implied	<b>SCC</b> - S&P Corporate Credit
	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured

**Asset Status Legend:**

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications

**DOR** Derived from other rating agency





Discount Obligations

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's Rating	Purchase Price	Principal Balance
LX156377	Team Health Holdings T/L	Caa1	76.00	938,194.51
Totals:				1 938,194.51





**ACIS CLO 2014-5 Ltd.**  
**Trading Plans**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Obigor	Sale/Purchase	Rating	Maturity	Trade Date	Settle Date	Plan Number
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Total:

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As of Date: 09/21/2020

Payment Date: 11/02/2020

Security I.D.	Security Description	Participation Entity	Moody's LT	S&P LT	Principal Balance
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## 5.6

As of Date: 09/21/2020

Payment Date: 11/02/2020

Security I.D.	Security Description	Principal Balance	% of Collateral Principal Amount	Market Value
Totals:	0	-	-	-





Hedge Characteristics

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Nbr	Primary Type	Reference Security I.D.	Synthetic Asset and Hedge Characteristics	Counterparty	Trade Date	Effective Date	Termination Date	Reference Index	(1) Reference Index
Totals: 0									





ACIS CLO 2014-5 Ltd.

**Hedge Calculations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



		Party A				Party B				
Nbr	P / I	Notional		Current	Current	Notional		Current	Current	Net
		Amount	Rate	Days	Payment	Amount	Rate	Days	Payment	Payment

Totals: 0





**ACIS CLO 2014-5 Ltd.**

**ETB Subsidiary**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Blocker Subsidiary Name	Security or Obligation Held	Issuer	Asset	Amount	Collateral that has been transferred in and/or out
ACIS CLO 2014-5 Chemical Holdings, LLC		Vertellus Holdings	Common	221,441.00	In - 10/31/2016
ACIS CLO 2014-5 Chemical Holdings, LLC		Vertellus Holdings	Common	(221,441.00)	Out - 11/21/2019
Cash Held:				0.00	
<b>Total:</b>				-	





Equity Securities

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security ID	Security Description	Asset Description	# of Units/Shares
18453H106	Clear Channel Outdoor Holdings C/S	Equity	2,500.00
45174J608	IHeartCommunications - Class B C/S	Equity	2.00
45174J509	IHeartCommunications Class A C/S	Equity	141.00
96MSC64P8	iHeartRadio - Warrant	Equity	920.00
LX178834	Tru Kids Parent - Units	Equity	635.89
8AMCSF0Z0	Wayne Services Legacy - C/S	Equity	635.89

Totals: 6





**Defaulted/Deferring Obligations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Asset Description	Date of Action	Par Amount	Moody's Recovery Amount	S&P Recovery Amount	Market Value	Applicable Value
LX189759	Boardriders T/L B2	Defaulted	04-Sep-20	2,422,305.60	1,211,152.80	726,691.68	1,792,506.14	726,691.68
LX136370	Libbey Glass (Pre-Petition) T/L	Defaulted	14-Apr-20	2,474,156.66	1,113,370.50	1,113,370.50	380,401.59	380,401.59
LX153860	Revlon Consumer Products T/L B (Initial)	Defaulted	28-Jul-20	2,771,208.22	1,108,483.29	138,560.41	748,226.22	138,560.41
<b>Totals:</b>				<b>7,667,670.48</b>	<b>3,433,006.59</b>	<b>1,978,622.59</b>	<b>2,921,133.95</b>	<b>1,245,653.68</b>



**Stratifications - Characteristics**As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments &amp; Defaulted Obligations)

**Distribution of Principal Balances**

Current Principal Balances	# of Assets	Principal Balance	% of Balance	Rating(1)
0 to 500,000.00	10	3,674,364.08	1.32 %	B2
500,000.00 to 1,000,000.00	7	5,456,558.46	1.96 %	B1
1,000,000.00 to 1,500,000.00	7	9,610,714.31	3.46 %	B2
1,500,000.00 to 2,000,000.00	11	19,592,295.96	7.05 %	B1
2,000,000.00 to 2,500,000.00	9	17,766,835.00	6.39 %	B3
2,500,000.00 to 3,000,000.00	8	17,176,799.68	6.18 %	B1
3,000,000.00 to 3,500,000.00	4	12,926,031.54	4.65 %	B3
3,500,000.00 to 4,000,000.00	7	26,720,784.78	9.61 %	B3
4,000,000.00 to 4,500,000.00	3	12,343,378.99	4.44 %	B3
4,500,000.00 to 5,000,000.00	2	9,735,489.10	3.50 %	B2
5,000,000.00 to 5,500,000.00	-	-	-	-
5,500,000.00 to 6,000,000.00	7	41,067,230.65	14.77 %	B3
6,000,000.00 to 6,500,000.00	2	12,799,796.80	4.60 %	B1
6,500,000.00 to 7,000,000.00	2	13,335,114.00	4.80 %	Caa1
7,000,000.00 to 7,500,000.00	2	14,090,669.15	5.07 %	B3
7,500,000.00 to 8,000,000.00	3	23,645,050.94	8.50 %	B1
8,000,000.00 to 8,500,000.00	-	-	-	-
8,500,000.00 to 9,000,000.00	1	8,876,347.59	3.19 %	B1
9,000,000.00 to 9,500,000.00	1	9,050,092.33	3.26 %	Caa1
9,500,000.00 to 10,000,000.00	1	9,939,569.02	3.57 %	B1
10,000,000.00 to 10,500,000.00	1	10,226,777.51	3.68 %	Caa1
10,500,000.00 to 11,000,000.00	-	-	-	-
11,000,000.00 to 11,050,000.00	-	-	-	-
11,050,000.00 to 12,000,000.00	-	-	-	-
12,000,000.00 to 99,999,999.00	-	-	-	-
<b>Total</b>	<b>88</b>	<b>278,033,899.89</b>	<b>100.00 %</b>	<b>B2</b>

**Distribution of Coupon Type**

Collateral Type	# of Assets	Principal Balance	% of Balance	Rating(1)
Floating	88	278,033,899.89	100.00 %	B2
<b>Total</b>	<b>88</b>	<b>278,033,899.89</b>	<b>100.00 %</b>	<b>B2</b>

**Distribution of Fixed Rates**

Coupon Rate	# of Assets	Principal Balance	% of Balance	Rating(1)
0.000% to 5.000%	-	-	-	-
5.001% to 5.500%	-	-	-	-
5.501% to 6.000%	-	-	-	-
6.001% to 6.500%	-	-	-	-
6.501% to 7.000%	-	-	-	-
7.001% to 7.500%	-	-	-	-
7.501% to 8.000%	-	-	-	-
8.001% to 8.500%	-	-	-	-
8.501% to 9.000%	-	-	-	-
9.001% to 9.500%	-	-	-	-
9.501% to 99.000%	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>

**Distribution of Spread Rates**

Coupon Rate	# of Assets	Principal Balance	% of Balance	Rating(1)
-0.500% to 0.000%	-	-	-	-
0.000% to 0.500%	1	-	-	-
0.500% to 1.000%	-	-	-	-
1.000% to 1.500%	-	-	-	-
1.500% to 2.000%	13	29,268,335.25	10.53 %	Baa3
2.000% to 2.500%	12	25,733,536.77	9.26 %	Ba2
2.500% to 3.000%	18	70,873,703.45	25.49 %	B1
3.000% to 3.500%	18	56,990,011.66	20.50 %	B1
3.500% to 4.000%	10	39,347,008.77	14.15 %	Caa1
4.000% to 4.500%	5	20,555,190.84	7.39 %	B3
4.500% to 99.000%	11	35,266,113.15	12.68 %	Caa1
<b>Total</b>	<b>88</b>	<b>278,033,899.89</b>	<b>100.00 %</b>	<b>B2</b>

(1) Based on the definition of "Rating" in the Indenture





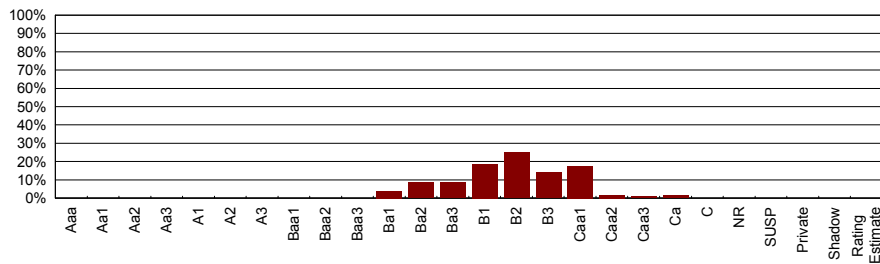
## Stratifications - Ratings

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments &amp; Defaulted Obligations)

## Distribution of Moody's Ratings

Moody's (1)	# of Assets	Principal Balance	% of Balance
Aaa		0.00	-
Aa1		0.00	-
Aa2		0.00	-
Aa3		0.00	-
A1		0.00	-
A2		0.00	-
A3		0.00	-
Baa1		0.00	-
Baa2		0.00	-
Baa3		0.00	-
Ba1	6	10,993,981.48	3.95 %
Ba2	8	23,322,543.66	8.39 %
Ba3	12	23,472,245.72	8.44 %
B1	12	51,992,326.89	18.70 %
B2	22	69,005,209.99	24.82 %
B3	13	38,957,535.11	14.01 %
Caa1	8	49,189,101.86	17.69 %
Caa2	3	4,957,435.67	1.78 %
Caa3	1	2,449,524.71	0.88 %
Ca	3	3,693,994.80	1.33 %
C		0.00	-
NR		0.00	-
SUSP		0.00	-
Private		0.00	-
Shadow		0.00	-
Rating Estimate		0.00	-
<b>Total</b>	<b>88</b>	<b>278,033,899.89</b>	<b>100.00 %</b>

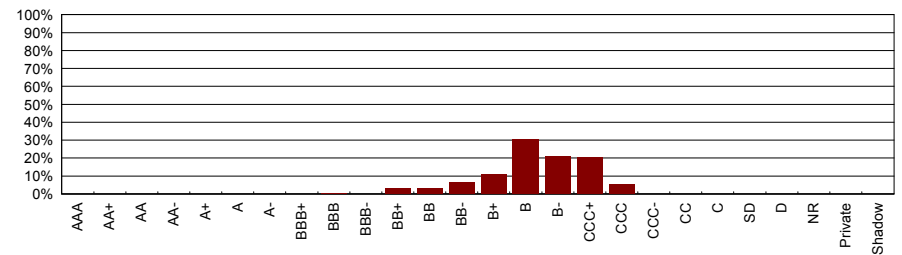


■ Current

(1) Based on the definition of "Rating" in the Indenture

## Distribution of S&amp;P Ratings

S&P (1)	# of Assets	Principal Balance	% of Balance
AAA		0.00	-
AA+		0.00	-
AA		0.00	-
AA-		0.00	-
A+		0.00	-
A		0.00	-
A-		0.00	-
BBB+		0.00	-
BBB	1	653,085.68	0.23 %
BBB-		0.00	-
BB+	2	8,484,833.90	3.05 %
BB	3	7,744,958.71	2.79 %
BB-	8	18,415,355.88	6.62 %
B+	12	29,553,225.81	10.63 %
B	23	84,861,321.11	30.52 %
B-	19	58,123,829.92	20.91 %
CCC+	12	55,855,712.75	20.09 %
CCC	5	14,341,576.13	5.16 %
CCC-		0.00	-
CC	1	0.00	-
C		0.00	-
SD	1	0.00	-
D	1	0.00	-
NR		0.00	-
Private		0.00	-
Shadow		0.00	-
<b>Total</b>	<b>88</b>	<b>278,033,899.89</b>	<b>100.00 %</b>



■ Current





## Stratifications - Industries

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

### Distribution of Moody's Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Automotive	6	14,053,930.47	5.05 %	3.68	5.85%	Caa1
Banking, Finance, Insurance & Real Estate	2	9,765,404.17	3.51 %	2.91	3.72%	Ba3
Beverage, Food & Tobacco	2	2,333,748.05	0.84 %	2.44	2.64%	B3
Capital Equipment	2	3,899,980.09	1.40 %	3.67	3.64%	Caa1
Chemicals, Plastics, & Rubber	6	10,103,517.64	3.63 %	3.42	2.94%	Ba1
Construction & Building	2	4,424,041.90	1.59 %	3.07	4.00%	B3
Consumer goods: Durable	3	7,407,268.52	2.66 %	3.47	4.72%	Ba2
Consumer goods: Non-durable	3	3,994,059.79	1.44 %	2.80	4.55%	B1
Containers, Packaging & Glass	2	6,383,495.72	2.30 %	2.06	2.16%	-
Energy: Electricity	2	10,977,692.91	3.95 %	0.76	5.22%	B1
Energy: Oil & Gas	2	6,844,701.39	2.46 %	4.01	4.86%	B3
Environmental Industries	1	430,755.59	0.15 %	3.12	3.00%	Ba3
Healthcare & Pharmaceuticals	11	45,940,461.15	16.52 %	2.79	4.51%	B1
High Tech Industries	6	29,097,705.81	10.47 %	3.93	4.20%	Ba3
Hotel, Gaming & Leisure	3	5,834,944.96	2.10 %	2.93	3.35%	B2
Media: Advertising, Printing & Publishing	2	14,737,136.55	5.30 %	2.04	5.10%	Caa2
Media: Broadcasting & Subscription	6	15,466,428.19	5.56 %	3.28	3.69%	Ba3
Retail	1	7,011,974.51	2.52 %	1.78	5.00%	Caa1
Services: Business	11	37,460,418.78	13.47 %	3.19	3.69%	B2
Services: Consumer	3	8,169,456.19	2.94 %	1.72	3.82%	B2
Telecommunications	3	17,312,168.40	6.23 %	3.79	3.83%	Ba3
Transportation: Cargo	4	6,123,414.99	2.20 %	2.29	5.13%	B1
Transportation: Consumer	2	3,372,535.27	1.21 %	2.99	2.05%	Ba1
Utilities: Electric	1	528,883.31	0.19 %	3.31	2.41%	Ba2
Wholesale	2	6,359,775.54	2.29 %	3.08	2.04%	A2
<b>Total</b>	<b>88</b>	<b>278,033,899.89</b>	<b>100.00 %</b>	<b>3.00</b>	<b>4.13%</b>	<b>B2</b>

### Distribution of S&P Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Weighted Average		
				Avg Life	Coupon	Rating(1)
Air transport	2	3,372,535.27	1.21 %	2.99	2.05%	B
Automotive	4	9,496,494.80	3.42 %	4.36	5.84%	B-
Building & Development	2	4,490,061.81	1.61 %	3.12	4.00%	B-
Business equipment & services	9	24,047,063.26	8.65 %	4.12	3.98%	B
Cable & satellite television	1	653,085.68	0.23 %	3.35	1.86%	BBB
Chemicals & plastics	6	10,103,517.64	3.63 %	3.42	2.94%	B+
Clothing/textiles	1	-	-	-	-	-
Conglomerates	1	3,874,723.88	1.39 %	3.42	4.00%	B
Containers & glass products	3	8,604,477.46	3.09 %	2.29	2.63%	BB
Cosmetics/toiletries	3	3,994,059.79	1.44 %	2.80	4.55%	B-
Ecological services & equipment	1	430,755.59	0.15 %	3.12	3.00%	BB-
Electronics/electrical	3	15,544,248.78	5.59 %	3.09	3.78%	B-
Equipment leasing	1	1,450,455.38	0.52 %	3.56	2.06%	BB
Financial intermediaries	2	9,765,404.17	3.51 %	2.91	3.72%	BB-
Food service	2	3,988,847.49	1.43 %	3.10	1.90%	BB-
Food/drug retailers	1	391,800.38	0.14 %	0.86	6.25%	CCC
Health care	14	60,857,596.65	21.89 %	2.91	4.26%	B
Home furnishings	1	3,532,544.64	1.27 %	3.52	5.50%	B
Industrial equipment	4	11,849,465.98	4.26 %	2.94	3.72%	B
Leisure goods/activities/movies	1	7,078,694.64	2.55 %	1.72	3.75%	CCC+
Lodging & casinos	4	9,729,988.99	3.50 %	3.30	3.40%	B-
Oil & gas	2	6,844,701.39	2.46 %	4.01	4.86%	B
Publishing	3	15,230,940.84	5.48 %	2.08	5.00%	CCC+
Radio & Television	5	14,580,186.11	5.24 %	3.80	3.59%	B
Retailers (except food & drug)	1	7,011,974.51	2.52 %	1.78	5.00%	CCC+
Surface transport	4	5,353,683.28	1.93 %	2.10	5.44%	B-
Telecommunications	4	24,250,015.26	8.72 %	3.10	4.54%	B-
Utilities	3	11,506,576.22	4.14 %	0.88	5.09%	B+
<b>Total</b>	<b>88</b>	<b>278,033,899.89</b>	<b>100.00 %</b>	<b>3.00</b>	<b>4.13%</b>	<b>B</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





**General Information**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



**General Information**

**Sec. 5.1(g) Event of Default calculation (Minimum 102.5%)**

Aggregate Principal Balance of Collateral Obligations:	285,701,570.37
Amounts on deposit in the Collection Account and the Ramp-Up Account:	31,820,898.14
Less:	
Aggregate Principal Balance of Defaulted Obligations:	7,667,670.48
Plus:	
Aggregate Market Value of Defaulted Obligations:	2,921,133.95
Collateral Principal Amount:	312,775,931.98
Divided by:	
Aggregate Outstanding Amount of the Class A Notes:	141,171,895.32
<b>Result:</b>	<b>221.6%</b>





**General Information**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



**Description**

Weighted Average Moody's Rating Factor:	4,092
Weighted Average Adjusted Moody's Rating Factor w/o the Rating Factor Adjustment Amount:	3,542
Weighted Average Floating Spread determined as if the Libor Floor of each Libor Floor Obligation were equal to zero:	3.43%
Excess Weighted Average Coupon:	0.00%
Excess Weighted Average Floating Spread:	0.00%
S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	40.3%
S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	50.0%
S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	55.9%
S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	62.3%
S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	67.2%
S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	69.3%





**Disclaimer**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



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## **ACIS CLO 2015-6 Ltd.**

Monthly Report

As of February 21, 2019





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Payment Date: 05/01/2019

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## Notice

As of Date: 02/21/2019  
Payment Date: 05/01/2019



The Notes may be held or beneficially owned, as applicable, only by Persons that (a)(i) are not U.S. persons and are purchasing their beneficial interest in an offshore transaction or (ii) are either (A) Qualified Purchasers (as defined for purposes of Section 3(c)(7) of the Investment Company Act) ("Qualified Purchasers") or (B) (in the case of the Subordinated Notes only) Knowledgeable Employees (as defined in Rule 3c-5 under the Investment Company Act) ("Knowledgeable Employees") with respect to the Issuer or corporations, partnerships, limited liability companies or other entities (other than trusts) each shareholder, partner, member or other equity owner of which is either (x) a Knowledgeable Employee with respect to the Issuer or (y) a Qualified Purchaser that in the case of (A) and (B) are either (1) "institutional" accredited investors ("Accredited Investors") (in the case of the Class E Notes and the Subordinated Notes only) meeting the requirements of Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who, in the case of Subordinated Notes only, if "individual" Accredited Investors, are also Knowledgeable Employees with respect to the Issuer or (2) qualified institutional buyers ("Qualified Institutional Buyers") within the meaning of Rule 144A under the Securities Act and (b) can make the representations set forth in Section 2.6 (Registration, Registration of Transfer and Exchange) of this Indenture or the appropriate Exhibit to this Indenture. Beneficial ownership interests in the Rule 144A Global Notes may be transferred only to a Person that is both a Qualified Institutional Buyer and a Qualified Purchaser and that can make the representations referred to in clause (b) of the preceding sentence. The Issuer has the right to compel any beneficial owner of an interest in Rule 144A Global Notes that does not meet the qualifications set forth in such clauses to sell its interest in such Notes, or may sell such interest on behalf of such owner, pursuant to Section 2.12 (Notes Beneficially Owned by Persons Not QIB/QPs or in Violation of ERISA Representations) of this Indenture.

Each Holder or beneficial owner receiving this report agrees to keep all non-public information herein confidential and not to use such information for any purpose other than its evaluation of its investment in the Offered Securities, provided that any Holder or beneficial owner may provide such information on a confidential basis to any prospective purchaser of such Holder or beneficial owner's Offered Securities that is permitted by the terms of this Indenture to acquire such Holder or beneficial owner's Offered Securities and that agrees to keep such information confidential in accordance with the terms of this Indenture.





# ACIS CLO 2015-6 LTD

## Executive Summary

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Contact Information			Electronic Reports			Relevant Dates					
Issuer:	ACIS CLO 2015-6 Ltd.		Issue ID: .....		ACIS1506	Closing Date:			16-Apr-15		
Co-Issuer:	ACIS CLO 2015-6, LLC		Monthly Data File Name:			First Payment Date:			03-Aug-15		
Investment Advisor:	ACIS Capital Management LP		ACIS1506_02/21/19_D_3.CSV		Test History Standard	Interim Ramp-Up Date:			22-Jun-15		
Rated By:	S&P Global Ratings		ACIS1506_02/21/19_D_4.CSV		Holdings Standard	Investment Period End Date:			22-Jun-15		
Account Manager:	Taylor Potts		ACIS1506_02/21/19_D_2.CSV		Transaction Details Standard	Reinvestment Period End Date:			01-May-19		
Phone:	312-332-7830		ACIS1506_02/21/19_D_12.CSV		Amortization	Scheduled Termination Date:			03-May-27		
Email:	taylor.potts@usbank.com		ACIS1506_02/21/19_D_13.CSV		Cash Account Summary						
			ACIS1506_02/21/19_D_14.CSV		Liability Details						

Asset Positions			Account Balances			Note Information					
Position	Current Count	Current	Account	Currency	Balance	Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon
Delayed Draw	-	-	Collection - Interest	USD	2,245,464.15	Class A-1	300,000,000.00	300,000,000.00	3,208,635.42	2.73625 %	4.32625 %
Loan			Collection - Principal	USD	19,166,634.20	Class A-2	47,000,000.00	47,000,000.00	395,622.50	N/A	3.36700 %
Revolving Credit	-	-	Custodial	USD	0.00	Class B-1	75,000,000.00	75,000,000.00	967,179.69	2.73625 %	5.21625 %
Term Loan	206	541,766,018.34	Expense Reserve	USD	0.00	Class B-2	14,000,000.00	14,000,000.00	154,875.00	N/A	4.42500 %
Cash	-	19,166,634.20	Hedge	USD	0.00	Class C	31,500,000.00	31,500,000.00	475,524.22	2.73625 %	6.10625 %
Settle Date Asset	-	536,778,792.48	Interest Reserve	USD	0.00	Class D	25,000,000.00	25,000,000.00	402,122.40	2.73625 %	6.50625 %
Balance			Payment	USD	0.00	Class E	26,000,000.00	26,000,000.00	528,765.07	2.73625 %	8.22625 %
			Ramp-Up	USD	0.00	Subordinated	59,850,000.00	59,850,000.00	N/A	N/A	N/A
			Revolver Funding	USD	0.00	Totals:	578,350,000.00	578,350,000.00	6,132,724.30		

Coverage Tests					Quality Tests				
Test Name	Current Threshold	02/21/2019 Current	Result	01/22/2019 Prior	Test Name	Current Threshold	02/21/2019 Current	Result	01/22/2019 Prior
Class A/B Overcollateralization Test	119.40%	127.06%	Pass	127.06%	S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	44.75%	44.50%	Fail	44.50%
Class C Overcollateralization Test	112.60%	118.50%	Pass	118.50%	S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	54.25%	54.10%	Fail	54.20%
Class D Overcollateralization Test	108.50%	112.48%	Pass	112.48%	S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	59.75%	59.80%	Pass	59.80%
Class E Overcollateralization Test	104.80%	106.84%	Pass	106.84%	S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	65.75%	66.00%	Pass	66.00%
Interest Reinvestment Test	105.80%	106.84%	Pass	106.84%	S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	70.25%	70.90%	Pass	71.00%
Class A/B Interest Coverage Test	120.00%	152.81%	Pass	148.88%	S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	70.25%	73.50%	Pass	73.60%
Class C Interest Coverage Test	115.00%	138.84%	Pass	135.14%	Minimum Weighted Average Coupon Test	4.70%	4.76%	Pass	4.76%
Class D Interest Coverage Test	110.00%	128.88%	Pass	125.34%	Minimum Floating Spread Test	3.10%	3.11%	Pass	3.11%
Class E Interest Coverage Test	105.00%	117.77%	Pass	114.36%	Weighted Average Life Test	4.15	4.28	Fail	4.36





**ACIS CLO 2015-6 LTD.**  
**Note Summary Information**

As of Date: 02/21/2019  
 Payment Date: 05/01/2019



**Note Information**

Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon	Moody's		S&P	
						Orig	Curr	Orig	Curr
Class A-1	300,000,000.00	300,000,000.00	3,208,635.42	2.73625%	4.32625%	N/R	N/R	AAA	AAA
Class A-2	47,000,000.00	47,000,000.00	395,622.50	N/A	3.36700%	N/R	N/R	AAA	AAA
Class B-1	75,000,000.00	75,000,000.00	967,179.69	2.73625%	5.21625%	N/R	N/R	AA	AA
Class B-2	14,000,000.00	14,000,000.00	154,875.00	N/A	4.42500%	N/R	N/R	AA	AA
Class C	31,500,000.00	31,500,000.00	475,524.22	2.73625%	6.10625%	N/R	N/R	A	A
Class D	25,000,000.00	25,000,000.00	402,122.40	2.73625%	6.50625%	N/R	N/R	BBB	BBB
Class E	26,000,000.00	26,000,000.00	528,765.07	2.73625%	8.22625%	N/R	N/R	BB	BB
Subordinated	59,850,000.00	59,850,000.00	N/A	N/A	N/A	N/R	N/R	NR	NR
<b>Totals:</b>	<b>578,350,000.00</b>	<b>578,350,000.00</b>	<b>6,132,724.30</b>						

**Asset Positions**

Position	Curr Count	Current	Prior Count	Prior
Delayed Draw Loan	-	-	-	-
Revolving Credit	-	-	-	-
Term Loan	206	541,766,018.34	207	545,036,131.72
Cash	-	19,166,634.20	-	15,896,705.03
<b>Totals:</b>	<b>206</b>	<b>560,932,652.54</b>	<b>207</b>	<b>560,932,836.75</b>

**Test Summary**

Test Type	Pass	Fail	N/A
Coverage	9	0	0
Quality	6	3	0
Portfolio Profile	32	0	0
<b>Totals:</b>	<b>47</b>	<b>3</b>	<b>0</b>

(1) Cash is based on Trade Date





## Coverage and Quality Tests

As of Date: 02/21/2019  
Payment Date: 05/01/2019

### Coverage Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Overcollateralization Test	127.06%	127.06%	119.40%	Minimum	Pass
2	Class C Overcollateralization Test	118.50%	118.50%	112.60%	Minimum	Pass
3	Class D Overcollateralization Test	112.48%	112.48%	108.50%	Minimum	Pass
4	Class E Overcollateralization Test	106.84%	106.84%	104.80%	Minimum	Pass
5	Interest Reinvestment Test	106.84%	106.84%	105.80%	Minimum	Pass
6	Class A/B Interest Coverage Test	148.88%	152.81%	120.00%	Minimum	Pass
7	Class C Interest Coverage Test	135.14%	138.84%	115.00%	Minimum	Pass
8	Class D Interest Coverage Test	125.34%	128.88%	110.00%	Minimum	Pass
9	Class E Interest Coverage Test	114.36%	117.77%	105.00%	Minimum	Pass

### Collateral Quality Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	44.50%	44.50%	44.75%	Minimum	Fail
2	S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	54.20%	54.10%	54.25%	Minimum	Fail
3	S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	59.80%	59.80%	59.75%	Minimum	Pass
4	S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	66.00%	66.00%	65.75%	Minimum	Pass
5	S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	71.00%	70.90%	70.25%	Minimum	Pass
6	S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	73.60%	73.50%	70.25%	Minimum	Pass
7	S&P CDO Monitor Test	*** See S&P CDO Monitor Report ***				
8	Minimum Weighted Average Coupon Test	4.76%	4.76%	4.70%	Minimum	Pass
9	Minimum Floating Spread Test	3.11%	3.11%	3.10%	Minimum	Pass
10	Weighted Average Life Test	4.36	4.28	4.15	Maximum	Fail

### Other Test Results

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Weighted Average Moody's Recovery Rate Test	49.4%	49.4%	-	Minimum	N/A
2	Weighted Average Adjusted Moody's Rating Factor	2,716	2,751	-	Minimum	N/A
3	Diversity Score	65	65	-	Minimum	N/A

N/A - Not Applicable for the Current Measurement Date





# Concentration Limitations

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
1	Senior Secured Loans, Cash and Eligible Investments	98.13% / 539,059,803.65	98.13% / 539,059,619.44	90.00%	Minimum	Pass
2	Floating Rate Collateral Obligations	98.98% / 543,765,895.10	98.98% / 543,765,710.89	95.00%	Minimum	Pass
3	Participation Interests	-	-	20.00%	Maximum	Pass
4	Second Lien Loans	1.87% / 10,287,590.00	1.87% / 10,287,590.00	10.00%	Maximum	Pass
5	DIP Collateral Obligations	-	-	5.00%	Maximum	Pass
6	DIP Collateral Obligations - Single Obligor	-	-	2.00%	Maximum	Pass
7	Single Obligor - Five Above 2%	1.71% / 9,371,750.00	1.71% / 9,371,750.00	2.00%	Maximum	Pass
8	Single Obligor - Zero Above 2.5%	2.38% / 13,081,549.98	2.38% / 13,081,549.98	2.50%	Maximum	Pass
9	Moody's Rating of "Caa1" or below	2.68% / 14,710,029.65	2.68% / 14,710,029.65	7.50%	Maximum	Pass
10	S&P Rating of "CCC+" or below	4.11% / 22,593,654.70	4.11% / 22,575,331.05	7.50%	Maximum	Pass
11	Delayed Drawdown Loans and Revolving Loans	-	-	15.00%	Maximum	Pass
12	Third Party Credit Exposure	-	-	20.00%	Maximum	Pass
13	Third Party Credit Exposure - S&P rated below AA	-	-	5.00%	Maximum	Pass
14	S&P Rating derived from a Moody's Rating	-	-	10.00%	Maximum	Pass
15	Non-Emerging Market Obligor	100.00% / 533,450,688.62	100.00% / 530,180,575.24	100.00%	Minimum	Pass
16	Other than the United States	1.59% / 8,729,928.94	1.59% / 8,729,928.94	20.00%	Maximum	Pass
17	Other than the United States or Canada	1.59% / 8,729,928.94	1.59% / 8,729,928.94	15.00%	Maximum	Pass
18	Canada	-	-	15.00%	Maximum	Pass
19	United Kingdom	0.62% / 3,387,258.55	0.62% / 3,387,258.55	10.00%	Maximum	Pass
20	Any Tax Jurisdiction	0.07% / 400,000.00	0.07% / 400,000.00	10.00%	Maximum	Pass
21	Group I Countries	1.13% / 6,192,991.60	1.13% / 6,192,991.60	10.00%	Maximum	Pass
22	Group II Countries	0.39% / 2,136,937.34	0.39% / 2,136,937.34	10.00%	Maximum	Pass
23	Group III Countries	0.07% / 400,000.00	0.07% / 400,000.00	7.50%	Maximum	Pass
24	Any individual country other than United States, United Kingdom or Canada	0.51% / 2,805,733.05	0.51% / 2,805,733.05	10.00%	Maximum	Pass
25	Largest S&P Industry Classification - one up to 15%	10.33% / 56,745,743.09	10.33% / 56,745,743.09	15.00%	Maximum	Pass
26	Largest S&P Industry Classification - two up to 12%	9.47% / 52,009,115.39	9.47% / 51,998,554.94	12.00%	Maximum	Pass
27	Largest S&P Industry Classification - 10%, with exception of three	6.01% / 33,002,667.32	6.01% / 32,999,542.32	10.00%	Maximum	Pass
28	Cov-Lite Loans	15.56% / 85,459,777.68	15.55% / 85,417,044.60	60.00%	Maximum	Pass
29	Non-Quarterly Assets	-	-	7.50%	Maximum	Pass
30	Collateral Obligations that pay interest less frequently than semi-annually	-	-	3.00%	Maximum	Pass
31	Deferrable Obligations	-	-	3.00%	Maximum	Pass

N/A - Not applicable for the Current Measurement Date





## Concentration Limitations

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
32	Current Pay Obligations	-	-	2.50%	Maximum	Pass

N/A - Not applicable for the Current Measurement Date





**ACIS CLO 2015-6 LTD**  
**Standard & Poor's CDO Monitor**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Portfolio Statistics

Number of Assets:	247
Number of Obligors:	176
Total Principal Balance of Collateral Debt Securities:	530,180,575.21
Weighted Average Maturity (in years):	4.47
Weighted Average Rating:	B+
S&P Default Measure (Annualized Expected Portfolio Default Rate):	5.660%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	4.280%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	2.41

Class Statistics

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Test Results
Class A-1	300,000,000.00	AAA		56.800%	63.410%	PASS
Class A-2	47,000,000.00	AAA		56.800%	63.410%	PASS





# Interest Coverage Ratio Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



	Calculation	Ratio	Minimum	Result
Class A/B	A/ (D+E)	152.81%	120.00%	Pass
Class C	A/ (D+E+F)	138.84%	115.00%	Pass
Class D	A/ (D+E+F+G)	128.88%	110.00%	Pass
Class E	A/ (D+E+F+G+H)	117.77%	105.00%	Pass

## Received:

Scheduled Interest Proceeds and Fees Received:	2,173,543.91	
Interest on Eligible Investments:	71,920.24	
Amendment and waiver fees, late payment fees and other fees (except Turbo Payment Amounts):	0.00	
Amounts from the Expense Reserve Account:	0.00	
Principal Proceeds treated as Interest Proceeds:	0.00	
Payment received with respect to any Hedge Agreement:	0.00	
Commitment fees and other similar fees:	0.00	
Amounts from the Ramp-Up Account:	0.00	
Amounts from the Interest Reserve Account:	0.00	
		2,245,464.15

## Projected:

Scheduled Interest:	5,211,434.10	
Reinvestment Income:	0.00	
Reinvestment Income on Eligible Investments:	0.00	
		5,211,434.10

## Less:

Taxes, Registration, and Filing Fees Owed by the Issuer or the Co-Issuer:	0.00	
Fees, Expenses and Indemnities to the Trustee:	24,268.13	
Fees, Expenses and Indemnities to the Collateral Administrator:	0.00	
Fees, Expenses and Indemnities to the Bank:	0.00	
Fees, Expenses and Indemnities to Independent accountants, agents, and counsel of the Issuer and any ETB Subsidiary:	0.00	
Fees and Expenses to the Rating Agencies:	0.00	
Fees, Expenses and Indemnities in relation to Petition Expenses:	0.00	
Fees, Expenses and Indemnities to the Portfolio Manager:	0.00	
Fees, Expenses, and Indemnities to the Administrator:	0.00	
Amounts due and payable to any other person permitted under the Indenture:	0.00	
Accrued and Unpaid Senior Management Fee:	210,349.81	
		234,617.95
		7,222,280.30 (A)





**ACIS CLO 2015-6 LTD**  
**Interest Coverage Ratio Detail**

As of Date: 02/21/2019  
 Payment Date: 05/01/2019



**Denominator:**

Amounts due to any Hedge Counterparty, excluding termination amounts:	0.00 (B)
Amounts due to any Hedge Counterparty pursuant to an early termination:	0.00 (C)
Class A Notes Interest Distribution Amount:	3,604,257.92 (D)
Class B Notes Interest Distribution Amount:	1,122,054.69 (E)
Class C Notes Interest Distribution Amount, including any interest on Deferred Interest:	475,524.22 (F)
Class D Notes Interest Distribution Amount, including any interest on Deferred Interest:	402,122.40 (G)
Class E Notes Interest Distribution Amount, including any interest on Deferred Interest:	528,765.07 (H)



**Overcollateralization Ratio Detail**As of Date: 02/21/2019  
Payment Date: 05/01/2019

	Calculation	Ratio	Minimum	Result
Class A/B	A/(B+C)	127.06%	119.40%	Pass
Class C	A/(B+C+D)	118.50%	112.60%	Pass
Class D	A/(B+C+D+E)	112.48%	108.50%	Pass
Class E	A/(B+C+D+E+F)	106.84%	104.80%	Pass
Interest Reinvestment	A/(B+C+D+E+F)	106.84%	105.80%	Pass

**Collateral:**

Aggregate Principal Balance of the Collateral Obligations:	541,766,018.34	
Available Principal Amounts:	19,166,634.20	
Unpaid Principal Financed Accrued Interest:	0.00	
		560,932,652.54

**Less:**

Aggregate Principal Balance of Defaulted Obligations:	11,585,443.13	
Aggregate Principal Balance of Discounted Obligations:	136,477.18	
Aggregate Principal Balance of Deferring Obligations:	0.00	
CCC/Caa Par Reduction Amount:	0.00	
		11,721,920.31

**Plus:**

Lesser of (x) Market Value and (y) S&P Recovery Amount of Defaulted Securities:	4,645,813.96	
Lesser of (i) S&P Collateral Value (ii) Moody's Collateral Value of Deferring Securities:	0.00	
Purchase Price of Discount Obligations:	107,816.97	
		4,753,630.93

Adjusted Collateral Principal Amount:

**553,964,363.16 (A)****Notes:**

Aggregate Principal Amount of the Class A Notes:	347,000,000.00 (B)
Aggregate Principal Amount of the Class B Notes:	89,000,000.00 (C)
Aggregate Principal Amount of the Class C Notes, including Deferred Interest:	31,500,000.00 (D)
Aggregate Principal Amount of the Class D Notes, including Deferred Interest:	25,000,000.00 (E)
Aggregate Principal Amount of the Class E Notes, including Deferred Interest:	26,000,000.00 (F)





**AGIS CLO 2015-6 LTD.**  
**Caa/CCC Excess Haircut Detail**

As of Date: 02/21/2019  
 Payment Date: 05/01/2019



**Caa Excess Calculation:**

Balance of Caa Obligations	14,710,029.65
Less: Threshold	41,201,040.71
Caa Excess	-
Market Value of Excess	-
Caa Excess Adjustment Amount	-

**CCC Excess Calculation:**

Balance of CCC Obligations	22,575,331.05
Less: Threshold	41,201,040.71
CCC Excess	-
Market Value of Excess	-
CCC Excess Adjustment Amount	-

The greater of the Caa and CCC  
 Excess Adjustment Amounts: -

Caa Excess Obligation	Principal Balance	Caa Excess	Market Price	Market Value	CCC Excess Obligation	Principal Balance	CCC Excess	Market Price	Market Value
<b>Total:</b>									





**ACIS CLO 2015-6 LTD.**

**Assets: Purchased**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Primary Asset Type	Par Amount	Purchase Price	Cost	Accrued Interest Amount	Trade Date
			-	-	-	-	
Totals:			0				





**ACIS CLO 2015-6 LTD**

**Assets: Sold**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Primary Asset Type	Par Amount	Sale Price	Cost	Reason For Sale	Trade Date
			-	-	-		
Total:			0				





# ACIS CLO 2015-6 LTD. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	-	13,324.19	13,324.19	-	-	-	13,324.19
LX169636	84 Lumber T/L B-1	-	20,302.54	20,302.54	-	-	-	20,302.54
LX144914	Academy T/L B	-	21,542.65	21,542.65	-	-	-	21,542.65
LX172091	Acadia Healthcare T/L B3	-	22,427.56	22,427.56	-	-	-	22,427.56
LX172092	Acadia Healthcare T/L B4	-	1,219.53	1,219.53	-	-	-	1,219.53
LX167634	Accudyne Industries T/L (07/17)	-	6,336.55	6,336.55	-	-	-	6,336.55
LX138509	Advantage Sales 2nd lien T/L (Karman)	-	31,077.09	31,077.09	-	-	-	31,077.09
LX138508	Advantage Sales T/L 1st Lien (Karman)	-	37,637.79	37,637.79	-	-	-	37,637.79
LX163240	Advantage Sales T/L B Incremental	-	7,503.51	7,503.51	-	-	-	7,503.51
LX172523	AES Corporation T/L B (03/18)	-	-	-	-	-	-	-
LX159618	AI Mistral T/L (V. Group)	-	1,392.73	1,392.73	-	-	-	1,392.73
LX171691	Air Medical T/L B	-	35,183.68	35,183.68	-	-	-	35,183.68
LX132200	Akorn T/L B	-	1,801.52	1,801.52	-	-	-	1,801.52
LX164597	Albertson's T/L B5 (05/17)	-	-	-	-	-	-	-
LX176679	Albertson's T/L B7	-	14,979.43	14,979.43	-	-	-	14,979.43
LX161956	AlixPartners T/L B	-	26,323.46	26,323.46	-	-	-	26,323.46
LX155973	American Airlines Replacement T/L B (AMR)	-	11,091.47	11,091.47	-	-	-	11,091.47
LX165158	American Airlines T/L B (06/17)	-	11,810.80	11,810.80	-	-	-	11,810.80
LX169521	American Airlines T/L B (11/17)	-	15,220.18	15,220.18	-	-	-	15,220.18
LX172603	American Builders & Contractors T/L B-2	-	6,871.04	6,871.04	-	-	-	6,871.04
LX165074	American Renal T/L B	-	3,472.22	3,472.22	-	-	-	3,472.22
LX171458	Apex Tool Group T/L B (02/18)	-	10,733.63	10,733.63	-	-	-	10,733.63
LX168507	Applied Systems T/L B (09/17)	-	2,347.97	2,347.97	-	-	-	2,347.97
LX173667	Aramark Services T/L B-2	-	12,483.97	12,483.97	-	-	-	12,483.97
LX160614	Arch Coal T/L B (02/17)	-	1,788.73	1,788.73	-	-	-	1,788.73
LX151102	Armstrong World Industries T/L B	-	1,759.92	1,759.92	-	-	-	1,759.92
LX168847	AssuredPartners T/L (09/17)	-	22,346.25	22,346.25	-	-	-	22,346.25
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	-	-	-	-	-	-	-
LX168574	Beacon Roofing T/L B	-	3,056.72	3,056.72	-	-	-	3,056.72
LX171370	Berry Global (Berry Plastics) T/L Q	-	12,159.66	12,159.66	-	-	-	12,159.66
LX159354	BJs Wholesale Club T/L B	-	4,277.67	4,277.67	-	2,335.44	2,335.44	6,613.11
LX176001	Blount International T/L B (09/18)	-	3,752.54	3,752.54	-	-	-	3,752.54
LX171678	Booz Allen T/L B	-	1,494.05	1,494.05	-	-	-	1,494.05
LX161204	Boyd Gaming T/L B3	-	6,226.34	6,226.34	-	-	-	6,226.34





# ACIS CLO 2015-6 LTD Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX165183	Brand Energy & Infrastructure T/L	-	8,646.61	8,646.61	-	-	-	8,646.61
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	4,713.66	4,713.66	-	-	-	4,713.66
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX149099	Calpine Corporation T/L B-6	-	-	-	-	-	-	-
LX152606	Calpine Corporation T/LB7	-	-	-	-	-	-	-
LX159606	Calpine T/L B8	-	2,374.11	2,374.11	-	-	-	2,374.11
LX167639	Canyon Valor Companies (GTCR) T/L B	-	-	-	-	-	-	-
LX161335	Capital Automotive 1st Lien T/L	-	18,708.89	18,708.89	-	-	-	18,708.89
LX161337	Capital Automotive 2nd Lien T/L	-	1,717.33	1,717.33	-	-	-	1,717.33
LX177791	Carestream Health T/L (12/18)	-	18,744.44	18,744.44	-	-	-	18,744.44
LX137090	Catalent Pharma T/L B (new)	-	5,274.58	5,274.58	-	-	-	5,274.58
LX152766	Cengage Learning T/L B	-	24,702.83	24,702.83	-	-	-	24,702.83
LX161598	CenturyLink T/L B	-	12,747.35	12,747.35	-	-	-	12,747.35
LX159695	Change Healthcare T/L	-	31,822.16	31,822.16	-	-	-	31,822.16
LX170173	Charter Communications Operating T/L (12/17)	-	17,378.21	17,378.21	-	-	-	17,378.21
LX168877	Circor International T/L	-	2,818.03	2,818.03	-	27,515.92	27,515.92	30,333.95
LX171813	Clark Equipment T/L B	-	-	-	-	-	-	-
LX165894	Clean Harbors T/L	-	3,623.81	3,623.81	-	-	-	3,623.81
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	955.33	955.33	-	-	-	955.33
LX148894	Commscope T/L Tranche 5	-	3,554.97	3,554.97	-	-	-	3,554.97
LX161695	CSC Holdings T/L B (03/17)	-	2,077.05	2,077.05	-	-	-	2,077.05
LX174067	Cumulus Media T/L	-	25,484.88	25,484.88	-	-	-	25,484.88
LX161958	Cypress Intermediate (CCC Info) T/L B	-	16,428.59	16,428.59	-	-	-	16,428.59
LX163416	Dayco Products T/L B (04/17)	-	-	-	-	-	-	-
LX154380	Dayton Power T/L B	-	2,747.65	2,747.65	-	-	-	2,747.65
LX171816	Delos Finance T/L (03/18)	-	-	-	-	-	-	-
LX134289	Ditech Holding (Walter Investment) 1st Lien T/L	-	3,229.73	3,229.73	-	-	-	3,229.73
LX128948	Doncasters T/L	-	-	-	-	-	-	-
LX172338	DTI Holdco T/L B-1 (Epiq)	-	18,454.09	18,454.09	-	-	-	18,454.09
LX140953	Eastern Power (TPF II Power) T/L B	-	8,519.07	8,519.07	-	21,156.74	21,156.74	29,675.81
LX155237	Eldorado Resorts T/L B (03/17)	-	2,727.15	2,727.15	-	-	-	2,727.15
LX163026	Endo Luxembourg Finance T/L B	-	3,728.14	3,728.14	-	-	-	3,728.14





# ACIS CLO 2015-6 LTD. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	-	5,765.90	5,765.90	-	-	-	5,765.90
LX136501	Evergreen Skills T/L (First Lien)	-	43,948.75	43,948.75	-	18,323.65	18,323.65	62,272.40
LX159615	ExamWorks T/L B1	-	17,751.06	17,751.06	-	-	-	17,751.06
LX169510	Excelitas Technologies T/L (EXC Holdings)	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX165177	First Data T/L 2022D	-	4,864.81	4,864.81	-	-	-	4,864.81
LX169513	First Data T/L 2024A New Dollar	-	28,774.86	28,774.86	-	-	-	28,774.86
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX155300	Fort Dearborn 1st Lien T/L	-	598.36	598.36	-	-	-	598.36
LX155301	Fort Dearborn 2nd Lien T/L	-	-	-	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	-	3,245.71	3,245.71	-	-	-	3,245.71
LX148220	Frontier Communications T/L 2	-	12,372.06	12,372.06	-	-	-	12,372.06
LX155134	G-III Apparel Group T/L B (10/16)	-	6,258.93	6,258.93	-	-	-	6,258.93
LX173608	Generac Power T/L B (6/2018)	-	11,538.87	11,538.87	-	-	-	11,538.87
LX175013	GIP III Stetson T/L B	-	10,375.38	10,375.38	-	46,547.74	46,547.74	56,923.12
LX172106	Global Payments T/L B (03/18)	-	11,582.20	11,582.20	-	-	-	11,582.20
LX168592	Golden Nugget T/L B (09/17)	-	13,071.26	13,071.26	-	-	-	13,071.26
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	-	-	-	-	-	-	-
LX141384	Granite Acq T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141385	Granite Acq T/L C (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	12,623.80	12,623.80	-	-	-	12,623.80
LX158207	Grifols Worldwide Operations T/L B	-	1,803.36	1,803.36	-	-	-	1,803.36
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX170998	Harbor Freight Tools T/L B (1/18)	-	14,497.08	14,497.08	-	-	-	14,497.08
LX167057	Hayward Industries T/L	-	3,072.67	3,072.67	-	-	-	3,072.67
LX168918	HB Fuller T/L B	-	1,325.61	1,325.61	-	1,860.47	1,860.47	3,186.08
LX144819	HCA Inc T/L A5	-	9,480.39	9,480.39	-	-	-	9,480.39
LX171927	HCA Inc T/L B11	-	6,858.91	6,858.91	-	-	-	6,858.91
LX176498	HD Supply T/L B-5	-	15,739.79	15,739.79	-	-	-	15,739.79
LX167192	HD Supply Waterworks T/L (CD&R Merger)	-	-	-	-	3,125.00	3,125.00	3,125.00
LX170077	Hyperion Refinance T/L	-	3,100.97	3,100.97	-	-	-	3,100.97
LX130210	Iheart T/L D (Clear Channel)	-	-	-	-	-	-	-
LX169195	Ineos US Finance T/L (2024 Dollar)	-	23,141.64	23,141.64	-	-	-	23,141.64
LX159959	Infor US (Lawson) T/L B-6	-	5,450.33	5,450.33	-	-	-	5,450.33





# ACIS-CLO 2015-6 LTD. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
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Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX164174	ION Media T/L (05/17)	-	6,127.69	6,127.69	-	-	-	6,127.69
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-
LX170080	Jeld-Wen T/L B4	-	-	-	-	-	-	-
LX155217	Jo-Ann Stores T/L	-	70,077.55	70,077.55	-	9,528.22	9,528.22	79,605.77
LX164714	KAR Auction Services T/L B-4	-	-	-	-	-	-	-
LX164715	KAR Auction Services T/L B-5	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	1,312.65	1,312.65	-	-	-	1,312.65
LX146807	Kenan Advantage T/L B (U.S.)	-	4,327.10	4,327.10	-	-	-	4,327.10
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	32,811.69	32,811.69	-	-	-	32,811.69
LX155550	Kronos T/L (2nd Lien)	-	33,092.40	33,092.40	-	-	-	33,092.40
LX163804	Kronos T/L B	-	84,907.77	84,907.77	-	-	-	84,907.77
LX162675	Laureate Education T/L 2024	-	44,190.90	44,190.90	-	788,009.10	788,009.10	832,200.00
LX156663	Learfield Communications (A-L Parent) Initial T/L 1st Lien	-	1,905.62	1,905.62	-	-	-	1,905.62
LX154098	Leslie's Poolmart T/L B	-	5,062.01	5,062.01	-	-	-	5,062.01
LX160334	Level 3 Financing T/L	-	17,076.43	17,076.43	-	-	-	17,076.43
LX136370	Libbey Glass T/L	-	14,164.31	14,164.31	-	-	-	14,164.31
LX138016	Liberty Cablevision T/L B (San Juan Cable)	-	12,418.48	12,418.48	-	-	-	12,418.48
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX171260	Lightstone Holdco T/L B	-	38,259.33	38,259.33	-	-	-	38,259.33
LX171261	Lightstone T/L C	-	2,109.26	2,109.26	-	-	-	2,109.26
LX165714	Live Nation T/L B-3	-	2,076.11	2,076.11	-	-	-	2,076.11
LX168615	LPL Holdings Incremental T/L B	-	1,280.10	1,280.10	-	-	-	1,280.10
LX162914	MA FinanceCo T/L B2	-	4,078.73	4,078.73	-	2,500.00	2,500.00	6,578.73
LX162202	MacDermid T/L B6	-	9,510.77	9,510.77	-	2,000,000.00	2,000,000.00	2,009,510.77
LX168182	Match Group T/L B	-	17,017.95	17,017.95	-	-	-	17,017.95
LX169251	MCC IOWA T/L M (Mediacom)	-	5,428.61	5,428.61	-	-	-	5,428.61
LX152400	McGraw-Hill Global Education Holdings T/L	-	28,957.62	28,957.62	-	-	-	28,957.62
LX172427	Mediacom T/L N	-	7,347.31	7,347.31	-	-	-	7,347.31
LX173656	Michaels Stores T/L B	-	3,053.65	3,053.65	-	3,353.50	3,353.50	6,407.15
LX160061	Minerals Technologies T/L B1 (2/17)	-	327.48	327.48	-	-	-	327.48
LX145695	Minerals Technologies T/L B2 (Fixed)	-	-	-	-	-	-	-
LX155231	Mohegan Tribal T/L A	-	15,491.86	15,491.86	-	-	-	15,491.86





# **Intra-Period Collection Account Detail**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	4,538.07	4,538.07	-	-	-	4,538.07
LX168706	Multi-Color T/L B (Collotype)	-	3,855.33	3,855.33	-	-	-	3,855.33
LX157681	National Financial Partners (NFP) T/L B	-	31,199.71	31,199.71	-	-	-	31,199.71
LX171717	NeuStar T/L B4 (03/18)	-	28,471.44	28,471.44	-	-	-	28,471.44
LX162460	Nielsen Finance T/L B4	-	2,340.18	2,340.18	-	-	-	2,340.18
LX155280	NN, Inc T/L B (9/16)	-	18,465.10	18,465.10	-	-	-	18,465.10
LX153092	NRG Energy T/L B 6/16	-	941.77	941.77	-	-	-	941.77
LX157595	Oberthur Technologies T/L B (USD)	-	-	-	-	-	-	-
LX157136	Ocwen T/L B	-	2,015.59	2,015.59	-	-	-	2,015.59
LX170070	Oxbow Carbon T/L B (12/17)	-	2,463.32	2,463.32	-	-	-	2,463.32
LX167279	Parexel International T/L B	-	10,528.58	10,528.58	-	-	-	10,528.58
LX171402	Party City T/L	-	10,931.59	10,931.59	-	-	-	10,931.59
LX168737	PSC Industrial Holdings T/L	-	15,306.11	15,306.11	-	-	-	15,306.11
LX155959	Quikrete T/L B	-	28,125.37	28,125.37	-	-	-	28,125.37
LX152098	Quorum Health T/L	-	13,699.03	13,699.03	-	-	-	13,699.03
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	-	-	-	-	-	-	-
LX152765	Riverbed Technology T/L 1st Lien	-	4,977.22	4,977.22	-	-	-	4,977.22
LX155106	RP Crown Parent (JDA Software) T/L B	-	15,551.38	15,551.38	-	-	-	15,551.38
LX152375	Russell Investments T/L B	-	46,760.45	46,760.45	-	-	-	46,760.45
LX171269	Scientific Games T/L B-5	-	48,392.51	48,392.51	-	-	-	48,392.51
LX135384	Seadrill T/L B	-	-	-	-	-	-	-
LX156211	ServiceMaster T/L C	-	6,063.46	6,063.46	-	-	-	6,063.46
LX158094	Sinclair Television T/L B2	-	6,932.63	6,932.63	-	-	-	6,932.63
LX145736	Six Flags T/L B	-	6,493.90	6,493.90	-	-	-	6,493.90
LX151194	Solera T/L B	-	8,410.00	8,410.00	-	-	-	8,410.00
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX141908	Southeast PowerGen T/L B	-	790.46	790.46	-	-	-	790.46
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	-	-	-	-	-	-	-
LX169358	Springer Science T/L B13	-	12,142.54	12,142.54	-	-	-	12,142.54
LX159257	Sprint Communications T/L	-	8,994.48	8,994.48	-	-	-	8,994.48
LX160837	SS&C Technologies T/L B1 (03/17)	-	4,681.97	4,681.97	-	-	-	4,681.97
LX145044	StandardAero (DAE Aviation/VCSA) T/L	-	25,563.54	25,563.54	-	-	-	25,563.54





# ACIS CLO 2015-6 LTD. Intra-Period Collection Account Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX152816	Station Casinos T/L B (6/16)	-	19,141.55	19,141.55	-	-	-	19,141.55
LX169531	Summit Materials T/L (11/17)	-	7,710.66	7,710.66	-	-	-	7,710.66
LX165294	Surgery Center Holdings T/L B (06/17)	-	28,492.79	28,492.79	-	-	-	28,492.79
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	-	13,381.96	13,381.96	-	-	-	13,381.96
LX159275	Telesat Canada T/L 2018 B-4	-	-	-	-	-	-	-
LX162876	Tempo Acquisition T/L	-	3,978.21	3,978.21	-	-	-	3,978.21
LX168447	TMK Hawk T/L (Trimark USA)	-	15,384.45	15,384.45	-	-	-	15,384.45
LX141526	Toys R Us T/L B4	-	80,434.21	80,434.21	-	-	-	80,434.21
LX173457	Transdigm 2018 New T/L F	-	23,738.15	23,738.15	-	-	-	23,738.15
LX168620	Traverse Midstream T/L B	-	-	-	-	-	-	-
LX159214	Tribune Media T/L C (01/17)	-	2,327.33	2,327.33	-	-	-	2,327.33
LX173568	Trinseo Materials T/L (05/18)	-	1,416.80	1,416.80	-	-	-	1,416.80
LX168798	Tronox Blocked Borrower T/L B2	-	7,828.13	7,828.13	-	-	-	7,828.13
LX168581	Tronox T/L B (09/17)	-	18,064.93	18,064.93	-	-	-	18,064.93
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	-	32,405.93	32,405.93	-	-	-	32,405.93
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	-	5,736.67	5,736.67	-	-	-	5,736.67
LX172243	Uber Technologies T/L (3/18)	-	11,554.08	11,554.08	-	-	-	11,554.08
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	-	6,950.34	6,950.34	-	-	-	6,950.34
LX173324	United Airlines T/L B (05/18)	-	9,036.53	9,036.53	-	-	-	9,036.53
LX169120	Unitymedia Finance T/L D	-	8,195.95	8,195.95	-	-	-	8,195.95
LX169609	Univar T/L B3 (11/17)	-	13,796.34	13,796.34	-	-	-	13,796.34
LX161197	Univision Communications T/L C5	-	56,354.44	56,354.44	-	337,797.15	337,797.15	394,151.59
LX162476	Urban One T/L	-	8,911.51	8,911.51	-	-	-	8,911.51
LX153134	US Foods Second Incremental T/L	-	12,905.65	12,905.65	-	-	-	12,905.65
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX168056	USS Ultimate Holdings 2nd Lien T/L	-	8,845.66	8,845.66	-	-	-	8,845.66
LX168054	USS Ultimate Holdings T/L (United Site)	-	17,443.11	17,443.11	-	-	-	17,443.11
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	-	3,515.64	3,515.64	-	-	-	3,515.64
LX169239	VC GB Holdings T/L (Generation Brands)	-	24,619.84	24,619.84	-	-	-	24,619.84
LX156640	Vertellus T/L 2nd Lien	-	4,655.42	4,655.42	-	-	-	4,655.42
LX161714	Vertiv Group (Cortez NP Acquisition) T/L B	-	-	-	-	-	-	-
LX169525	Virgin Media T/L K	-	1,078.31	1,078.31	-	-	-	1,078.31
LX155779	Vistra Operations (Tex Operations) Exit T/L B	-	27,385.11	27,385.11	-	-	-	27,385.11



**Intra-Period Collection Account Detail**As of Date: 02/21/2019  
Payment Date: 05/01/2019

		Interest			Principal			
Security I.D	Security Description	Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	Total Collected
LX157720	Vistra Operations Company T/L B (12/16)	-	16,239.25	16,239.25	-	-	-	16,239.25
LX144232	Wash Multifamily T/L (1st Lien)	-	4,535.36	4,535.36	-	-	-	4,535.36
LX169662	Weight Watchers T/L B (11/17)	-	-	-	-	-	-	-
LX165665	WEX T/L B-2 (Wright Express)	-	16,565.63	16,565.63	-	-	-	16,565.63
LX153816	WireCo WorldGroup T/L B	-	3,710.00	3,710.00	-	-	-	3,710.00
LX166414	Zayo Group T/L B2	-	1,480.36	1,480.36	-	-	-	1,480.36
LX159375	Ziggo Secured Finance T/L E	-	1,460.94	1,460.94	-	-	-	1,460.94





**ACIS-CLO 2015-6 LTD.**  
**Proceeds Account Summary**

As of Date: 02/21/2019  
 Payment Date: 05/01/2019



**Accounts Summary**

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Collection - Interest	7,270,659.43	2,280,366.38	7,305,561.66	2,245,464.15
Collection - Principal	29,024,536.85	19,158,977.54	24,197,226.19	23,986,288.20
Custodial	0.00	0.00	0.00	0.00
Expense Reserve	0.00	0.00	0.00	0.00
Hedge	0.00	0.00	0.00	0.00
Interest Reserve	0.00	0.00	0.00	0.00
Payment	0.00	23,167,364.46	23,167,364.46	0.00
Ramp-Up	0.00	0.00	0.00	0.00
Revolver Funding	0.00	0.00	0.00	0.00
<b>Totals:</b>	<b>36,295,196.28</b>	<b>44,606,708.38</b>	<b>54,670,152.31</b>	<b>26,231,752.35</b>

**Asset Summary**

Balance of Collection:	21,412,098.35
Balance of Custodial:	0.00
Balance of Expense Reserve:	0.00
Balance of Hedge:	0.00
Balance of Interest Reserve:	0.00
Balance of Payment:	0.00
Balance of Ramp-Up:	0.00
Balance of Revolver Funding:	0.00
<b>Total of All Proceeds:</b>	<b><u>21,412,098.35</u></b>

Account Summary: Based on Settlement Date

Asset Summary: Based on Trade Date





# Current Asset Characteristics - Part I

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	1011778 B.C. Unlimited Liability Company	16-Feb-24	4.74888%	3,242,250.00	-	3,242,250.00	0.59%
LX169636	84 Lumber T/L B-1	84 Lumber Company	25-Oct-23	7.76000%	3,243,354.44	-	3,243,354.44	0.59%
LX144914	Academy T/L B	Academy, Ltd.	01-Jul-22	6.51061%	3,885,310.34	-	3,885,310.34	0.71%
LX172091	Acadia Healthcare T/L B3	Acadia Healthcare Company, Inc.	11-Feb-22	4.99888%	5,185,770.75	-	5,185,770.75	0.94%
LX172092	Acadia Healthcare T/L B4	Acadia Healthcare Company, Inc.	16-Feb-23	4.99888%	281,984.55	-	281,984.55	0.05%
LX167634	Accudyne Industries T/L (07/17)	Accudyne Industries, LLC	19-Aug-24	5.49888%	1,332,499.99	-	1,332,499.99	0.24%
LX138509	Advantage Sales 2nd lien T/L (Karman)	Advantage Sales & Marketing Inc.	25-Jul-22	8.99888%	4,000,000.00	-	4,000,000.00	0.73%
LX138508	Advantage Sales T/L 1st Lien (Karman)	Advantage Sales & Marketing Inc.	23-Jul-21	5.74888%	7,571,989.69	-	7,571,989.69	1.38%
LX163240	Advantage Sales T/L B Incremental	Advantage Sales & Marketing Inc.	23-Jul-21	5.74888%	1,509,560.28	-	1,509,560.28	0.27%
LX172523	AES Corporation T/L B (03/18)	AES Corporation, The	31-May-22	4.45600%	703,899.71	-	703,899.71	0.13%
LX159618	AI Mistral T/L (V. Group)	AI Mistral (Luxembourg) Subco Sarl	11-Mar-24	5.49888%	292,874.99	-	292,874.99	0.05%
LX171691	Air Medical T/L B	Air Medical Group Holdings, Inc.	28-Apr-22	5.74375%	7,289,892.37	-	7,289,892.37	1.33%
LX132200	Akorn T/L B	Akorn, Inc.	16-Apr-21	8.00000%	259,483.43	-	259,483.43	0.05%
LX164597	Albertson's T/L B5 (05/17)	Albertson's LLC	21-Dec-22	5.82163%	3,737,336.25	-	3,737,336.25	0.68%
LX176679	Albertson's T/L B7	Albertson's LLC	17-Nov-25	5.49888%	3,149,993.53	-	3,149,993.53	0.57%
LX161956	AlixPartners T/L B	AlixPartners, LLP	04-Apr-24	5.24888%	5,797,985.73	-	5,797,985.73	1.06%
LX155973	American Airlines Replacement T/L B (AMR)	American Airlines, Inc.	28-Apr-23	4.50000%	3,044,574.33	-	3,044,574.33	0.55%
LX165158	American Airlines T/L B (06/17)	American Airlines, Inc.	11-Oct-21	4.51688%	2,942,563.44	-	2,942,563.44	0.54%
LX169521	American Airlines T/L B (11/17)	American Airlines, Inc.	15-Dec-23	4.48875%	3,920,000.00	-	3,920,000.00	0.71%
LX172603	American Builders & Contractors T/L B-2	American Builders & Contractors Supply Co., Inc.	31-Oct-23	4.49888%	1,764,397.67	-	1,764,397.67	0.32%
LX165074	American Renal T/L B	American Renal Holdings, Inc.	21-Jun-24	5.74888%	698,543.19	-	698,543.19	0.13%
LX171458	Apex Tool Group T/L B (02/18)	Apex Tool Group, LLC	01-Feb-22	6.24888%	1,987,261.14	-	1,987,261.14	0.36%
LX168507	Applied Systems T/L B (09/17)	Applied Systems, Inc.	19-Sep-24	5.49888%	493,750.00	-	493,750.00	0.09%
LX173667	Aramark Services T/L B-2	Aramark Services, Inc.	28-Mar-24	4.24888%	3,393,311.40	-	3,393,311.40	0.62%
LX160614	Arch Coal T/L B (02/17)	Arch Coal, Inc.	07-Mar-24	5.24888%	393,984.94	-	393,984.94	0.07%
LX151102	Armstrong World Industries T/L B	Armstrong World Industries, Inc.	31-Mar-23	5.37397%	658,479.04	-	658,479.04	0.12%
LX168847	AssuredPartners T/L (09/17)	AssuredPartners, Inc.	22-Oct-24	5.74888%	4,495,628.88	-	4,495,628.88	0.82%
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	Axalta Coating Systems Dutch Holding B B.V.	31-May-24	4.55300%	1,351,417.17	-	1,351,417.17	0.25%
LX168574	Beacon Roofing T/L B	Beacon Roofing Supply Inc	02-Jan-25	4.76688%	744,375.00	-	744,375.00	0.14%
LX171370	Berry Global (Berry Plastics) T/L Q	Berry Global Group, Inc.	01-Oct-22	4.61013%	3,029,480.08	-	3,029,480.08	0.55%





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								Principal	Amount
LX159354	BJs Wholesale Club T/L B	BJ's Wholesale Club, Inc.	02-Feb-24	5.49788%	929,506.05	-	929,506.05	0.17%	
LX176001	Blount International T/L B (09/18)	Blount International, Inc.	12-Apr-23	6.24888%	694,758.75	-	694,758.75	0.13%	
LX171678	Booz Allen T/L B	Booz Allen Hamilton Inc.	30-Jun-23	4.49888%	383,652.86	-	383,652.86	0.07%	
LX161204	Boyd Gaming T/L B3	Boyd Gaming Corporation	15-Sep-23	4.65950%	1,374,071.94	-	1,374,071.94	0.25%	
LX165183	Brand Energy & Infrastructure T/L	Brand Energy & Infrastructure Services Inc	21-Jun-24	6.95652%	492,500.00	-	492,500.00	0.09%	
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Bright Bidco B.V.	28-Jun-24	6.20448%	2,805,733.05	-	2,805,733.05	0.51%	
LX159595	Builders Firstsource T/L	Builders FirstSource, Inc.	29-Feb-24	5.80300%	4,365,691.31	-	4,365,691.31	0.79%	
LX149099	Calpine Corporation T/L B-6	Calpine Corporation	15-Jan-23	5.31000%	744,245.52	-	744,245.52	0.14%	
LX152606	Calpine Corporation T/LB7	Calpine Corporation	31-May-23	5.31000%	240,075.36	-	240,075.36	0.04%	
LX159606	Calpine T/L B8	Calpine Corporation	31-Dec-19	4.25000%	998,459.39	-	998,459.39	0.18%	
LX167639	Canyon Valor Companies (GTCR) T/L B	Canyon Valor Companies, Inc.	16-Jun-23	5.55300%	3,821,675.32	-	3,821,675.32	0.70%	
LX161335	Capital Automotive 1st Lien T/L	Capital Automotive L.P.	25-Mar-24	5.00000%	4,319,373.35	-	4,319,373.35	0.79%	
LX161337	Capital Automotive 2nd Lien T/L	Capital Automotive L.P.	24-Mar-25	8.50000%	233,800.61	-	233,800.61	0.04%	
LX177791	Carestream Health T/L (12/18)	Onex Carestream Finance LP	28-Feb-21	8.24888%	2,631,369.33	-	2,631,369.33	0.48%	
LX137090	Catalent Pharma T/L B (new)	Catalent Pharma Solutions Inc	20-May-24	4.74888%	1,283,493.26	-	1,283,493.26	0.23%	
LX152766	Cengage Learning T/L B	Cengage Learning, Inc.	07-Jun-23	6.76900%	4,247,591.15	-	4,247,591.15	0.77%	
LX161598	CenturyLink T/L B	CenturyLink, Inc.	31-Jan-25	5.24888%	2,807,721.07	-	2,807,721.07	0.51%	
LX159695	Change Healthcare T/L	Change Healthcare Holdings, Inc.	01-Mar-24	5.24888%	7,009,127.00	-	7,009,127.00	1.28%	
LX170173	Charter Communications Operating T/L (12/17)	Charter Communications Operating, LLC.	30-Apr-25	4.50000%	4,455,000.00	-	4,455,000.00	0.81%	
LX168877	Circor International T/L	Circor International, Inc.	11-Dec-24	6.00413%	566,484.08	-	566,484.08	0.10%	
LX171813	Clark Equipment T/L B	Clark Equipment Company	17-May-24	4.80300%	3,972,523.24	-	3,972,523.24	0.72%	
LX165894	Clean Harbors T/L	Clean Harbors, Inc.	28-Jun-24	4.24888%	985,000.00	-	985,000.00	0.18%	
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Coinamatic Canada Inc.	16-May-22	5.74888%	192,193.11	-	192,193.11	0.03%	
LX148894	Commscope T/L Tranche 5	CommScope, Inc.	29-Dec-22	4.49888%	912,872.24	-	912,872.24	0.17%	
LX161695	CSC Holdings T/L B (03/17)	CSC Holdings, LLC	17-Jul-25	4.73875%	506,846.60	-	506,846.60	0.09%	
LX174067	Cumulus Media T/L	Cumulus Media New Holdings Inc.	13-May-22	7.00000%	5,606,213.31	-	5,606,213.31	1.02%	
LX161958	Cypress Intermediate (CCC Info) T/L B	Cypress Intermediate Holdings III, Inc.	29-Apr-24	5.50000%	3,449,974.88	-	3,449,974.88	0.63%	
LX163416	Dayco Products T/L B (04/17)	Dayco Products, LLC	19-May-23	6.95663%	2,938,421.05	-	2,938,421.05	0.53%	
LX154380	Dayton Power T/L B	Dayton Power And Light Company (The)	22-Aug-22	4.50000%	704,375.00	-	704,375.00	0.13%	
LX171816	Delos Finance T/L (03/18)	Delos Finance S.a.r.l.	06-Oct-23	4.55300%	400,000.00	-	400,000.00	0.07%	
LX128948	Doncasters T/L	Doncasters Group Limited	09-Apr-20	6.30300%	2,793,258.55	-	2,793,258.55	0.51%	





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LX172338	DTI Holdco T/L B-1 (Epiq)	DTI Holdco, Inc.	29-Sep-23	7.49410%	992,377.81	-	992,377.81	0.18%
LX140953	Eastern Power (TPF II Power) T/L B	Eastern Power, LLC	02-Oct-23	6.24888%	1,556,092.91	-	1,556,092.91	0.28%
LX155237	Eldorado Resorts T/L B (03/17)	Eldorado Resorts, Inc.	17-Apr-24	4.84175%	879,770.12	-	879,770.12	0.16%
LX163026	Endo Luxembourg Finance T/L B	Endo Luxembourg Finance Company I S.a.r.l.	29-Apr-24	6.75000%	635,515.42	-	635,515.42	0.12%
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	ESH Hospitality, Inc.	30-Aug-23	4.49888%	1,480,610.26	-	1,480,610.26	0.27%
LX136501	Evergreen Skills T/L (First Lien)	Evergreen Skills Lux Sarl	28-Apr-21	7.24888%	6,999,634.72	-	6,999,634.72	1.27%
LX159615	ExamWorks T/L B1	Examworks Group Inc	27-Jul-23	5.74888%	3,571,166.63	-	3,571,166.63	0.65%
LX169510	Excelitas Technologies T/L (EXC Holdings)	Excelitas Technologies Corp.	02-Dec-24	6.30300%	1,082,812.51	-	1,082,812.51	0.20%
LX173032	Ferro T/L B-1	Ferro Corporation	14-Feb-24	5.05300%	1,364,687.51	-	1,364,687.51	0.25%
LX165177	First Data T/L 2022D	First Data Corporation	08-Jul-22	4.51900%	1,254,390.72	-	1,254,390.72	0.23%
LX169513	First Data T/L 2024A New Dollar	First Data Corporation	26-Apr-24	4.51900%	7,419,588.37	-	7,419,588.37	1.35%
LX167187	Flexential Intermediate T/L B (Peak 10)	Flexential Intermediate Corporation	01-Aug-24	6.30300%	2,805,793.46	-	2,805,793.46	0.51%
LX155300	Fort Dearborn 1st Lien T/L	Fort Dearborn Company	19-Oct-23	6.78408%	3,052,129.04	-	3,052,129.04	0.56%
LX155301	Fort Dearborn 2nd Lien T/L	Fort Dearborn Company	21-Oct-24	10.90750%	250,000.00	-	250,000.00	0.05%
LX162521	Forterra Finance T/L (04/17)	Forterra Finance, LLC	25-Oct-23	5.49888%	682,534.17	-	682,534.17	0.12%
LX148220	Frontier Communications T/L 2	Frontier Communications Corporation	31-Mar-21	5.25000%	2,721,126.76	-	2,721,126.76	0.50%
LX155134	G-III Apparel Group T/L B (10/16)	G-III Apparel Group, Ltd.	01-Dec-22	7.76562%	1,240,480.45	-	1,240,480.45	0.23%
LX173608	Generac Power T/L B (6/2018)	Generac Power Systems, Inc.	31-May-23	4.25913%	3,242,864.45	-	3,242,864.45	0.59%
LX175013	GIP III Stetson T/L B	GIP III STETSON I, L.P.	18-Jul-25	6.73138%	1,688,836.86	-	1,688,836.86	0.31%
LX172106	Global Payments T/L B (03/18)	Global Payments Inc.	21-Apr-23	4.24888%	3,148,197.82	-	3,148,197.82	0.57%
LX168592	Golden Nugget T/L B (09/17)	Golden Nugget, Inc.	04-Oct-23	5.24440%	1,372,892.92	-	1,372,892.92	0.25%
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	Granite Acquisition, Inc.	19-Dec-22	10.05300%	2,283,627.85	-	2,283,627.85	0.42%
LX141384	Granite Acq T/L B (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	6.30300%	6,064,336.43	-	6,064,336.43	1.10%
LX141385	Granite Acq T/L C (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	6.30300%	134,733.49	-	134,733.49	0.02%
LX159621	Gray Television T/L B	Gray Television, Inc.	07-Feb-24	4.76400%	2,802,246.31	-	2,802,246.31	0.51%
LX158207	Grifols Worldwide Operations T/L B	Grifols Worldwide Operations USA Inc	31-Jan-25	4.66863%	497,323.19	-	497,323.19	0.09%
LX165794	Gruden Acquisition T/L	Gruden Acquisition, Inc.	18-Aug-22	8.30300%	3,225,920.59	-	3,225,920.59	0.59%
LX170998	Harbor Freight Tools T/L B (1/18)	Harbor Freight Tools USA, Inc.	18-Aug-23	4.99888%	3,352,059.25	-	3,352,059.25	0.61%
LX167057	Hayward Industries T/L	Hayward Industries, Inc.	05-Aug-24	5.99888%	592,500.00	-	592,500.00	0.11%
LX168918	HB Fuller T/L B	H.B. Fuller Co	21-Oct-24	4.48038%	363,581.39	-	363,581.39	0.07%
LX144819	HCA Inc T/L A5	HCA Inc.	10-Jun-20	3.99888%	7,278,252.85	-	7,278,252.85	1.32%





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LX171927	HCA Inc T/L B11	HCA Inc.	17-Mar-23	4.24888%	1,864,344.83	-	1,864,344.83	0.34%
LX176498	HD Supply T/L B-5	HD Supply, Inc.	17-Oct-23	4.24888%	4,278,286.06	-	4,278,286.06	0.78%
LX167192	HD Supply Waterworks T/L (CD&R Merger)	HD Supply Waterworks, Ltd.	01-Aug-24	5.72139%	1,234,375.00	-	1,234,375.00	0.22%
LX170077	Hyperion Refinance T/L	Hyperion Refinance S.a.r.l.	20-Dec-24	6.00000%	594,000.00	-	594,000.00	0.11%
LX130210	Iheart T/L D (Clear Channel)	IHeartCommunications Inc.	01-Jan-20	-	4,490,000.00	-	4,490,000.00	0.82%
LX169195	Ineos US Finance T/L (2024 Dollar)	Ineos US Finance LLC	01-Apr-24	4.49888%	5,942,481.19	-	5,942,481.19	1.08%
LX159959	Infor US (Lawson) T/L B-6	Infor (US), Inc.	01-Feb-22	5.24888%	1,200,485.13	-	1,200,485.13	0.22%
LX164174	ION Media T/L (05/17)	ION Media Networks, Inc.	18-Dec-20	5.25000%	1,347,732.94	-	1,347,732.94	0.25%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	IQVIA Inc.	07-Mar-24	4.80300%	2,341,136.90	-	2,341,136.90	0.43%
LX170080	Jeld-Wen T/L B4	Jeld-Wen, Inc.	16-Dec-24	4.80300%	247,500.00	-	247,500.00	0.05%
LX155217	Jo-Ann Stores T/L	Jo-Ann Stores, LLC	20-Oct-23	7.76100%	3,657,016.80	-	3,657,016.80	0.67%
LX164714	KAR Auction Services T/L B-4	KAR Auction Services, Inc.	11-Mar-21	5.06250%	724,613.26	-	724,613.26	0.13%
LX164715	KAR Auction Services T/L B-5	KAR Auction Services, Inc.	09-Mar-23	5.31250%	5,406,063.89	-	5,406,063.89	0.98%
LX146975	Kenan Advantage T/L B (Canadian)	Kenan Advantage Group, Inc.	01-Aug-22	5.49888%	276,033.70	-	276,033.70	0.05%
LX146807	Kenan Advantage T/L B (U.S.)	Kenan Advantage Group, Inc.	01-Aug-22	5.49888%	909,938.07	-	909,938.07	0.17%
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	Kinetic Concepts, Inc.	02-Feb-24	6.05300%	805,753.51	-	805,753.51	0.15%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Kronos Acquisition Holdings Inc.	15-May-23	6.49888%	5,842,023.35	-	5,842,023.35	1.06%
LX155550	Kronos T/L (2nd Lien)	Kronos Incorporated	01-Nov-24	10.98625%	1,200,000.00	-	1,200,000.00	0.22%
LX163804	Kronos T/L B	Kronos Incorporated	01-Nov-23	5.73625%	5,943,946.73	-	5,943,946.73	1.08%
LX162675	Laureate Education T/L 2024	Laureate Education, Inc.	26-Apr-24	5.99888%	2,081,271.11	-	2,081,271.11	0.38%
LX156663	Learfield Communications (A-L Parent) Initial T/L 1st Lien	Learfield Communications LLC	01-Dec-23	5.75000%	1,318,766.07	-	1,318,766.07	0.24%
LX154098	Leslie's Poolmart T/L B	Leslie's Poolmart, Inc.	16-Aug-23	5.99888%	976,103.45	-	976,103.45	0.18%
LX160334	Level 3 Financing T/L	Level 3 Financing Inc	22-Feb-24	4.75600%	4,370,512.82	-	4,370,512.82	0.80%
LX136370	Libbey Glass T/L	Libbey Glass Inc.	09-Apr-21	5.51688%	2,803,776.16	-	2,803,776.16	0.51%
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Liberty Cablevision of Puerto Rico LLC	07-Jan-22	5.98875%	2,400,000.00	-	2,400,000.00	0.44%
LX159083	Life Time Fitness 2017 Refinancing T/L B	Life Time Fitness, Inc.	10-Jun-22	5.45663%	2,708,395.89	-	2,708,395.89	0.49%
LX171260	Lightstone Holdco T/L B	Lightstone Holdco LLC	30-Jan-24	6.24888%	7,083,464.86	-	7,083,464.86	1.29%
LX171261	Lightstone T/L C	Lightstone Holdco LLC	30-Jan-24	6.24888%	390,515.60	-	390,515.60	0.07%
LX165714	Live Nation T/L B-3	Live Nation Entertainment, Inc.	31-Oct-23	4.25000%	559,064.44	-	559,064.44	0.10%
LX168615	LPL Holdings Incremental T/L B	LPL Holdings, Inc.	23-Sep-24	4.73225%	323,188.39	-	323,188.39	0.06%





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LX162914	MA FinanceCo T/L B2	MA FinanceCo., LLC	19-Nov-21	4.74888%	4,181,939.55	-	4,181,939.55	0.76%
LX168182	Match Group T/L B	Match Group, Inc.	16-Nov-22	5.07813%	1,941,502.43	-	1,941,502.43	0.35%
LX169251	MCC IOWA T/L M (Mediacom)	MCC Iowa LLC	15-Jan-25	4.42000%	1,580,000.00	-	1,580,000.00	0.29%
LX152400	McGraw-Hill Global Education Holdings T/L	McGraw-Hill Global Education Holdings, LLC	04-May-22	6.49888%	5,606,275.08	-	5,606,275.08	1.02%
LX172427	Mediacom T/L N	Mediacom Illinois LLC	15-Feb-24	4.17000%	2,266,717.53	-	2,266,717.53	0.41%
LX173656	Michaels Stores T/L B	Michaels Stores, Inc.	30-Jan-23	5.00208%	981,219.19	-	981,219.19	0.18%
LX160061	Minerals Technologies T/L B1 (2/17)	Minerals Technologies Inc.	14-Feb-24	4.82969%	1,411,708.10	-	1,411,708.10	0.26%
LX145695	Minerals Technologies T/L B2 (Fixed)	Minerals Technologies Inc.	09-May-21	4.75000%	5,581,498.55	-	5,581,498.55	1.02%
LX155231	Mohegan Tribal T/L A	Mohegan Tribal Gaming Authority	13-Oct-21	6.24888%	2,868,216.19	-	2,868,216.19	0.52%
LX152711	MPH Acquisition (Multiplan) T/L B	MPH Acquisition Holdings LLC	07-Jun-23	5.55300%	3,386,012.22	-	3,386,012.22	0.62%
LX165715	MTS Systems Corporation T/L B (06/17)	MTS Systems Corporation	05-Jul-23	5.74000%	859,483.68	-	859,483.68	0.16%
LX168706	Multi-Color T/L B (Collotype)	Multi-Color Corporation	31-Oct-24	4.49888%	990,000.00	-	990,000.00	0.18%
LX157681	National Financial Partners (NFP) T/L B	National Financial Partners Corporation	08-Jan-24	5.49888%	6,560,926.02	-	6,560,926.02	1.19%
LX171717	NeuStar T/L B4 (03/18)	NeuStar, Inc.	08-Aug-24	5.99888%	5,490,123.27	-	5,490,123.27	1.00%
LX162460	Nielsen Finance T/L B4	Nielsen Finance LLC	04-Oct-23	4.51688%	565,916.48	-	565,916.48	0.10%
LX155280	NN, Inc T/L B (9/16)	NN, Inc.	19-Oct-22	6.24888%	3,418,971.45	-	3,418,971.45	0.62%
LX153092	NRG Energy T/L B 6/16	NRG Energy, Inc.	30-Jun-23	4.24888%	255,986.33	-	255,986.33	0.05%
LX157595	Oberthur Technologies T/L B (USD)	Oberthur Technologies Group S.A.S.	10-Jan-24	6.55300%	567,503.73	-	567,503.73	0.10%
LX157136	Ocwen T/L B	Ocwen Loan Servicing, LLC	07-Dec-20	7.51900%	311,934.78	-	311,934.78	0.06%
LX170070	Oxbow Carbon T/L B (12/17)	Oxbow Carbon, LLC	04-Jan-23	5.99888%	475,000.00	-	475,000.00	0.09%
LX167279	Parexel International T/L B	Parexel International Corporation	27-Sep-24	5.24888%	2,319,016.28	-	2,319,016.28	0.42%
LX171402	Party City T/L	Party City Holdings Inc.	19-Aug-22	5.00000%	2,780,886.54	-	2,780,886.54	0.51%
LX168737	PSC Industrial Holdings T/L	PSC Industrial Holdings Corp.	11-Oct-24	6.23875%	3,036,466.45	-	3,036,466.45	0.55%
LX155959	Quikrete T/L B	QUIKRETE Holdings, Inc.	15-Nov-23	5.24888%	6,194,871.87	-	6,194,871.87	1.13%
LX152098	Quorum Health T/L	Quorum Health Corp	29-Apr-22	9.24888%	1,715,691.87	-	1,715,691.87	0.31%
LX159617	RadNet Management T/L B (01/17)	RadNet Management, Inc.	30-Jun-23	6.55423%	3,510,204.47	-	3,510,204.47	0.64%
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	RHP Hotel Properties, LP	13-May-24	4.78000%	491,250.00	-	491,250.00	0.09%
LX152765	Riverbed Technology T/L 1st Lien	Riverbed Technology, Inc.	25-Apr-22	5.75000%	1,000,000.00	-	1,000,000.00	0.18%
LX155106	RP Crown Parent (JDA Software) T/L B	RP Crown Parent, LLC	12-Oct-23	5.24888%	3,425,333.81	-	3,425,333.81	0.62%
LX152375	Russell Investments T/L B	Russell Investments US Institutional Holdco, Inc.	01-Jun-23	5.74888%	9,407,291.56	-	9,407,291.56	1.71%





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Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX171269	Scientific Games T/L B-5	Scientific Games International, Inc.	14-Aug-24	5.24888%	5,926,435.30	-	5,926,435.30	1.08%
LX135384	Seadrill T/L B	Seadrill Operating LP	21-Feb-21	8.80300%	1,815.79	-	1,815.79	- %
LX156211	ServiceMaster T/L C	ServiceMaster Company, LLC (The)	08-Nov-23	4.99888%	1,402,011.23	-	1,402,011.23	0.26%
LX158094	Sinclair Television T/L B2	Sinclair Television Group, Inc.	03-Jan-24	4.75000%	1,684,265.93	-	1,684,265.93	0.31%
LX145736	Six Flags T/L B	Six Flags Theme Parks Inc.	30-Jun-22	4.50000%	582,622.81	-	582,622.81	0.11%
LX151194	Solera T/L B	Solera, LLC	03-Mar-23	5.24888%	1,852,378.99	-	1,852,378.99	0.34%
LX159036	Sophia / Ellucian T/L B	Sophia, L.P.	30-Sep-22	6.05300%	4,451,809.03	-	4,451,809.03	0.81%
LX141908	Southeast PowerGen T/L B	Southeast PowerGen, LLC	02-Dec-21	6.00000%	152,230.75	-	152,230.75	0.03%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Spin Holdco, Inc.	14-Nov-22	6.02894%	3,922,431.77	-	3,922,431.77	0.71%
LX169358	Springer Science T/L B13	Springer Science & Business Media S.A.	12-Aug-22	5.99888%	2,136,937.34	-	2,136,937.34	0.39%
LX159257	Sprint Communications T/L	Sprint Communications, Inc.	02-Feb-24	5.00000%	2,063,250.00	-	2,063,250.00	0.38%
LX160837	SS&C Technologies T/L B1 (03/17)	SS&C Technologies, Inc.	08-Jul-22	4.74888%	2,834,941.17	-	2,834,941.17	0.52%
LX145044	StandardAero (DAE Aviation/VCSA) T/L	StandardAero Aviation Holdings, Inc.	07-Jul-22	6.25000%	7,092,783.51	-	7,092,783.51	1.29%
LX152816	Station Casinos T/L B (6/16)	Station Casinos LLC	08-Jun-23	5.00000%	4,419,263.40	-	4,419,263.40	0.80%
LX169531	Summit Materials T/L (11/17)	Summit Materials, LLC	21-Nov-24	4.49888%	1,980,000.00	-	1,980,000.00	0.36%
LX165294	Surgery Center Holdings T/L B (06/17)	Surgery Center Holdings, Inc.	03-Sep-24	5.75000%	5,724,637.71	-	5,724,637.71	1.04%
LX171276	Syniverse Holdings T/L (01/18)	Syniverse Holdings, Inc.	09-Mar-23	7.48875%	1,895,226.13	-	1,895,226.13	0.34%
LX156377	Team Health Holdings T/L	Team Health Holdings, Inc.	06-Feb-24	5.24888%	2,947,500.00	-	2,947,500.00	0.54%
LX159275	Telesat Canada T/L 2018 B-4	Telesat Canada	17-Nov-23	5.31000%	8,690,381.26	-	8,690,381.26	1.58%
LX162876	Tempo Acquisition T/L	Tempo Acquisition, LLC	01-May-24	5.49888%	836,569.50	-	836,569.50	0.15%
LX168447	TMK Hawk T/L (Trimark USA)	TMK Hawk Parent, Corp.	28-Aug-24	6.00000%	2,962,820.51	-	2,962,820.51	0.54%
LX141526	Toys R Us T/L B4	Toys R Us-Delaware, Inc.	24-Apr-20	-	7,095,443.13	-	7,095,443.13	1.29%
LX173457	Transdigm 2018 New T/L F	Transdigm, Inc.	09-Jun-23	4.99888%	5,488,809.72	-	5,488,809.72	1.00%
LX168620	Traverse Midstream T/L B	Traverse Midstream Partners LLC	27-Sep-24	6.60000%	5,298,901.46	-	5,298,901.46	0.96%
LX159214	Tribune Media T/L C (01/17)	Tribune Media Company	29-Jan-24	5.49888%	489,408.64	-	489,408.64	0.09%
LX173568	Trinseo Materials T/L (05/18)	Trinseo Materials Operating S.C.A	06-Sep-24	4.49888%	363,815.81	-	363,815.81	0.07%
LX168798	Tronox Blocked Borrower T/L B2	Tronox Blocked Borrower LLC	23-Sep-24	5.49888%	1,646,162.77	-	1,646,162.77	0.30%
LX168581	Tronox T/L B (09/17)	Tronox Finance LLC	23-Sep-24	5.49888%	3,798,837.23	-	3,798,837.23	0.69%
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	Truck Hero, Inc.	22-Apr-24	6.25188%	5,825,391.88	-	5,825,391.88	1.06%
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Truck Hero, Inc.	21-Apr-25	10.75188%	600,000.00	-	600,000.00	0.11%
LX172243	Uber Technologies T/L (3/18)	Uber Technologies Inc	04-Apr-25	6.51688%	1,994,987.47	-	1,994,987.47	0.36%





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LX153867	UFC Holdings (Zuffa) 1st Lien T/L	UFC Holdings, LLC	18-Aug-23	5.75000%	1,396,428.57	-	1,396,428.57	0.25%
LX173324	United Airlines T/L B (05/18)	United Airlines, Inc.	01-Apr-24	4.24888%	2,456,250.00	-	2,456,250.00	0.45%
LX169120	Unitymedia Finance T/L D	Unitymedia Finance LLC	15-Jan-26	4.73875%	2,000,000.00	-	2,000,000.00	0.36%
LX169609	Univar T/L B3 (11/17)	Univar USA Inc.	01-Jul-24	4.74888%	3,357,142.25	-	3,357,142.25	0.61%
LX161197	Univision Communications T/L C5	Univision Communications Inc.	15-Mar-24	5.24888%	11,988,000.52	-	11,988,000.52	2.18%
LX162476	Urban One T/L	Urban One, Inc.	18-Apr-23	6.50000%	1,584,815.91	-	1,584,815.91	0.29%
LX153134	US Foods Second Incremental T/L	US Foods, Inc.	27-Jun-23	4.49888%	3,314,007.62	-	3,314,007.62	0.60%
LX167989	USI Incremental T/L	U.S.I., Inc.	16-May-24	5.80300%	3,459,962.40	-	3,459,962.40	0.63%
LX168056	USS Ultimate Holdings 2nd Lien T/L	USS Ultimate Holdings Inc	25-Aug-25	10.24888%	1,000,000.00	-	1,000,000.00	0.18%
LX168054	USS Ultimate Holdings T/L (United Site)	USS Ultimate Holdings Inc	26-Aug-24	6.24888%	3,229,478.82	-	3,229,478.82	0.59%
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	VC GB Holdings, Inc.	28-Feb-25	10.49888%	388,000.00	-	388,000.00	0.07%
LX169239	VC GB Holdings T/L (Generation Brands)	VC GB Holdings, Inc.	28-Feb-24	5.49888%	5,177,258.26	-	5,177,258.26	0.94%
LX156640	Vertellus T/L 2nd Lien	Vertellus Holdings LLC	29-Oct-21	14.41000%	332,161.54	-	332,161.54	0.06%
LX161714	Vertiv Group (Cortes NP Acquisition) T/L B	Vertiv Group Corporation	30-Nov-23	6.70663%	1,100,000.00	-	1,100,000.00	0.20%
LX169525	Virgin Media T/L K	Virgin Media Bristol LLC	15-Jan-26	4.98875%	250,000.00	-	250,000.00	0.05%
LX155779	Vistra Operations (Tex Operations) Exit T/L B	Vistra Operations Company LLC	04-Aug-23	4.49888%	7,032,152.15	-	7,032,152.15	1.28%
LX157720	Vistra Operations Company T/L B (12/16)	Vistra Operations Company LLC	14-Dec-23	4.74888%	4,144,645.53	-	4,144,645.53	0.75%
LX144232	Wash Multifamily T/L (1st Lien)	Wash MultiFamily Acquisition, Inc.	16-May-22	5.74888%	912,427.00	-	912,427.00	0.17%
LX169662	Weight Watchers T/L B (11/17)	Weight Watchers International, Inc.	29-Nov-24	7.56000%	9,371,750.00	-	9,371,750.00	1.71%
LX165665	WEX T/L B-2 (Wright Express)	WEX Inc.	30-Jun-23	4.74888%	4,031,009.94	-	4,031,009.94	0.73%
LX153816	WireCo WorldGroup T/L B	WireCo WorldGroup Inc.	29-Sep-23	7.49888%	572,742.66	-	572,742.66	0.10%
LX166414	Zayo Group T/L B2	Zayo Group, LLC	19-Jan-24	4.74888%	360,223.70	-	360,223.70	0.07%
LX159375	Ziggo Secured Finance T/L E	Ziggo Secured Finance Partnership	15-Apr-25	4.98875%	338,709.68	-	338,709.68	0.06%
<b>Totals:</b>	<b>206</b>				<b>541,766,018.34</b>	<b>-</b>	<b>541,766,018.34</b>	





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	-	-	Yes	-	-	-	-
LX169636	84 Lumber T/L B-1	-	-	-	-	-	-	-
LX144914	Academy T/L B	-	-	-	-	-	-	-
LX172091	Acadia Healthcare T/L B3	-	-	-	-	-	-	-
LX172092	Acadia Healthcare T/L B4	-	-	-	-	-	-	-
LX167634	Accudyne Industries T/L (07/17)	-	-	-	-	-	-	-
LX138509	Advantage Sales 2nd lien T/L (Karman)	-	-	-	-	-	-	-
LX138508	Advantage Sales T/L 1st Lien (Karman)	-	-	-	-	-	-	-
LX163240	Advantage Sales T/L B Incremental	-	-	-	-	-	-	-
LX172523	AES Corporation T/L B (03/18)	-	-	-	-	-	-	-
LX159618	AI Mistral T/L (V. Group)	-	-	-	-	-	-	-
LX171691	Air Medical T/L B	-	-	-	-	-	-	-
LX132200	Akorn T/L B	-	-	-	-	-	-	-
LX164597	Albertson's T/L B5 (05/17)	-	-	-	-	-	-	-
LX176679	Albertson's T/L B7	-	-	-	-	-	-	-
LX161956	AlixPartners T/L B	-	-	Yes	-	-	-	-
LX155973	American Airlines Replacement T/L B (AMR)	-	-	-	-	-	-	-
LX165158	American Airlines T/L B (06/17)	-	-	-	-	-	-	-
LX169521	American Airlines T/L B (11/17)	-	-	-	-	-	-	-
LX172603	American Builders & Contractors T/L B-2	-	-	-	-	-	-	-
LX165074	American Renal T/L B	-	-	-	-	-	-	-
LX171458	Apex Tool Group T/L B (02/18)	-	-	-	-	-	-	-
LX168507	Applied Systems T/L B (09/17)	-	-	-	-	-	-	-
LX173667	Aramark Services T/L B-2	-	-	-	-	-	-	-
LX160614	Arch Coal T/L B (02/17)	-	-	-	-	-	-	-
LX151102	Armstrong World Industries T/L B	-	-	-	-	-	-	-
LX168847	AssuredPartners T/L (09/17)	-	-	-	-	-	-	-
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	-	-	-	-	-	-	-
LX168574	Beacon Roofing T/L B	-	-	-	-	-	-	-
LX171370	Berry Global (Berry Plastics) T/L Q	-	-	Yes	-	-	-	-
LX159354	BJs Wholesale Club T/L B	-	-	Yes	-	-	-	-
LX176001	Blount International T/L B (09/18)	-	-	-	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX171678	Booz Allen T/L B	-	-	-	-	-	-	-
LX161204	Boyd Gaming T/L B3	-	-	-	-	-	-	-
LX165183	Brand Energy & Infrastructure T/L	-	-	-	-	-	-	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX149099	Calpine Corporation T/L B-6	-	-	-	-	-	-	-
LX152606	Calpine Corporation T/LB7	-	-	Yes	-	-	-	-
LX159606	Calpine T/L B8	-	-	Yes	-	-	-	-
LX167639	Canyon Valor Companies (GTCR) T/L B	-	-	-	-	-	-	-
LX161335	Capital Automotive 1st Lien T/L	-	-	-	-	-	-	-
LX161337	Capital Automotive 2nd Lien T/L	-	-	-	-	-	-	-
LX177791	Carestream Health T/L (12/18)	-	-	-	-	-	-	-
LX137090	Catalent Pharma T/L B (new)	-	-	Yes	-	-	-	-
LX152766	Cengage Learning T/L B	-	-	-	-	-	-	-
LX161598	CenturyLink T/L B	-	-	-	-	-	-	-
LX159695	Change Healthcare T/L	-	-	-	-	-	-	-
LX170173	Charter Communications Operating T/L (12/17)	-	-	-	-	-	-	-
LX168877	Circor International T/L	-	-	Yes	-	-	-	-
LX171813	Clark Equipment T/L B	-	-	Yes	-	-	-	-
LX165894	Clean Harbors T/L	-	-	Yes	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	-	Yes	-	-	-	-
LX148894	Commscope T/L Tranche 5	-	-	Yes	-	-	-	-
LX161695	CSC Holdings T/L B (03/17)	-	-	-	-	-	-	-
LX174067	Cumulus Media T/L	-	-	-	-	-	-	-
LX161958	Cypress Intermediate (CCC Info) T/L B	-	-	Yes	-	-	-	-
LX163416	Dayco Products T/L B (04/17)	-	-	-	-	-	-	-
LX154380	Dayton Power T/L B	-	-	Yes	-	-	-	-
LX171816	Delos Finance T/L (03/18)	-	-	-	-	-	-	-
LX128948	Doncasters T/L	-	-	Yes	-	-	-	-
LX172338	DTI Holdco T/L B-1 (Epiq)	-	-	-	-	-	-	-
LX140953	Eastern Power (TPF II Power) T/L B	-	-	-	-	-	-	-
LX155237	Eldorado Resorts T/L B (03/17)	-	-	Yes	-	-	-	-
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	-	-	-	-	-	-	-
LX136501	Evergreen Skills T/L (First Lien)	-	-	-	-	-	-	-
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-
LX169510	Excelitas Technologies T/L (EXC Holdings)	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX165177	First Data T/L 2022D	-	-	-	-	-	-	-
LX169513	First Data T/L 2024A New Dollar	-	-	-	-	-	-	-
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	Yes	-	-	-	-
LX155300	Fort Dearborn 1st Lien T/L	-	-	Yes	-	-	-	-
LX155301	Fort Dearborn 2nd Lien T/L	-	-	-	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	-	-	Yes	-	-	-	-
LX148220	Frontier Communications T/L 2	-	-	-	-	-	-	-
LX155134	G-III Apparel Group T/L B (10/16)	-	-	-	-	-	-	-
LX173608	Generac Power T/L B (6/2018)	-	-	Yes	-	-	-	-
LX175013	GIP III Stetson T/L B	-	-	-	-	-	-	-
LX172106	Global Payments T/L B (03/18)	-	-	-	-	-	-	-
LX168592	Golden Nugget T/L B (09/17)	-	-	-	-	-	-	-
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	-	-	-	-	-	-	-
LX141384	Granite Acq T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX141385	Granite Acq T/L C (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	-	-	-	-	-	-
LX158207	Grifols Worldwide Operations T/L B	-	-	-	-	-	-	-
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX170998	Harbor Freight Tools T/L B (1/18)	-	-	-	-	-	-	-
LX167057	Hayward Industries T/L	-	-	-	-	-	-	-
LX168918	HB Fuller T/L B	-	-	-	-	-	-	-
LX144819	HCA Inc T/L A5	-	-	-	-	-	-	-
LX171927	HCA Inc T/L B11	-	-	-	-	-	-	-
LX176498	HD Supply T/L B-5	-	-	-	-	-	-	-
LX167192	HD Supply Waterworks T/L (CD&R Merger)	-	-	-	-	-	-	-
LX170077	Hyperion Refinance T/L	-	-	-	-	-	-	-
LX130210	Iheart T/L D (Clear Channel)	-	-	-	-	-	-	-
LX169195	Ineos US Finance T/L (2024 Dollar)	-	-	Yes	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX159959	Infor US (Lawson) T/L B-6	-	-	-	-	-	-	-
LX164174	ION Media T/L (05/17)	-	-	-	-	-	-	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-
LX170080	Jeld-Wen T/L B4	-	-	Yes	-	-	-	-
LX155217	Jo-Ann Stores T/L	-	-	Yes	-	-	-	-
LX164714	KAR Auction Services T/L B-4	-	-	-	-	-	-	-
LX164715	KAR Auction Services T/L B-5	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	-	-	-	-	-	-
LX146807	Kenan Advantage T/L B (U.S.)	-	-	-	-	-	-	-
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	-	-	-	-	-	-
LX155550	Kronos T/L (2nd Lien)	-	-	-	-	-	-	-
LX163804	Kronos T/L B	-	-	-	-	-	-	-
LX162675	Laureate Education T/L 2024	-	-	-	-	-	-	-
LX156663	Learfield Communications (A-L Parent) Initial T/L 1st Lien	-	-	-	-	-	-	-
LX154098	Leslie's Poolmart T/L B	-	-	-	-	-	-	-
LX160334	Level 3 Financing T/L	-	-	Yes	-	-	-	-
LX136370	Libbey Glass T/L	-	-	Yes	-	-	-	-
LX138016	Liberty Cablevision T/L B (San Juan Cable)	-	-	-	-	-	-	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX171260	Lightstone Holdco T/L B	-	-	-	-	-	-	-
LX171261	Lightstone T/L C	-	-	-	-	-	-	-
LX165714	Live Nation T/L B-3	-	-	-	-	-	-	-
LX168615	LPL Holdings Incremental T/L B	-	-	-	-	-	-	-
LX162914	MA FinanceCo T/L B2	-	-	-	-	-	-	-
LX168182	Match Group T/L B	-	-	-	-	-	-	-
LX169251	MCC IOWA T/L M (Mediacom)	-	-	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	-	-	-	-	-	-	-
LX173656	Michaels Stores T/L B	-	-	Yes	-	-	-	-
LX160061	Minerals Technologies T/L B1 (2/17)	-	-	-	-	-	-	-
LX145695	Minerals Technologies T/L B2 (Fixed)	-	-	-	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX155231	Mohegan Tribal T/L A	-	-	-	-	-	-	-
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	-	Yes	-	-	-	-
LX168706	Multi-Color T/L B (Collotype)	-	-	-	-	-	-	-
LX157681	National Financial Partners (NFP) T/L B	-	-	-	-	-	-	-
LX171717	NeuStar T/L B4 (03/18)	-	-	-	-	-	-	-
LX162460	Nielsen Finance T/L B4	-	-	Yes	-	-	-	-
LX155280	NN, Inc T/L B (9/16)	-	-	Yes	-	-	-	-
LX153092	NRG Energy T/L B 6/16	-	-	-	-	-	-	-
LX157595	Oberthur Technologies T/L B (USD)	-	-	Yes	-	-	-	-
LX157136	Ocwen T/L B	-	-	-	-	-	-	-
LX170070	Oxbow Carbon T/L B (12/17)	-	-	-	-	-	-	-
LX167279	Parexel International T/L B	-	-	-	-	-	-	-
LX171402	Party City T/L	-	-	Yes	-	-	-	-
LX168737	PSC Industrial Holdings T/L	-	-	-	-	-	-	-
LX155959	Quikrete T/L B	-	-	-	-	-	-	-
LX152098	Quorum Health T/L	-	-	-	-	-	-	-
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	-	-	-	-	-	-	-
LX152765	Riverbed Technology T/L 1st Lien	-	-	-	-	-	-	-
LX155106	RP Crown Parent (JDA Software) T/L B	-	-	-	-	-	-	-
LX152375	Russell Investments T/L B	-	-	Yes	-	-	-	-
LX171269	Scientific Games T/L B-5	-	-	-	-	-	-	-
LX135384	Seadrill T/L B	-	-	-	-	-	-	-
LX156211	ServiceMaster T/L C	-	-	-	-	-	-	-
LX158094	Sinclair Television T/L B2	-	-	-	-	-	-	-
LX145736	Six Flags T/L B	-	-	-	-	-	-	-
LX151194	Solera T/L B	-	-	-	-	-	-	-
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX141908	Southeast PowerGen T/L B	-	-	-	-	-	-	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	-	-	-	-	-	-	-
LX169358	Springer Science T/L B13	-	-	-	-	-	-	-
LX159257	Sprint Communications T/L	-	-	-	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX160837	SS&C Technologies T/L B1 (03/17)	-	-	-	-	-	-	-
LX145044	StandardAero (DAE Aviation/VCSA) T/L	-	-	-	-	-	-	-
LX152816	Station Casinos T/L B (6/16)	-	-	-	-	-	-	-
LX169531	Summit Materials T/L (11/17)	-	-	Yes	-	-	-	-
LX165294	Surgery Center Holdings T/L B (06/17)	-	-	-	-	-	-	-
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	-	-	-	-	-	-	-
LX159275	Telesat Canada T/L 2018 B-4	-	-	-	-	-	-	-
LX162876	Tempo Acquisition T/L	-	-	Yes	-	-	-	-
LX168447	TMK Hawk T/L (Trimark USA)	-	-	-	-	-	-	-
LX141526	Toys R Us T/L B4	-	-	Yes	-	-	-	-
LX173457	Transdigm 2018 New T/L F	-	-	-	-	-	-	-
LX168620	Traverse Midstream T/L B	-	-	-	-	-	-	-
LX159214	Tribune Media T/L C (01/17)	-	-	-	-	-	-	-
LX173568	Trinseo Materials T/L (05/18)	-	-	-	-	-	-	-
LX168798	Tronox Blocked Borrower T/L B2	-	-	-	-	-	-	-
LX168581	Tronox T/L B (09/17)	-	-	-	-	-	-	-
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	-	-	-	-	-	-	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	-	-	-	-	-	-	-
LX172243	Uber Technologies T/L (3/18)	-	-	Yes	-	-	-	-
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	-	-	-	-	-	-	-
LX173324	United Airlines T/L B (05/18)	-	-	-	-	-	-	-
LX169120	Unitymedia Finance T/L D	-	-	-	-	-	-	-
LX169609	Univar T/L B3 (11/17)	-	-	-	-	-	-	-
LX161197	Univision Communications T/L C5	-	-	-	-	-	-	-
LX162476	Urban One T/L	-	-	-	-	-	-	-
LX153134	US Foods Second Incremental T/L	-	-	-	-	-	-	-
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX168056	USS Ultimate Holdings 2nd Lien T/L	-	-	-	-	-	-	-
LX168054	USS Ultimate Holdings T/L (United Site)	-	-	Yes	-	-	-	-
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	-	-	-	-	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	-	-	-	-	-	-	-
LX156640	Vertellus T/L 2nd Lien	-	-	-	-	-	-	-





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Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX161714	Vertiv Group (Cortes NP Acquisition) T/L B	-	-	Yes	-	-	-	-
LX169525	Virgin Media T/L K	-	-	-	-	-	-	-
LX155779	Vistra Operations (Tex Operations) Exit T/L B	-	-	-	-	-	-	-
LX157720	Vistra Operations Company T/L B (12/16)	-	-	-	-	-	-	-
LX144232	Wash Multifamily T/L (1st Lien)	-	-	Yes	-	-	-	-
LX169662	Weight Watchers T/L B (11/17)	-	-	-	-	-	-	-
LX165665	WEX T/L B-2 (Wright Express)	-	-	-	-	-	-	-
LX153816	WireCo WorldGroup T/L B	-	-	-	-	-	-	-
LX166414	Zayo Group T/L B2	-	-	-	-	-	-	-
LX159375	Ziggo Secured Finance T/L E	-	-	-	-	-	-	-

Totals: 206





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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169636	84 Lumber T/L B-1	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX144914	Academy T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX172091	Acadia Healthcare T/L B3	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX172092	Acadia Healthcare T/L B4	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX167634	Accudyne Industries T/L (07/17)	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX138509	Advantage Sales 2nd lien T/L (Karman)	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	2nd Lien Loan	-
LX138508	Advantage Sales T/L 1st Lien (Karman)	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	Senior Secured Loan	-
LX163240	Advantage Sales T/L B Incremental	United States	Media: Advertising, Printing & Publishing	Business equipment & services	Term Loan	Senior Secured Loan	-
LX172523	AES Corporation T/L B (03/18)	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX159618	AI Mistral T/L (V. Group)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX171691	Air Medical T/L B	United States	Transportation: Consumer	Health care	Term Loan	Senior Secured Loan	-
LX132200	Akorn T/L B	United States	Healthcare & Pharmaceuticals	Drugs	Term Loan	Senior Secured Loan	-
LX164597	Albertson's T/L B5 (05/17)	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	-
LX176679	Albertson's T/L B7	United States	Beverage, Food & Tobacco	Food/drug retailers	Term Loan	Senior Secured Loan	-
LX161956	AlixPartners T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155973	American Airlines Replacement T/L B (AMR)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	-
LX165158	American Airlines T/L B (06/17)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	-
LX169521	American Airlines T/L B (11/17)	United States	Aerospace & Defense	Air transport	Term Loan	Senior Secured Loan	-
LX172603	American Builders & Contractors T/L B-2	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX165074	American Renal T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX171458	Apex Tool Group T/L B (02/18)	United States	Consumer goods: Non-durable	Building & Development	Term Loan	Senior Secured Loan	-
LX168507	Applied Systems T/L B (09/17)	United States	High Tech Industries	Telecommunications	Term Loan	Senior Secured Loan	-
LX173667	Aramark Services T/L B-2	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	-
LX160614	Arch Coal T/L B (02/17)	United States	Metals & Mining	Oil & gas	Term Loan	Senior Secured Loan	-
LX151102	Armstrong World Industries T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX168847	AssuredPartners T/L (09/17)	United States	Banking, Finance, Insurance & Real Estate	Property & Casualty Insurance	Term Loan	Senior Secured Loan	-
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX168574	Beacon Roofing T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX171370	Berry Global (Berry Plastics) T/L Q	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX159354	BJs Wholesale Club T/L B	United States	Retail	Food/drug retailers	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX176001	Blount International T/L B (09/18)	United States	Forest Products & Paper	Industrial equipment	Term Loan	Senior Secured Loan	-





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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX171678	Booz Allen T/L B	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX161204	Boyd Gaming T/L B3	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX165183	Brand Energy & Infrastructure T/L	United States	Capital Equipment	Building & Development	Term Loan	Senior Secured Loan	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Netherlands	Capital Equipment	Automotive	Term Loan	Senior Secured Loan	-
LX159595	Builders Firstsource T/L	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	-
LX149099	Calpine Corporation T/L B-6	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX152606	Calpine Corporation T/LB7	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX159606	Calpine T/L B8	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX167639	Canyon Valor Companies (GTCR) T/L B	United States	Media: Advertising, Printing & Publishing	Telecommunications	Term Loan	Senior Secured Loan	-
LX161335	Capital Automotive 1st Lien T/L	United States	Automotive	Building & Development	Term Loan	Senior Secured Loan	-
LX161337	Capital Automotive 2nd Lien T/L	United States	Automotive	Building & Development	Term Loan	2nd Lien Loan	-
LX177791	Carestream Health T/L (12/18)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX137090	Catalent Pharma T/L B (new)	United States	Services: Business	Drugs	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX152766	Cengage Learning T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX161598	CenturyLink T/L B	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX159695	Change Healthcare T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX170173	Charter Communications Operating T/L (12/17)	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX168877	Circor International T/L	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171813	Clark Equipment T/L B	United States	Capital Equipment	Equipment leasing	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX165894	Clean Harbors T/L	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX148894	Commscope T/L Tranche 5	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX161695	CSC Holdings T/L B (03/17)	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX174067	Cumulus Media T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX161958	Cypress Intermediate (CCC Info) T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX163416	Dayco Products T/L B (04/17)	United States	Automotive	Surface transport	Term Loan	Senior Secured Loan	-
LX154380	Dayton Power T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171816	Delos Finance T/L (03/18)	Luxembourg	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX128948	Doncasters T/L	United Kingdom	Capital Equipment	Aerospace & Defense	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX172338	DTI Holdco T/L B-1 (Epiq)	United States	Services: Business	Conglomerates	Term Loan	Senior Secured Loan	-
LX140953	Eastern Power (TPF II Power) T/L B	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX155237	Eldorado Resorts T/L B (03/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	Cov-Lite Loan





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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX163026	Endo Luxembourg Finance T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX136501	Evergreen Skills T/L (First Lien)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX159615	ExamWorks T/L B1	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX169510	Excelitas Technologies T/L (EXC Holdings)	United States	Consumer goods: Durable	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX173032	Ferro T/L B-1	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX165177	First Data T/L 2022D	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX169513	First Data T/L 2024A New Dollar	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX167187	Flexential Intermediate T/L B (Peak 10)	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155300	Fort Dearborn 1st Lien T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155301	Fort Dearborn 2nd Lien T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	2nd Lien Loan	-
LX162521	Forterra Finance T/L (04/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX148220	Frontier Communications T/L 2	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX155134	G-III Apparel Group T/L B (10/16)	United States	Consumer goods: Non-durable	Clothing/textiles	Term Loan	Senior Secured Loan	-
LX173608	Generac Power T/L B (6/2018)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX175013	GIP III Stetson T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX172106	Global Payments T/L B (03/18)	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX168592	Golden Nugget T/L B (09/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	2nd Lien Loan	-
LX141384	Granite Acq T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX141385	Granite Acq T/L C (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX159621	Gray Television T/L B	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX158207	Grifols Worldwide Operations T/L B	Spain	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX165794	Gruden Acquisition T/L	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX170998	Harbor Freight Tools T/L B (1/18)	United States	Consumer goods: Durable	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX167057	Hayward Industries T/L	United States	Consumer goods: Durable	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX168918	HB Fuller T/L B	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX144819	HCA Inc T/L A5	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX171927	HCA Inc T/L B11	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX176498	HD Supply T/L B-5	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	-
LX167192	HD Supply Waterworks T/L (CD&R Merger)	United States	Utilities: Water	Building & Development	Term Loan	Senior Secured Loan	-
LX170077	Hyperion Refinance T/L	United Kingdom	Banking, Finance, Insurance & Real Estate	Diversified Insurance	Term Loan	Senior Secured Loan	-
LX130210	Iheart T/L D (Clear Channel)	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX169195	Ineos US Finance T/L (2024 Dollar)	Luxembourg	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX159959	Infor US (Lawson) T/L B-6	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX164174	ION Media T/L (05/17)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX170080	Jeld-Wen T/L B4	United States	Consumer goods: Durable	Building & Development	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155217	Jo-Ann Stores T/L	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX164714	KAR Auction Services T/L B-4	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX164715	KAR Auction Services T/L B-5	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX146975	Kenan Advantage T/L B (Canadian)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX146807	Kenan Advantage T/L B (U.S.)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	United States	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
LX155550	Kronos T/L (2nd Lien)	United States	High Tech Industries	Business equipment & services	Term Loan	2nd Lien Loan	-
LX163804	Kronos T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX162675	Laureate Education T/L 2024	United States	Services: Consumer	Publishing	Term Loan	Senior Secured Loan	-
LX156663	Learfield Communications (A-L Parent) Initial T/L 1st Lien	United States	Services: Business	Radio & Television	Term Loan	Senior Secured Loan	-
LX154098	Leslie's Poolmart T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX160334	Level 3 Financing T/L	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX136370	Libbey Glass T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX138016	Liberty Cablevision T/L B (San Juan Cable)	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX171260	Lightstone Holdco T/L B	United States	Energy: Oil & Gas	Utilities	Term Loan	Senior Secured Loan	-
LX171261	Lightstone T/L C	United States	Energy: Oil & Gas	Utilities	Term Loan	Senior Secured Loan	-
LX165714	Live Nation T/L B-3	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX168615	LPL Holdings Incremental T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX162914	MA FinanceCo T/L B2	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX168182	Match Group T/L B	United States	Media: Diversified & Production	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX169251	MCC IOWA T/L M (Mediacom)	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX152400	McGraw-Hill Global Education Holdings T/L	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX172427	Mediacom T/L N	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX173656	Michaels Stores T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX160061	Minerals Technologies T/L B1 (2/17)	United States	Metals & Mining	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX145695	Minerals Technologies T/L B2 (Fixed)	United States	Metals & Mining	Chemicals & plastics	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX155231	Mohegan Tribal T/L A	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX152711	MPH Acquisition (Multiplan) T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX165715	MTS Systems Corporation T/L B (06/17)	United States	Aerospace & Defense	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX168706	Multi-Color T/L B (Collotype)	United States	Containers, Packaging & Glass	Business equipment & services	Term Loan	Senior Secured Loan	-
LX157681	National Financial Partners (NFP) T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX171717	NeuStar T/L B4 (03/18)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX162460	Nielsen Finance T/L B4	Netherlands	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX155280	NN, Inc T/L B (9/16)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX153092	NRG Energy T/L B 6/16	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX157595	Oberthur Technologies T/L B (USD)	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX157136	Ocwen T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX170070	Oxbow Carbon T/L B (12/17)	United States	Metals & Mining	Oil & gas	Term Loan	Senior Secured Loan	-
LX167279	Parexel International T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX171402	Party City T/L	United States	Retail	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX168737	PSC Industrial Holdings T/L	United States	Environmental Industries	Ecological services & equipment	Term Loan	Senior Secured Loan	-
LX155959	Quikrete T/L B	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-
LX152098	Quorum Health T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX159617	RadNet Management T/L B (01/17)	United States	Services: Consumer	Health care	Term Loan	Senior Secured Loan	-
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX152765	Riverbed Technology T/L 1st Lien	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX155106	RP Crown Parent (JDA Software) T/L B	United States	Telecommunications	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX152375	Russell Investments T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171269	Scientific Games T/L B-5	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX135384	Seadrill T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX156211	ServiceMaster T/L C	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-
LX158094	Sinclair Television T/L B2	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX145736	Six Flags T/L B	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX151194	Solera T/L B	United States	Services: Business	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX159036	Sophia / Ellucian T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX141908	Southeast PowerGen T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	United States	Consumer goods: Non-durable	Business equipment & services	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX169358	Springer Science T/L B13	Germany	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX159257	Sprint Communications T/L	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX160837	SS&C Technologies T/L B1 (03/17)	United States	Banking, Finance, Insurance & Real Estate	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX145044	StandardAero (DAE Aviation/VCSA) T/L	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX152816	Station Casinos T/L B (6/16)	United States	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX169531	Summit Materials T/L (11/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX165294	Surgery Center Holdings T/L B (06/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX171276	Syniverse Holdings T/L (01/18)	United States	Telecommunications	Business equipment & services	Term Loan	Senior Secured Loan	-
LX156377	Team Health Holdings T/L	United States	Healthcare & Pharmaceuticals	Conglomerates	Term Loan	Senior Secured Loan	-
LX159275	Telesat Canada T/L 2018 B-4	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX162876	Tempo Acquisition T/L	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX168447	TMK Hawk T/L (Trimark USA)	United States	Capital Equipment	Business equipment & services	Term Loan	Senior Secured Loan	-
LX141526	Toys R Us T/L B4	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX173457	Transdigm 2018 New T/L F	United States	Aerospace & Defense	Aerospace & Defense	Term Loan	Senior Secured Loan	-
LX168620	Traverse Midstream T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX159214	Tribune Media T/L C (01/17)	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX173568	Trinseo Materials T/L (05/18)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX168798	Tronox Blocked Borrower T/L B2	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX168581	Tronox T/L B (09/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	United States	Automotive	Automotive	Term Loan	2nd Lien Loan	-
LX172243	Uber Technologies T/L (3/18)	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	United States	Services: Business	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX173324	United Airlines T/L B (05/18)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX169120	Unitymedia Finance T/L D	Germany	Media: Diversified & Production	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX169609	Univar T/L B3 (11/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX161197	Univision Communications T/L C5	United States	Media: Diversified & Production	Radio & Television	Term Loan	Senior Secured Loan	-
LX162476	Urban One T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX153134	US Foods Second Incremental T/L	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	-
LX167989	USI Incremental T/L	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX168056	USS Ultimate Holdings 2nd Lien T/L	United States	Services: Business	Business equipment & services	Term Loan	2nd Lien Loan	-
LX168054	USS Ultimate Holdings T/L (United Site)	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan





### Current Asset Characteristics - Part III

As of Date: 02/21/2019  
Payment Date: 05/01/2019

Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	United States	Consumer goods: Durable	Conglomerates	Term Loan	2nd Lien Loan	-
LX169239	VC GB Holdings T/L (Generation Brands)	United States	Consumer goods: Durable	Conglomerates	Term Loan	Senior Secured Loan	-
LX156640	Vertellus T/L 2nd Lien	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	2nd Lien Loan	-
LX161714	Vertiv Group (Cortes NP Acquisition) T/L B	United States	Capital Equipment	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169525	Virgin Media T/L K	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX155779	Vistra Operations (Tex Operations) Exit T/L B	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX157720	Vistra Operations Company T/L B (12/16)	United States	Utilities: Electric	Utilities	Term Loan	Senior Secured Loan	-
LX144232	Wash Multifamily T/L (1st Lien)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX169662	Weight Watchers T/L B (11/17)	United States	Consumer goods: Non-durable	Food service	Term Loan	Senior Secured Loan	-
LX165665	WEX T/L B-2 (Wright Express)	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX153816	WireCo WorldGroup T/L B	United States	Capital Equipment	Building & Development	Term Loan	Senior Secured Loan	-
LX166414	Zayo Group T/L B2	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX159375	Ziggo Secured Finance T/L E	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-

Totals: 206





# Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	Floating	1,790,552.98	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	40,287.44
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	Floating	1,451,697.02	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	32,663.18
LX169636	84 Lumber T/L B-1	Floating	3,243,354.44	LIBOR (1 month)	2.51%	5.25%	5.25%	1.00%	170,276.11
LX144914	Academy T/L B	Floating	1,247,633.92	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	49,905.36
LX144914	Academy T/L B	Floating	760,462.61	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	30,418.50
LX144914	Academy T/L B	Floating	688,991.00	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	27,559.64
LX144914	Academy T/L B	Floating	1,188,222.81	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	47,528.91
LX172091	Acadia Healthcare T/L B3	Floating	5,185,770.75	LIBOR (1 month)	2.50%	2.50%	2.50%		129,644.27
LX172092	Acadia Healthcare T/L B4	Floating	281,984.55	LIBOR (1 month)	2.50%	2.50%	2.50%		7,049.61
LX167634	Accudyne Industries T/L (07/17)	Floating	1,332,499.99	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	39,975.00
LX138509	Advantage Sales 2nd lien T/L (Karman)	Floating	4,000,000.00	LIBOR (1 month)	2.50%	6.50%	6.50%	1.00%	260,000.00
LX138508	Advantage Sales T/L 1st Lien (Karman)	Floating	19,770.21	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	642.53
LX138508	Advantage Sales T/L 1st Lien (Karman)	Floating	7,552,219.49	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	245,447.13
LX163240	Advantage Sales T/L B Incremental	Floating	1,505,728.91	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	48,936.19
LX163240	Advantage Sales T/L B Incremental	Floating	3,831.37	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	124.52
LX172523	AES Corporation T/L B (03/18)	Floating	703,899.71	LIBOR (3 months)	2.71%	1.75%	1.75%		12,318.24
LX159618	AI Mistral T/L (V. Group)	Floating	292,874.99	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	8,786.25
LX171691	Air Medical T/L B	Floating	7,289,892.37	LIBOR (1 month)	2.49%	3.25%	3.25%	1.00%	236,921.50
LX132200	Akorn T/L B	Floating	259,483.43	LIBOR (1 month)	2.50%	5.50%	5.50%	1.00%	14,271.59
LX164597	Albertson's T/L B5 (05/17)	Floating	3,737,336.25	LIBOR (3 months)	2.82%	3.00%	3.00%	0.75%	112,120.09
LX176679	Albertson's T/L B7	Floating	3,149,993.53	LIBOR (1 month)	2.50%	3.00%	3.00%	0.75%	94,499.81
LX161956	AlixPartners T/L B	Floating	5,797,985.73	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	159,444.61
LX155973	American Airlines Replacement T/L B (AMR)	Floating	3,044,574.33	LIBOR (1 month)	2.50%	2.00%	2.00%		60,891.49
LX165158	American Airlines T/L B (06/17)	Floating	2,942,563.44	LIBOR (1 month)	2.52%	2.00%	2.00%		58,851.27
LX169521	American Airlines T/L B (11/17)	Floating	3,920,000.00	LIBOR (1 month)	2.49%	2.00%	2.00%		78,400.00
LX172603	American Builders & Contractors T/L B-2	Floating	1,764,397.67	LIBOR (1 month)	2.50%	2.00%	2.00%	0.75%	35,287.95
LX165074	American Renal T/L B	Floating	698,543.19	LIBOR (1 month)	2.50%	3.25%	3.25%		22,702.65
LX171458	Apex Tool Group T/L B (02/18)	Floating	1,987,261.14	LIBOR (1 month)	2.50%	3.75%	3.75%	1.25%	74,522.29
LX168507	Applied Systems T/L B (09/17)	Floating	493,750.00	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	14,812.50
LX173667	Aramark Services T/L B-2	Floating	3,393,311.40	LIBOR (1 month)	2.50%	1.75%	1.75%		59,382.95
LX160614	Arch Coal T/L B (02/17)	Floating	393,984.94	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	10,834.59
LX151102	Armstrong World Industries T/L B	Floating	270,839.71	LIBOR (3 months)	2.80%	2.75%	2.75%	0.75%	7,448.09





# Weighted Average Spread

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX151102	Armstrong World Industries T/L B	Floating	387,639.33	LIBOR (1 month)	2.50%	2.75%	2.75%	0.75%	10,660.08
LX168847	AssuredPartners T/L (09/17)	Floating	4,495,628.88	LIBOR (1 month)	2.50%	3.25%	3.25%		146,107.94
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	Floating	1,351,417.17	LIBOR (3 months)	2.80%	1.75%	1.75%		23,649.80
LX168574	Beacon Roofing T/L B	Floating	744,375.00	LIBOR (1 month)	2.52%	2.25%	2.25%		16,748.44
LX171370	Berry Global (Berry Plastics) T/L Q	Floating	3,029,480.08	LIBOR (2 months)	2.61%	2.00%	2.00%		60,589.60
LX159354	BJs Wholesale Club T/L B	Floating	929,506.05	LIBOR (1 month)	2.50%	3.00%	3.00%		27,885.18
LX176001	Blount International T/L B (09/18)	Floating	694,758.75	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	26,053.45
LX171678	Booz Allen T/L B	Floating	383,652.86	LIBOR (1 month)	2.50%	2.00%	2.00%		7,673.06
LX161204	Boyd Gaming T/L B3	Floating	1,374,071.94	LIBOR (1 week)	2.41%	2.25%	2.25%		30,916.62
LX165183	Brand Energy & Infrastructure T/L	Floating	145,132.74	LIBOR (3 months)	2.76%	4.25%	4.25%	1.00%	6,168.14
LX165183	Brand Energy & Infrastructure T/L	Floating	113,274.34	LIBOR (3 months)	2.76%	4.25%	4.25%	1.00%	4,814.16
LX165183	Brand Energy & Infrastructure T/L	Floating	229,092.92	LIBOR (2 months)	2.65%	4.25%	4.25%	1.00%	9,736.45
LX165183	Brand Energy & Infrastructure T/L	Floating	5,000.00	LIBOR (2 months)	2.65%	4.25%	4.25%	1.00%	212.50
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	403,969.00	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	14,138.92
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	1,896,802.79	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	66,388.10
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	504,961.26	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	17,673.64
LX159595	Builders Firstsource T/L	Floating	4,365,691.31	LIBOR (3 months)	2.80%	3.00%	3.00%	1.00%	130,970.74
LX149099	Calpine Corporation T/L B-6	Floating	744,245.52	LIBOR (3 months)	2.81%	2.50%	2.50%		18,606.14
LX152606	Calpine Corporation T/LB7	Floating	240,075.36	LIBOR (3 months)	2.81%	2.50%	2.50%		6,001.88
LX159606	Calpine T/L B8	Floating	998,459.39	LIBOR (1 month)	2.50%	1.75%	1.75%		17,473.04
LX167639	Canyon Valor Companies (GTCR) T/L B	Floating	3,821,675.32	LIBOR (3 months)	2.80%	2.75%	2.75%		105,096.07
LX161335	Capital Automotive 1st Lien T/L	Floating	4,319,373.35	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	107,984.33
LX161337	Capital Automotive 2nd Lien T/L	Floating	233,800.61	LIBOR (1 month)	2.50%	6.00%	6.00%	1.00%	14,028.04
LX177791	Carestream Health T/L (12/18)	Floating	2,631,369.33	LIBOR (1 month)	2.50%	5.75%	5.75%	1.00%	151,303.74
LX137090	Catalent Pharma T/L B (new)	Floating	1,283,493.26	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	28,878.60
LX152766	Cengage Learning T/L B	Floating	4,247,591.15	LIBOR (1 month)	2.52%	4.25%	4.25%	1.00%	180,522.62
LX161598	CenturyLink T/L B	Floating	2,807,721.07	LIBOR (1 month)	2.50%	2.75%	2.75%		77,212.33
LX159695	Change Healthcare T/L	Floating	1,123,976.95	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	30,909.37
LX159695	Change Healthcare T/L	Floating	3,243,496.27	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	89,196.15
LX159695	Change Healthcare T/L	Floating	915,039.15	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	25,163.58
LX159695	Change Healthcare T/L	Floating	1,726,614.63	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	47,481.90
LX170173	Charter Communications Operating T/L (12/17)	Floating	4,455,000.00	LIBOR (1 month)	2.50%	2.00%	2.00%		89,100.00
LX168877	Circor International T/L	Floating	566,484.08	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	19,826.94





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LX171813	Clark Equipment T/L B	Floating	3,972,523.24	LIBOR (3 months)	2.80%	2.00%	2.00%		79,450.46
LX165894	Clean Harbors T/L	Floating	985,000.00	LIBOR (1 month)	2.50%	1.75%	1.75%		17,237.50
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Floating	192,193.11	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	6,246.28
LX148894	Commscope T/L Tranche 5	Floating	912,872.24	LIBOR (1 month)	2.50%	2.00%	2.00%		18,257.44
LX161695	CSC Holdings T/L B (03/17)	Floating	506,846.60	LIBOR (1 month)	2.49%	2.25%	2.25%		11,404.05
LX174067	Cumulus Media T/L	Floating	5,606,213.31	LIBOR (1 month)	2.50%	4.50%	4.50%	1.00%	252,279.60
LX161958	Cypress Intermediate (CCC Info) T/L B	Floating	3,449,974.88	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	103,499.25
LX163416	Dayco Products T/L B (04/17)	Floating	2,938,421.05	LIBOR (3 months)	2.71%	4.25%	4.25%		124,882.89
LX154380	Dayton Power T/L B	Floating	704,375.00	LIBOR (1 month)	2.50%	2.00%	2.00%	0.75%	14,087.50
LX171816	Delos Finance T/L (03/18)	Floating	400,000.00	LIBOR (3 months)	2.80%	1.75%	1.75%		7,000.00
LX128948	Doncasters T/L	Floating	2,304,837.19	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	80,669.30
LX128948	Doncasters T/L	Floating	488,421.36	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	17,094.75
LX172338	DTI Holdco T/L B-1 (Epiq)	Floating	2,540.73	LIBOR (2 months)	2.63%	4.75%	4.75%	1.00%	120.68
LX172338	DTI Holdco T/L B-1 (Epiq)	Floating	989,837.08	LIBOR (3 months)	2.74%	4.75%	4.75%	1.00%	47,017.26
LX140953	Eastern Power (TPF II Power) T/L B	Floating	1,556,092.91	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	58,353.48
LX155237	Eldorado Resorts T/L B (03/17)	Floating	411,724.14	LIBOR (2 months)	2.63%	2.25%	2.25%		9,263.79
LX155237	Eldorado Resorts T/L B (03/17)	Floating	366,896.55	LIBOR (2 months)	2.56%	2.25%	2.25%		8,255.17
LX155237	Eldorado Resorts T/L B (03/17)	Floating	101,149.43	LIBOR (2 months)	2.56%	2.25%	2.25%		2,275.86
LX163026	Endo Luxembourg Finance T/L B	Floating	635,515.42	LIBOR (1 month)	2.50%	4.25%	4.25%	0.75%	27,009.41
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	Floating	1,480,610.26	LIBOR (1 month)	2.50%	2.00%	2.00%		29,612.21
LX136501	Evergreen Skills T/L (First Lien)	Floating	3,405,251.02	LIBOR (1 month)	2.50%	4.75%	4.75%	1.00%	161,749.42
LX136501	Evergreen Skills T/L (First Lien)	Floating	3,594,383.70	LIBOR (1 month)	2.50%	4.75%	4.75%	1.00%	170,733.23
LX159615	ExamWorks T/L B1	Floating	3,571,166.63	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	116,062.92
LX169510	Excelitas Technologies T/L (EXC Holdings)	Floating	1,082,812.51	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	37,898.44
LX173032	Ferro T/L B-1	Floating	1,364,687.51	LIBOR (3 months)	2.80%	2.25%	2.25%		30,705.47
LX165177	First Data T/L 2022D	Floating	1,254,390.72	LIBOR (1 month)	2.52%	2.00%	2.00%		25,087.81
LX169513	First Data T/L 2024A New Dollar	Floating	7,419,588.37	LIBOR (1 month)	2.52%	2.00%	2.00%		148,391.77
LX167187	Flexential Intermediate T/L B (Peak 10)	Floating	2,805,793.46	LIBOR (3 months)	2.80%	3.50%	3.50%		98,202.77
LX155300	Fort Dearborn 1st Lien T/L	Floating	1,803,552.84	LIBOR (3 months)	2.79%	4.00%	4.00%	1.00%	72,142.11
LX155300	Fort Dearborn 1st Lien T/L	Floating	1,141,790.57	LIBOR (3 months)	2.79%	4.00%	4.00%	1.00%	45,671.62
LX155300	Fort Dearborn 1st Lien T/L	Floating	106,785.63	LIBOR (1 month)	2.51%	4.00%	4.00%	1.00%	4,271.43
LX155301	Fort Dearborn 2nd Lien T/L	Floating	250,000.00	LIBOR (3 months)	2.41%	8.50%	8.50%	1.00%	21,250.00
LX162521	Forterra Finance T/L (04/17)	Floating	682,534.17	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	20,476.03





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LX148220	Frontier Communications T/L 2	Floating	2,721,126.76	LIBOR (1 month)	2.50%	2.75%	2.75%		74,830.99
LX155134	G-III Apparel Group T/L B (10/16)	Floating	930,360.34	LIBOR (1 month)	2.50%	5.25%	5.25%	1.00%	48,843.92
LX155134	G-III Apparel Group T/L B (10/16)	Floating	310,120.11	LIBOR (1 month)	2.56%	5.25%	5.25%	1.00%	16,281.31
LX173608	Generac Power T/L B (6/2018)	Floating	3,242,864.45	LIBOR (1 month)	2.51%	1.75%	1.75%	0.75%	56,750.13
LX175013	GIP III Stetson T/L B	Floating	1,688,836.86	LIBOR (1 month)	2.48%	4.25%	4.25%		71,775.57
LX172106	Global Payments T/L B (03/18)	Floating	3,148,197.82	LIBOR (1 month)	2.50%	1.75%	1.75%		55,093.46
LX168592	Golden Nugget T/L B (09/17)	Floating	765,289.33	LIBOR (1 month)	2.50%	2.75%	2.75%	0.75%	21,045.46
LX168592	Golden Nugget T/L B (09/17)	Floating	607,603.59	LIBOR (1 month)	2.49%	2.75%	2.75%	0.75%	16,709.10
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	Floating	2,283,627.85	LIBOR (3 months)	2.80%	7.25%	7.25%	1.00%	165,563.02
LX141384	Granite Acq T/L B (Wheelabrator)	Floating	6,064,336.43	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	212,251.78
LX141385	Granite Acq T/L C (Wheelabrator)	Floating	134,733.49	LIBOR (3 months)	2.80%	3.50%	3.50%	1.00%	4,715.67
LX159621	Gray Television T/L B	Floating	2,802,246.31	LIBOR (1 month)	2.51%	2.25%	2.25%		63,050.54
LX158207	Grifols Worldwide Operations T/L B	Floating	497,323.19	LIBOR (1 week)	2.42%	2.25%	2.25%		11,189.77
LX165794	Gruden Acquisition T/L	Floating	3,225,920.59	LIBOR (3 months)	2.80%	5.50%	5.50%	1.00%	177,425.63
LX170998	Harbor Freight Tools T/L B (1/18)	Floating	3,352,059.25	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	83,801.48
LX167057	Hayward Industries T/L	Floating	592,500.00	LIBOR (1 month)	2.50%	3.50%	3.50%		20,737.50
LX168918	HB Fuller T/L B	Floating	363,581.39	LIBOR (1 month)	2.48%	2.00%	2.00%		7,271.63
LX144819	HCA Inc T/L A5	Floating	7,278,252.85	LIBOR (1 month)	2.50%	1.50%	1.50%		109,173.79
LX171927	HCA Inc T/L B11	Floating	1,864,344.83	LIBOR (1 month)	2.50%	1.75%	1.75%		32,626.03
LX176498	HD Supply T/L B-5	Floating	4,278,286.06	LIBOR (1 month)	2.50%	1.75%	1.75%		74,870.01
LX167192	HD Supply Waterworks T/L (CD&R Merger)	Floating	578,270.35	LIBOR (3 months)	2.74%	3.00%	3.00%	1.00%	17,348.11
LX167192	HD Supply Waterworks T/L (CD&R Merger)	Floating	656,104.65	LIBOR (6 months)	2.71%	3.00%	3.00%	1.00%	19,683.14
LX170077	Hyperion Refinance T/L	Floating	594,000.00	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	20,790.00
LX169195	Ineos US Finance T/L (2024 Dollar)	Floating	5,942,481.19	LIBOR (1 month)	2.50%	2.00%	2.00%		118,849.62
LX159959	Infor US (Lawson) T/L B-6	Floating	1,200,485.13	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	33,013.34
LX164174	ION Media T/L (05/17)	Floating	1,347,732.94	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	37,062.66
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	Floating	2,341,136.92	LIBOR (3 months)	2.80%	2.00%	2.00%	0.75%	46,822.74
LX170080	Jeld-Wen T/L B4	Floating	247,500.00	LIBOR (3 months)	2.80%	2.00%	2.00%		4,950.00
LX155217	Jo-Ann Stores T/L	Floating	3,657,016.80	LIBOR (6 months)	2.76%	5.00%	5.00%	1.00%	182,850.84
LX164714	KAR Auction Services T/L B-4	Floating	724,613.26	LIBOR (3 months)	2.81%	2.25%	2.25%		16,303.80
LX164715	KAR Auction Services T/L B-5	Floating	5,406,063.89	LIBOR (3 months)	2.81%	2.50%	2.50%		135,151.60
LX146975	Kenan Advantage T/L B (Canadian)	Floating	276,033.70	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	8,281.01
LX146807	Kenan Advantage T/L B (U.S.)	Floating	909,938.07	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	27,298.14





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LX159619	Kinetic Concepts (Acelity) (1/17) T/L	Floating	805,753.51	LIBOR (3 months)	2.80%	3.25%	3.25%	1.00%	26,186.99
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	730,749.35	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	29,229.97
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,575,816.75	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	63,032.67
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,270,868.44	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	50,834.74
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	2,264,588.81	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	90,583.55
LX155550	Kronos T/L (2nd Lien)	Floating	1,200,000.00	LIBOR (3 months)	2.74%	8.25%	8.25%	1.00%	99,000.00
LX163804	Kronos T/L B	Floating	5,943,946.73	LIBOR (3 months)	2.74%	3.00%	3.00%	1.00%	178,318.40
LX162675	Laureate Education T/L 2024	Floating	2,081,271.11	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	72,844.49
LX156663	Learfield Communications (A-L Parent) Initial T/L 1st Lien	Floating	1,318,766.07	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	42,859.90
LX154098	Leslie's Poolmart T/L B	Floating	976,103.45	LIBOR (1 month)	2.50%	3.50%	3.50%		34,163.62
LX160334	Level 3 Financing T/L	Floating	4,370,512.82	LIBOR (1 month)	2.51%	2.25%	2.25%		98,336.54
LX136370	Libbey Glass T/L	Floating	2,803,776.16	LIBOR (1 month)	2.52%	3.00%	3.00%	0.75%	84,113.28
LX138016	Liberty Cablevision T/L B (San Juan Cable)	Floating	2,400,000.00	LIBOR (1 month)	2.49%	3.50%	3.50%	1.00%	84,000.00
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	2,708,395.89	LIBOR (3 months)	2.71%	2.75%	2.75%	1.00%	74,480.89
LX171260	Lightstone Holdco T/L B	Floating	7,083,464.86	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	265,629.93
LX171261	Lightstone T/L C	Floating	390,515.60	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	14,644.34
LX165714	Live Nation T/L B-3	Floating	559,064.44	LIBOR (1 month)	2.50%	1.75%	1.75%		9,783.63
LX168615	LPL Holdings Incremental T/L B	Floating	323,188.39	LIBOR (1 month)	2.48%	2.25%	2.25%		7,271.74
LX162914	MA FinanceCo T/L B2	Floating	4,181,939.55	LIBOR (1 month)	2.50%	2.25%	2.25%		94,093.64
LX168182	Match Group T/L B	Floating	1,941,502.43	LIBOR (2 months)	2.58%	2.50%	2.50%		48,537.56
LX169251	MCC IOWA T/L M (Mediacom)	Floating	1,580,000.00	LIBOR (1 week)	2.42%	2.00%	2.00%	0.75%	31,600.00
LX152400	McGraw-Hill Global Education Holdings T/L	Floating	5,606,275.08	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	224,251.00
LX172427	Mediacom T/L N	Floating	2,266,717.53	LIBOR (1 week)	2.42%	1.75%	1.75%		39,667.56
LX173656	Michaels Stores T/L B	Floating	234,453.36	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	5,861.33
LX173656	Michaels Stores T/L B	Floating	44,450.35	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	1,111.26
LX173656	Michaels Stores T/L B	Floating	444,503.47	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	11,112.59
LX173656	Michaels Stores T/L B	Floating	257,812.01	LIBOR (1 month)	2.50%	2.50%	2.50%	1.00%	6,445.30
LX160061	Minerals Technologies T/L B1 (2/17)	Floating	306,493.29	LIBOR (3 months)	2.83%	2.25%	2.25%	0.75%	6,896.10
LX160061	Minerals Technologies T/L B1 (2/17)	Floating	49,038.93	LIBOR (1 month)	2.51%	2.25%	2.25%	0.75%	1,103.38
LX160061	Minerals Technologies T/L B1 (2/17)	Floating	30,649.33	LIBOR (1 month)	2.52%	2.25%	2.25%	0.75%	689.61
LX160061	Minerals Technologies T/L B1 (2/17)	Floating	1,025,526.55	LIBOR (1 month)	2.51%	2.25%	2.25%	0.75%	23,074.35





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LX155231	Mohegan Tribal T/L A	Floating	2,868,216.19	LIBOR (1 month)	2.50%	3.75%	3.75%		107,558.11
LX152711	MPH Acquisition (Multiplan) T/L B	Floating	3,386,012.22	LIBOR (3 months)	2.80%	2.75%	2.75%	1.00%	93,115.34
LX165715	MTS Systems Corporation T/L B (06/17)	Floating	859,483.68	LIBOR (1 month)	2.49%	3.25%	3.25%	0.75%	27,933.22
LX168706	Multi-Color T/L B (Collotype)	Floating	990,000.00	LIBOR (1 month)	2.50%	2.00%	2.00%		19,800.00
LX157681	National Financial Partners (NFP) T/L B	Floating	6,560,926.02	LIBOR (1 month)	2.50%	3.00%	3.00%		196,827.78
LX171717	NeuStar T/L B4 (03/18)	Floating	5,490,123.27	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	192,154.31
LX162460	Nielsen Finance T/L B4	Floating	565,916.48	LIBOR (1 month)	2.52%	2.00%	2.00%		11,318.33
LX155280	NN, Inc T/L B (9/16)	Floating	3,418,971.45	LIBOR (1 month)	2.50%	3.75%	3.75%	0.75%	128,211.43
LX153092	NRG Energy T/L B 6/16	Floating	255,986.33	LIBOR (1 month)	2.50%	1.75%	1.75%		4,479.76
LX157595	Oberthur Technologies T/L B (USD)	Floating	567,503.73	LIBOR (3 months)	2.80%	3.75%	3.75%		21,281.39
LX157136	Ocwen T/L B	Floating	311,934.78	LIBOR (1 month)	2.52%	5.00%	5.00%	1.00%	15,596.74
LX170070	Oxbow Carbon T/L B (12/17)	Floating	475,000.00	LIBOR (1 month)	2.50%	3.50%	3.50%		16,625.00
LX167279	Parexel International T/L B	Floating	2,319,016.28	LIBOR (1 month)	2.50%	2.75%	2.75%		63,772.95
LX171402	Party City T/L	Floating	1,387,799.07	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	34,694.98
LX171402	Party City T/L	Floating	72,636.64	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	1,815.92
LX171402	Party City T/L	Floating	488,302.25	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	12,207.56
LX171402	Party City T/L	Floating	757,478.74	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	18,936.97
LX171402	Party City T/L	Floating	74,669.84	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	1,866.75
LX168737	PSC Industrial Holdings T/L	Floating	3,036,466.45	LIBOR (1 month)	2.49%	3.75%	3.75%	1.00%	113,867.49
LX155959	Quikrete T/L B	Floating	6,194,871.87	LIBOR (1 month)	2.50%	2.75%	2.75%		170,358.98
LX152098	Quorum Health T/L	Floating	1,715,691.87	LIBOR (1 month)	2.50%	6.75%	6.75%	1.00%	115,809.20
LX159617	RadNet Management T/L B (01/17)	Floating	3,460,764.97	LIBOR (3 months)	2.78%	3.75%	3.75%	1.00%	129,778.69
LX159617	RadNet Management T/L B (01/17)	Floating	49,439.50	Prime	5.50%	2.75%	8.25%		4,078.76
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	Floating	491,250.00	LIBOR (3 months)	2.78%	2.00%	2.00%		9,825.00
LX152765	Riverbed Technology T/L 1st Lien	Floating	1,000,000.00	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	32,500.00
LX155106	RP Crown Parent (JDA Software) T/L B	Floating	3,425,333.81	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	94,196.68
LX152375	Russell Investments T/L B	Floating	9,407,291.56	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	305,736.98
LX171269	Scientific Games T/L B-5	Floating	4,782,130.46	LIBOR (1 month)	2.50%	2.75%	2.75%		131,508.59
LX171269	Scientific Games T/L B-5	Floating	1,144,304.84	LIBOR (1 month)	2.50%	2.75%	2.75%		31,468.38
LX135384	Seadrill T/L B	Floating	1,815.79	LIBOR (3 months)	2.80%	6.00%	6.00%	1.00%	108.95
LX156211	ServiceMaster T/L C	Floating	1,402,011.23	LIBOR (1 month)	2.50%	2.50%	2.50%		35,050.28
LX158094	Sinclair Television T/L B2	Floating	1,684,265.93	LIBOR (1 month)	2.50%	2.25%	2.25%		37,895.98
LX145736	Six Flags T/L B	Floating	582,622.81	LIBOR (3 months)	2.75%	1.75%	1.75%		10,195.90





# Weighted Average Spread

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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX151194	Solera T/L B	Floating	1,852,378.99	LIBOR (1 month)	2.50%	2.75%	2.75%		50,940.42
LX159036	Sophia / Ellucian T/L B	Floating	4,451,809.03	LIBOR (3 months)	2.80%	3.25%	3.25%	1.00%	144,683.79
LX141908	Southeast PowerGen T/L B	Floating	152,230.75	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	5,328.08
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Floating	3,922,431.77	LIBOR (3 months)	2.78%	3.25%	3.25%	1.00%	127,479.03
LX169358	Springer Science T/L B13	Floating	1,691,882.70	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	59,215.89
LX169358	Springer Science T/L B13	Floating	149,273.46	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	5,224.57
LX169358	Springer Science T/L B13	Floating	295,781.18	LIBOR (1 month)	2.50%	3.50%	3.50%	1.00%	10,352.34
LX159257	Sprint Communications T/L	Floating	2,063,250.00	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	51,581.25
LX160837	SS&C Technologies T/L B1 (03/17)	Floating	2,834,941.17	LIBOR (1 month)	2.50%	2.25%	2.25%		63,786.18
LX145044	StandardAero (DAE Aviation/VCSA) T/L	Floating	7,092,783.51	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	265,979.38
LX152816	Station Casinos T/L B (6/16)	Floating	4,419,263.40	LIBOR (1 month)	2.50%	2.50%	2.50%	0.75%	110,481.59
LX169531	Summit Materials T/L (11/17)	Floating	1,980,000.00	LIBOR (1 month)	2.50%	2.00%	2.00%		39,600.00
LX165294	Surgery Center Holdings T/L B (06/17)	Floating	5,724,637.71	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	186,050.73
LX171276	Syniverse Holdings T/L (01/18)	Floating	1,895,226.13	LIBOR (1 month)	2.49%	5.00%	5.00%	1.00%	94,761.31
LX156377	Team Health Holdings T/L	Floating	2,947,500.00	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	81,056.25
LX159275	Telesat Canada T/L 2018 B-4	Floating	8,690,381.26	LIBOR (3 months)	2.81%	2.50%	2.50%	0.75%	217,259.53
LX162876	Tempo Acquisition T/L	Floating	836,569.50	LIBOR (1 month)	2.50%	3.00%	3.00%		25,097.09
LX168447	TMK Hawk T/L (Trimark USA)	Floating	2,962,820.51	LIBOR (1 month)	2.50%	3.50%	3.50%		103,698.72
LX173457	Transdigm 2018 New T/L F	Floating	5,488,809.72	LIBOR (1 month)	2.50%	2.50%	2.50%		137,220.24
LX168620	Traverse Midstream T/L B	Floating	5,298,901.46	LIBOR (6 months)	2.60%	4.00%	4.00%	1.00%	211,956.06
LX159214	Tribune Media T/L C (01/17)	Floating	489,408.64	LIBOR (1 month)	2.50%	3.00%	3.00%	0.75%	14,682.26
LX173568	Trinseo Materials T/L (05/18)	Floating	363,815.81	LIBOR (1 month)	2.50%	2.00%	2.00%		7,276.32
LX168798	Tronox Blocked Borrower T/L B2	Floating	1,646,162.77	LIBOR (1 month)	2.50%	3.00%	3.00%		49,384.88
LX168581	Tronox T/L B (09/17)	Floating	3,798,837.23	LIBOR (1 month)	2.50%	3.00%	3.00%		113,965.12
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	Floating	5,825,391.88	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	218,452.20
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Floating	600,000.00	LIBOR (1 month)	2.50%	8.25%	8.25%	1.00%	49,500.00
LX172243	Uber Technologies T/L (3/18)	Floating	1,994,987.47	LIBOR (1 month)	2.52%	4.00%	4.00%	1.00%	79,799.50
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	Floating	1,396,428.57	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	45,383.93
LX173324	United Airlines T/L B (05/18)	Floating	2,456,250.00	LIBOR (1 month)	2.50%	1.75%	1.75%		42,984.38
LX169120	Unitymedia Finance T/L D	Floating	2,000,000.00	LIBOR (1 month)	2.49%	2.25%	2.25%		45,000.00
LX169609	Univar T/L B3 (11/17)	Floating	3,357,142.25	LIBOR (1 month)	2.50%	2.25%	2.25%		75,535.70
LX161197	Univision Communications T/L C5	Floating	11,988,000.52	LIBOR (1 month)	2.50%	2.75%	2.75%	1.00%	329,670.01
LX162476	Urban One T/L	Floating	1,584,815.91	LIBOR (1 month)	2.50%	4.00%	4.00%	1.00%	63,392.64





# Weighted Average Spread

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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX153134	US Foods Second Incremental T/L	Floating	3,314,007.62	LIBOR (1 month)	2.50%	2.00%	2.00%		66,280.15
LX167989	USI Incremental T/L	Floating	3,459,962.40	LIBOR (3 months)	2.80%	3.00%	3.00%		103,798.87
LX168056	USS Ultimate Holdings 2nd Lien T/L	Floating	1,000,000.00	LIBOR (1 month)	2.50%	7.75%	7.75%	1.00%	77,500.00
LX168054	USS Ultimate Holdings T/L (United Site)	Floating	3,229,478.82	LIBOR (1 month)	2.50%	3.75%	3.75%	1.00%	121,105.46
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	Floating	388,000.00	LIBOR (1 month)	2.50%	8.00%	8.00%	1.00%	31,040.00
LX169239	VC GB Holdings T/L (Generation Brands)	Floating	5,177,258.26	LIBOR (1 month)	2.50%	3.00%	3.00%	1.00%	155,317.75
LX156640	Vertellus T/L 2nd Lien	Floating	332,161.54	LIBOR (1 week)	2.41%	12.00%	12.00%	1.00%	39,859.38
LX161714	Vertiv Group (Cortes NP Acquisition) T/L B	Floating	1,100,000.00	LIBOR (3 months)	2.71%	4.00%	4.00%	1.00%	44,000.00
LX169525	Virgin Media T/L K	Floating	250,000.00	LIBOR (1 month)	2.49%	2.50%	2.50%		6,250.00
LX155779	Vistra Operations (Tex Operations) Exit T/L B	Floating	7,032,152.15	LIBOR (1 month)	2.50%	2.00%	2.00%		140,643.04
LX157720	Vistra Operations Company T/L B (12/16)	Floating	4,144,645.53	LIBOR (1 month)	2.50%	2.25%	2.25%		93,254.52
LX144232	Wash Multifamily T/L (1st Lien)	Floating	912,427.00	LIBOR (1 month)	2.50%	3.25%	3.25%	1.00%	29,653.88
LX169662	Weight Watchers T/L B (11/17)	Floating	9,248,437.50	LIBOR (3 months)	2.81%	4.75%	4.75%	0.75%	439,300.78
LX169662	Weight Watchers T/L B (11/17)	Floating	123,312.50	LIBOR (3 months)	2.81%	4.75%	4.75%	0.75%	5,857.34
LX165665	WEX T/L B-2 (Wright Express)	Floating	4,031,009.94	LIBOR (1 month)	2.50%	2.25%	2.25%		90,697.72
LX153816	WireCo WorldGroup T/L B	Floating	572,742.66	LIBOR (1 month)	2.50%	5.00%	5.00%	1.00%	28,637.13
LX166414	Zayo Group T/L B2	Floating	360,223.70	LIBOR (1 month)	2.50%	2.25%	2.25%	1.00%	8,105.03
LX159375	Ziggo Secured Finance T/L E	Floating	338,709.68	LIBOR (1 month)	2.49%	2.50%	2.50%		8,467.74

<b>Totals:</b>	<b>246</b>		<b>524,599,076.69</b>		<b>16,287,080.39</b>
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**ACIS CLO 2015-6 LTD.**  
**Weighted Average Coupon**

As of Date: 02/21/2019  
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Security I.D.	Security Description	Coupon Type	Principal Balance	Cash Coupon
LX145695	Minerals Technologies T/L B2 (Fixed)	Fixed	5,581,498.55	4.75%
Totals:		1	5,581,498.55	4.75%





**ACIS CLO 2015-6 LTD.**  
**Rating Detail**  
 As of Date: 02/21/2019  
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Security I.D.	Security Description	Moody's						S & P				
		Type	Status	Rating	Default Prob.	Date	Rec Rate	Type	Status	Rating	Date	Rec Rate
LX160554	1011778 B.C. Unlimited (Burger King / Restaurant Brands) T/L B3	MR		Ba3	B1		50.00	SCC		B+		30.00
LX169636	84 Lumber T/L B-1	MR		B3	B2		40.00	SCC		B+		40.00
LX144914	Academy T/L B	MR		Caa2	Caa1		40.00	SCC		CCC+		27.00
LX172091	Acadia Healthcare T/L B3	MR		Ba2	B1		60.00	SCC		B		50.00
LX172092	Acadia Healthcare T/L B4	MR		Ba2	B1		60.00	SCC		B		50.00
LX167634	Accudyne Industries T/L (07/17)	MR		B3	B3		45.00	SCC		B		30.00
LX138509	Advantage Sales 2nd lien T/L (Karman)	MR	CW-	Caa1	B2	16-Jan-19	15.00	SCC		B		2.00
LX138508	Advantage Sales T/L 1st Lien (Karman)	MR	CW-	B1	B2	16-Jan-19	50.00	SCC		B		40.00
LX163240	Advantage Sales T/L B Incremental	MR	CW-	B1	B2	16-Jan-19	50.00	SCC		B		40.00
LX172523	AES Corporation T/L B (03/18)	MR		Baa3	Ba1		50.00	SCC		BB+		65.00
LX159618	AI Mistral T/L (V. Group)	MR		B2	B3		50.00	SCC		B		30.00
LX171691	Air Medical T/L B	MR		B1	B2		50.00	SCC		B		40.00
LX132200	Akorn T/L B	MR		Caa1	Caa1		45.00	SCC		B-		30.00
LX164597	Albertson's T/L B5 (05/17)	MR		Ba2	B1		60.00	SCC		B		65.00
LX176679	Albertson's T/L B7	MR		Ba2	B1		60.00	SCC		B		65.00
LX161956	AlixPartners T/L B	MR		B2	B2		45.00	SCC		B+		30.00
LX155973	American Airlines Replacement T/L B (AMR)	MR		Ba1	Ba3		60.00	SCC		BB-		65.00
LX165158	American Airlines T/L B (06/17)	MR		Ba1	Ba3		60.00	SCC		BB-		65.00
LX169521	American Airlines T/L B (11/17)	MR		Ba1	Ba3		60.00	SCC		BB-		65.00
LX172603	American Builders & Contractors T/L B-2	MR		B1	B1		45.00	SCC		BB		60.00
LX165074	American Renal T/L B	MR		B2	B2		45.00	SCC		B		30.00
LX171458	Apex Tool Group T/L B (02/18)	MR		B2	B3		50.00	SCC		B		40.00
LX168507	Applied Systems T/L B (09/17)	MR		B2	B3		50.00	SCC		B-		40.00
LX173667	Aramark Services T/L B-2	MR		Ba1	Ba2		50.00	SCC		BB+		65.00
LX160614	Arch Coal T/L B (02/17)	MR		Ba3	Ba3		45.00	SCC		BB-		60.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2015-6 LTD.

### Rating Detail

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Security I.D.	Security Description	Moody's						S & P				
		Type	Status	Rating	Default Prob.	Date	Rec Rate	Type	Status	Rating	Date	Rec Rate
LX151102	Armstrong World Industries T/L B	MR		Ba3	Ba3		45.00	SCC		BB+		60.00
LX168847	AssuredPartners T/L (09/17)	MR		B2	B3		50.00	SCC		B		30.00
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	MR		Ba1	Ba3		60.00	SCC		BB		65.00
LX168574	Beacon Roofing T/L B	MR		B1	B1		45.00	SCC		BB-		65.00
LX171370	Berry Global (Berry Plastics) T/L Q	MR		Ba2	Ba3		50.00	SCC		BB+		65.00
LX159354	BJs Wholesale Club T/L B	MR		B2	B1		40.00	SCC		B		50.00
LX176001	Blount International T/L B (09/18)	MR		B1	B1		45.00	SCC		B		30.00
LX171678	Booz Allen T/L B	MR		Ba1	Ba2		50.00	SCC		BB		40.00
LX161204	Boyd Gaming T/L B3	MR		Ba3	B2		60.00	SCC		B+		65.00
LX165183	Brand Energy & Infrastructure T/L	MR		B3	B3		45.00	SCC		B		30.00
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	MR		B1	B1		45.00	SCC		B		40.00
LX159595	Builders Firstsource T/L	MR		B3	B2		40.00	SCC		BB-		30.00
LX149099	Calpine Corporation T/L B-6	MR		Ba2	Ba3		50.00	SCC		B+		65.00
LX152606	Calpine Corporation T/LB7	MR		Ba2	Ba3		50.00	SCC		B+		65.00
LX159606	Calpine T/L B8	MR		Ba2	Ba3		50.00	SCC		B+		65.00
LX167639	Canyon Valor Companies (GTCR) T/L B	MR		B2	B2		45.00	SCC		B		40.00
LX161335	Capital Automotive 1st Lien T/L	MR		B1	B2		50.00	SCC		B		30.00
LX161337	Capital Automotive 2nd Lien T/L	MR		B3	B2		25.00	SCC		B		2.00
LX177791	Carestream Health T/L (12/18)	MR		B1	B3		60.00	SCC		B		40.00
LX137090	Catalent Pharma T/L B (new)	MR		Ba2	B1		60.00	SCC		BB-		60.00
LX152766	Cengage Learning T/L B	MR		B2	B3		50.00	SCC		B-		50.00
LX161598	CenturyLink T/L B	MR		Ba3	Ba3		45.00	SCC		BB		65.00
LX159695	Change Healthcare T/L	MR		B1	B2		50.00	SCC		B+		40.00
LX170173	Charter Communications Operating T/L (12/17)	MR		Ba1	Ba2		50.00	SCC		BBB-		65.00
LX168877	Circor International T/L	MR		B1	B2		50.00	SCC		B+		30.00

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<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2015-6 LTD

Rating Detail

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Security I.D.	Security Description	Moody's						S & P				
		Type	Status	Rating	Default Prob.	Date	Rec Rate	Type	Status	Rating	Date	Rec Rate
LX171813	Clark Equipment T/L B	MR		Ba3	Ba3		45.00	SCC		BB-		50.00
LX165894	Clean Harbors T/L	MR		Ba1	Ba2		50.00	SCC		BB+		65.00
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	MR		B2	B3		50.00	SCC		B		40.00
LX148894	Commscope T/L Tranche 5	MR		Baa3	Ba3		60.00	SCC		BB-		65.00
LX161695	CSC Holdings T/L B (03/17)	MR		Ba3	B1		50.00	SCC		B+		50.00
LX174067	Cumulus Media T/L	MR		B3	B3		45.00	SCC		B-		50.00
LX161958	Cypress Intermediate (CCC Info) T/L B	MR		B2	B3		50.00	SCC		B-		50.00
LX163416	Dayco Products T/L B (04/17)	MR		B2	B2		45.00	SCC		B		27.00
LX154380	Dayton Power T/L B	MR		A3	Ba1		60.00	SCC		BBB-		75.00
LX171816	Delos Finance T/L (03/18)	MR		Baa2	Baa3		50.00	SCC		BBB-		45.00
LX128948	Doncasters T/L	MR		Caa1	Caa1		45.00	SCC		CCC+		27.00
LX172338	DTI Holdco T/L B-1 (Epiq)	MR		B3	B3		45.00	SCC		B		30.00
LX140953	Eastern Power (TPF II Power) T/L B	MR		B1	B2		50.00	SCC		B+		40.00
LX155237	Eldorado Resorts T/L B (03/17)	MR		Ba1	B1		60.00	SCC		B+		65.00
LX163026	Endo Luxembourg Finance T/L B	MR		Ba2	B2		60.00	SCC		B		65.00
LX173466	ESH Hospitality (Extended Stay) T/L B (New)	MR		Ba2	Ba3		50.00	SCC		BB-		65.00
LX136501	Evergreen Skills T/L (First Lien)	MR		B3	Caa1		50.00	SCC		CCC+		40.00
LX159615	ExamWorks T/L B1	MR		B1	B2		50.00	SCC		B		30.00
LX169510	Excelitas Technologies T/L (EXC Holdings)	MR		B2	B3		50.00	SCC		B-		30.00
LX173032	Ferro T/L B-1	MR		Ba3	Ba3		45.00	SCC		BB-		30.00
LX165177	First Data T/L 2022D	MR	CW+	Ba2	Ba3	16-Jan-19	50.00	SCC	CW+	BB	16-Jan-19	60.00
LX169513	First Data T/L 2024A New Dollar	MR	CW+	Ba2	Ba3	16-Jan-19	50.00	SCC	CW+	BB	16-Jan-19	60.00
LX167187	Flexential Intermediate T/L B (Peak 10)	MR		B2	B3		50.00	SCC		B-		40.00
LX155300	Fort Dearborn 1st Lien T/L	MR		B2	B3		50.00	SCC		B-		30.00
LX155301	Fort Dearborn 2nd Lien T/L	MR		Caa2	B3		15.00	SCC		B-		2.00

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<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





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LX162521	Forterra Finance T/L (04/17)	MR		B3	B3		45.00	SCC		B-		27.00
LX148220	Frontier Communications T/L 2	MR		B2	B3		50.00	SCC		CCC+		65.00
LX155134	G-III Apparel Group T/L B (10/16)	MR		Ba3	Ba3		45.00	SCC		BB-		60.00
LX173608	Generac Power T/L B (6/2018)	MR		Ba2	Ba2		45.00	SCC		BB-		30.00
LX175013	GIP III Stetson T/L B	MR		Ba3	Ba3		45.00	SCC		B+		30.00
LX172106	Global Payments T/L B (03/18)	MR		Ba2	Ba2		45.00	SCC		BB+		50.00
LX168592	Golden Nugget T/L B (09/17)	MR		Ba3	B2		60.00	SCC		B		60.00
LX141386	Granite Acq 2nd Lien T/L (Wheelabrator)	MR		B3	B1		15.00	SCC		B+		2.00
LX141384	Granite Acq T/L B (Wheelabrator)	MR		B1	B1		45.00	SCC		B+		30.00
LX141385	Granite Acq T/L C (Wheelabrator)	MR		B1	B1		45.00	SCC		B+		30.00
LX159621	Gray Television T/L B	MR		Ba2	B1		60.00	SCC		B+		65.00
LX158207	Grifols Worldwide Operations T/L B	MR		Ba2	Ba3		50.00	SCC		BB		60.00
LX165794	Gruden Acquisition T/L	MR		B2	B3		50.00	SCC		B-		30.00
LX170998	Harbor Freight Tools T/L B (1/18)	MR		Ba3	Ba3		45.00	SCC		BB-		30.00
LX167057	Hayward Industries T/L	MR		B3	B3		45.00	SCC		B		30.00
LX168918	HB Fuller T/L B	MR		Ba2	Ba3		50.00	SCC		BB+		30.00
LX144819	HCA Inc T/L A5	MR		Baa3	Ba1		50.00	SCC		BB+		65.00
LX171927	HCA Inc T/L B11	MR		Baa3	Ba1		50.00	SCC		BB+		65.00
LX176498	HD Supply T/L B-5	MR		Ba2	Ba2		45.00	SCC		BB+		65.00
LX167192	HD Supply Waterworks T/L (CD&R Merger)	MR		B2	B2		45.00	SCC		B+		40.00
LX170077	Hyperion Refinance T/L	MR		B2	B2		45.00	SCC		B		30.00
LX130210	Iheart T/L D (Clear Channel)	MR	DEF	Caa3	Caa3	29-Mar-18	45.00	SCC	DEF	CCC+	29-Mar-18	45.00
LX169195	Ineos US Finance T/L (2024 Dollar)	MR		Ba1	Ba2		50.00	SCC		BB		60.00
LX159959	Infor US (Lawson) T/L B-6	MR	CW+	B1	B3	18-Jan-19	60.00	SCC		B-		50.00
LX164174	ION Media T/L (05/17)	MR		B1	B1		45.00	SCC		BB-		40.00

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<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
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LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	MR		Ba1	Ba2		50.00	SCC		BB+		50.00
LX170080	Jeld-Wen T/L B4	MR		Ba2	Ba3		50.00	SCC		BB-		65.00
LX155217	Jo-Ann Stores T/L	MR		B1	B2		50.00	SCC		B		40.00
LX164714	KAR Auction Services T/L B-4	MR	CW-	Ba2	B1	01-Mar-18	60.00	SCC		BB-		30.00
LX164715	KAR Auction Services T/L B-5	MR	CW-	Ba2	B1	01-Mar-18	60.00	SCC		BB-		30.00
LX146975	Kenan Advantage T/L B (Canadian)	MR		B1	B2		50.00	SCC		B		50.00
LX146807	Kenan Advantage T/L B (U.S.)	MR		B1	B2		50.00	SCC		B		50.00
LX159619	Kinetic Concepts (Acelity) (1/17) T/L	MR		B1	B2		50.00	SCC		B		40.00
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	MR		B1	B3		60.00	SCC		CCC+		30.00
LX155550	Kronos T/L (2nd Lien)	MR		Caa2	B3		15.00	SCC		B-		2.00
LX163804	Kronos T/L B	MR		B2	B3		50.00	SCC		B-		50.00
LX162675	Laureate Education T/L 2024	MR		B2	B2		45.00	SCC		B		50.00
LX156663	Learfield Communications (A-L Parent) Initial T/L 1st Lien	MSI		B1	B2		50.00	SCC		B		50.00
LX154098	Leslie's Poolmart T/L B	MR		B2	B3		50.00	SCC		B		27.00
LX160334	Level 3 Financing T/L	MR		Ba1	Ba3		60.00	SCC		BB		65.00
LX136370	Libbey Glass T/L	MR		B2	B2		45.00	SCC		B		30.00
LX138016	Liberty Cablevision T/L B (San Juan Cable)	MR		B2	B3		50.00	SCC		B		30.00
LX159083	Life Time Fitness 2017 Refinancing T/L B	MR		B1	B2		50.00	SCC		B		65.00
LX171260	Lightstone Holdco T/L B	MR		Ba3	B1		50.00	SCC		B+		50.00
LX171261	Lightstone T/L C	MR		Ba3	B1		50.00	SCC		B+		50.00
LX165714	Live Nation T/L B-3	MR		Ba1	Ba3		60.00	SCC		BB-		60.00
LX168615	LPL Holdings Incremental T/L B	MR		Ba2	Ba3		50.00	SCC		BB		45.00
LX162914	MA FinanceCo T/L B2	MR		B1	B1		45.00	SCC		BB-		40.00
LX168182	Match Group T/L B	MR		Ba2	Ba2		45.00	SCC		BB		65.00
LX169251	MCC IOWA T/L M (Mediacom)	MR		Ba2	Ba2		45.00	SCC		BB		65.00

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<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
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LX152400	McGraw-Hill Global Education Holdings T/L	MR		B1	B2		50.00	SCC		B		60.00
LX172427	Mediacom T/L N	MR		Ba2	Ba2		45.00	SCC		BB		50.00
LX173656	Michaels Stores T/L B	MR		Ba2	Ba2		45.00	SCC		BB-		65.00
LX160061	Minerals Technologies T/L B1 (2/17)	MR		Ba2	Ba2		45.00	SCC		BB		50.00
LX145695	Minerals Technologies T/L B2 (Fixed)	MR		Ba2	Ba2		45.00	SCC		BB		50.00
LX155231	Mohegan Tribal T/L A	MR		B1	B2		50.00	SCC		B-		45.00
LX152711	MPH Acquisition (Multiplan) T/L B	MR		B1	B3		60.00	SCC		B+		30.00
LX165715	MTS Systems Corporation T/L B (06/17)	MR		B1	B1		45.00	SCC		BB-		40.00
LX168706	Multi-Color T/L B (Collotype)	MR		Ba2	Ba3		50.00	SCC		B+		60.00
LX157681	National Financial Partners (NFP) T/L B	MR		B2	B3		50.00	SCC		B		30.00
LX171717	NeuStar T/L B4 (03/18)	MR		B1	B2		50.00	SCC		B		65.00
LX162460	Nielsen Finance T/L B4	MR		Ba1	Ba3		60.00	SCC		BB		65.00
LX155280	NN, Inc T/L B (9/16)	MR		B2	B3		50.00	SCC		B		40.00
LX153092	NRG Energy T/L B 6/16	MR		Baa3	Ba2		60.00	SCC		BB		65.00
LX157595	Oberthur Technologies T/L B (USD)	MR		B2	B2		45.00	SCC		B-		40.00
LX157136	Ocwen T/L B	MR		B2	Caa1		60.00	SCC		B-		65.00
LX170070	Oxbow Carbon T/L B (12/17)	MR		B1	B2		50.00	SCC		BB-		60.00
LX167279	Parexel International T/L B	MR		B1	B2		50.00	SCC		B		27.00
LX171402	Party City T/L	MR		Ba2	Ba3		50.00	SCC		B+		50.00
LX168737	PSC Industrial Holdings T/L	MR		B2	B3		50.00	SCC		B		65.00
LX155959	Quikrete T/L B	MR		B1	B1		45.00	SCC		BB-		27.00
LX152098	Quorum Health T/L	MR		B1	B3		60.00	SCC		B-		40.00
LX159617	RadNet Management T/L B (01/17)	MR		B1	B2		50.00	SCC		B		30.00
LX162993	RHP Hotel Properties T/L B (Ryman Hospitality Properties)	MR		Ba3	Ba3		45.00	SCC		B+		65.00
LX152765	Riverbed Technology T/L 1st Lien	MR		B2	B3		50.00	SCC		B		50.00

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<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
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LX155106	RP Crown Parent (JDA Software) T/L B	MR		B1	B2		50.00	SCC		B		30.00
LX152375	Russell Investments T/L B	MR		Ba2	Ba2		45.00	SCC		BB-		27.00
LX171269	Scientific Games T/L B-5	MR		Ba3	B2		60.00	SCC		B		60.00
LX135384	Seadrill T/L B	MR		Caa2	Caa2		45.00	SCC		CCC+		30.00
LX156211	ServiceMaster T/L C	MR		Baa3	Ba3		60.00	SCC		BB-		65.00
LX158094	Sinclair Television T/L B2	MR		Ba1	Ba3		60.00	SCC		BB-		65.00
LX145736	Six Flags T/L B	MR		Ba1	B1		60.00	SCC		BB		65.00
LX151194	Solera T/L B	MR		Ba3	B2		60.00	SCC		B-		60.00
LX159036	Sophia / Ellucian T/L B	MR		B2	B3		50.00	SCC		B-		50.00
LX141908	Southeast PowerGen T/L B	MR		Ba3	B1		50.00	SCC		B-		40.00
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	MR		B2	B3		50.00	SCC		B		40.00
LX169358	Springer Science T/L B13	MR		B2	B2		45.00	SCC		B		40.00
LX159257	Sprint Communications T/L	MR	CW+	Ba2	B2	29-Apr-18	60.00	SCC	CW+	B+	30-Apr-18	65.00
LX160837	SS&C Technologies T/L B1 (03/17)	MR		Ba3	Ba3		45.00	SCC		BB		30.00
LX145044	StandardAero (DAE Aviation/VCSA) T/L	MR		B2	B3		50.00	SCC		B		30.00
LX152816	Station Casinos T/L B (6/16)	MR		Ba3	B1		50.00	SCC		B+		60.00
LX169531	Summit Materials T/L (11/17)	MR		Ba2	B1		60.00	SCC		BB		65.00
LX165294	Surgery Center Holdings T/L B (06/17)	MR		B1	B3		60.00	SCC		B-		30.00
LX171276	Syniverse Holdings T/L (01/18)	MR		B2	B3		50.00	SCC		B		27.00
LX156377	Team Health Holdings T/L	MR		B2	B3		50.00	SCC		B		30.00
LX159275	Telesat Canada T/L 2018 B-4	MR		Ba3	B1		50.00	SCC		BB-		40.00
LX162876	Tempo Acquisition T/L	MR		B1	B2		50.00	SCC		B		30.00
LX168447	TMK Hawk T/L (Trimark USA)	MR		B3	B3		45.00	SCC		B		30.00
LX141526	Toys R Us T/L B4	MR	DEF	Caa3	Caa3	20-Sep-17	45.00	SCC	DEF	CCC-	20-Sep-17	37.00
LX173457	Transdigm 2018 New T/L F	MR		Ba3	B1		50.00	SCC		B+		30.00

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<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
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LX168620	Traverse Midstream T/L B	MR		B2	B2		45.00	SCC		B+		27.00
LX159214	Tribune Media T/L C (01/17)	MR		Ba3	B1		50.00	SCC		BB-		65.00
LX173568	Trinseo Materials T/L (05/18)	MR		Ba2	Ba3		50.00	SCC		BB-		65.00
LX168798	Tronox Blocked Borrower T/L B2	MR		Ba3	B1		50.00	SCC		B		65.00
LX168581	Tronox T/L B (09/17)	MR		Ba3	B1		50.00	SCC		B		65.00
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	MR		B2	B3		50.00	SCC		B		30.00
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	MR		Caa2	B3		15.00	SCC		B		2.00
LX172243	Uber Technologies T/L (3/18)	PR		-	-		-	PR		-		-
LX153867	UFC Holdings (Zuffa) 1st Lien T/L	MSI		B1	B2		50.00	SCC		B		60.00
LX173324	United Airlines T/L B (05/18)	MR		Baa3	Ba2		60.00	SCC		BB		65.00
LX169120	Unitymedia Finance T/L D	MR	CW+	Ba3	B1	11-May-18	50.00	SCC	CW+	BB	17-May-18	40.00
LX169609	Univar T/L B3 (11/17)	MR		Ba3	Ba3		45.00	SCC		BB		50.00
LX161197	Univision Communications T/L C5	MR		B2	B2		45.00	SCC		B		40.00
LX162476	Urban One T/L	MR		B2	B3		50.00	SCC		B-		40.00
LX153134	US Foods Second Incremental T/L	MR	CW-	Ba3	Ba3	30-Jul-18	45.00	SCC		BB+		50.00
LX167989	USI Incremental T/L	MR		B2	B3		50.00	SCC		B		30.00
LX168056	USS Ultimate Holdings 2nd Lien T/L	MR		Caa2	B3		15.00	SCC		B		2.00
LX168054	USS Ultimate Holdings T/L (United Site)	MR		B2	B3		50.00	SCC		B		40.00
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	MR		Caa1	B2		15.00	SCC		B		2.00
LX169239	VC GB Holdings T/L (Generation Brands)	MR		B2	B2		45.00	SCC		B		30.00
LX156640	Vertellus T/L 2nd Lien	MR		Caa3	Caa3		30.00	SCC		CCC-		16.00
LX161714	Vertiv Group (Cortes NP Acquisition) T/L B	MR		B1	B3		60.00	SCC		B		40.00
LX169525	Virgin Media T/L K	MR		Ba3	Ba3		45.00	SCC		BB-		40.00
LX155779	Vistra Operations (Tex Operations) Exit T/L B	MR		Ba1	Ba2		50.00	SCC		BB		65.00
LX157720	Vistra Operations Company T/L B (12/16)	MR		Ba1	Ba2		50.00	SCC		BB		65.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2015-6 LTD

Rating Detail

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's						S & P				
		Type	Status	Rating	Default Prob.	Date	Rec Rate	Type	Status	Rating	Date	Rec Rate
LX144232	Wash Multifamily T/L (1st Lien)	MR		B2	B3		50.00	SCC		B		40.00
LX169662	Weight Watchers T/L B (11/17)	MR		Ba2	Ba3		50.00	SCC		B+		60.00
LX165665	WEX T/L B-2 (Wright Express)	MR		Ba3	Ba3		45.00	SCC		BB-		30.00
LX153816	WireCo WorldGroup T/L B	MR		B3	B3		45.00	SCC		B		50.00
LX166414	Zayo Group T/L B2	MR	CW-	Ba2	B2	08-Nov-18	60.00	SCC		B+		65.00
LX159375	Ziggo Secured Finance T/L E	MR		B1	B1		45.00	SCC		B+		30.00

Totals: 206

Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





## Rating Change History

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Principal Balance	Moody's			S & P		
			Curr	Date	Action (1)	Curr	Date	Action (1)
LX144914	Academy T/L B	3,885,310.34	Caa2	29-Jan-19	DNG			
LX148894	Commscope T/L Tranche 5	912,872.24	Baa3	29-Jan-19	OFF(CW-)			
LX151102	Armstrong World Industries T/L B	658,479.04	Ba3	29-Jan-19	UPG			
LX152765	Riverbed Technology T/L 1st Lien	1,000,000.00	B2	08-Feb-19	DNG			
LX154098	Leslie's Poolmart T/L B	976,103.45	B2	30-Jan-19	DNG			
LX155231	Mohegan Tribal T/L A	2,868,216.19	B1	31-Jan-19	OFF(CW-)			
LX159375	Ziggo Secured Finance T/L E	338,709.68				B+	31-Jan-19	DNG
LX159618	Al Mistral T/L (V. Group)	292,874.99	B2	07-Feb-19	DNG			
LX159695	Change Healthcare T/L	7,009,127.00	B1	30-Jan-19	DNG			
LX161695	CSC Holdings T/L B (03/17)	506,846.60	Ba3	04-Feb-19	DNG			
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	5,825,391.88	B2	11-Feb-19	DNG			
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	600,000.00	Caa2	11-Feb-19	DNG			
LX168706	Multi-Color T/L B (Collotype)	990,000.00				B+	21-Feb-19	DNG
LX169609	Univar T/L B3 (11/17)	3,357,142.25	Ba3	12-Feb-19	OFF(CW+)			
LX169609	Univar T/L B3 (11/17)	3,357,142.25	Ba3	12-Feb-19	UPG	BB	11-Feb-19	UPG
LX171717	NeuStar T/L B4 (03/18)	5,490,123.27	WR	11-Feb-19	DNG			
LX171717	NeuStar T/L B4 (03/18)	5,490,123.27	B1	14-Feb-19	UPG			
LX173457	Transdigm 2018 New T/L F	5,488,809.72	Ba3	29-Jan-19	DNG			
LX173457	Transdigm 2018 New T/L F	5,488,809.72	Ba3	29-Jan-19	OFF(CW-)	B+	29-Jan-19	OFF(CW-)

**Totals:** 19 54,536,081.89

Upgrades: 3 Aggregate Balance: 9,505,744.56

Downgrades: 12 Aggregate Balance: 32,403,296.93

### Asset Status Legend: (1)

**DNG** - Downgrade  
**UPG** - Upgrade  
**WDR** - Withdrawn

**N** - Notched / Implied Rating  
**E** - Credit Estimate  
**S** - Shadow Rated

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications  
**DEF** - In Default





**ACIS CLO 2015-6 LTD.**

**Caa/CCC Obligations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's			S & P		
		Rating	Rating Type	Principal Balance	Rating	Rating Type	Principal Balance
LX144914	Academy T/L B	Caa2	MR	3,885,310.34	CCC+	SCC	3,885,310.34
LX138509	Advantage Sales 2nd lien T/L (Karman)	Caa1	MR	4,000,000.00	B	SCC	-
LX132200	Akorn T/L B	Caa1	MR	259,483.43	B-	SCC	-
LX128948	Doncasters T/L	Caa1	MR	2,793,258.55	CCC+	SCC	2,793,258.55
LX136501	Evergreen Skills T/L (First Lien)	B3	MR	-	CCC+	SCC	6,999,634.72
LX155301	Fort Dearborn 2nd Lien T/L	Caa2	MR	250,000.00	B-	SCC	-
LX148220	Frontier Communications T/L 2	B2	MR	-	CCC+	SCC	2,721,126.76
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	B1	MR	-	CCC+	SCC	5,842,023.35
LX155550	Kronos T/L (2nd Lien)	Caa2	MR	1,200,000.00	B-	SCC	-
LX135384	Seadrill T/L B	Caa2	MR	1,815.79	CCC+	SCC	1,815.79
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Caa2	MR	600,000.00	B	SCC	-
LX168056	USS Ultimate Holdings 2nd Lien T/L	Caa2	MR	1,000,000.00	B	SCC	-
LX160230	VC GB Holdings (Generation Brands) 2nd Lien T/L	Caa1	MR	388,000.00	B	SCC	-
LX156640	Vertellus T/L 2nd Lien	Caa3	MR	332,161.54	CCC-	SCC	332,161.54

<b>Totals:</b> 14	<b>14,710,029.65</b>	<b>22,575,331.05</b>
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**Rating Type Legend:**

**SS** - Senior Secured    **RE** - Rating Estimate  
**IR** - Issuer            **SH** - Shadow Rating  
                              **PR** - Private Rating

**MSUS** - Moody's Senior  
**MSI** - Moody's Senior Implied  
**MSS** - Moody's Senior Secured

**SSUS** - S&P Senior Unsecured  
**SCC** - S&P Corporate Credit  
**SSS** - S&P Senior Secured

**DOR** Derived from other rating agency

**Asset Status Legend:**

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications





**ACIS CLO 2015-6 LTD.**  
**Defaulted/Deferring Obligations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Asset Description	Date of Action	Par Amount	S&P Recovery Amount	Market Value	Applicable Value
LX130210	Iheart T/L D (Clear Channel)	Defaulted	20-Oct-17	4,490,000.00	2,020,500.00	3,131,775.00	2,020,500.00
LX141526	Toys R Us T/L B4	Defaulted	18-Sep-17	7,095,443.13	2,625,313.96	3,583,198.78	2,625,313.96
<b>Totals:</b>				<b>11,585,443.13</b>	<b>4,645,813.96</b>	<b>6,714,973.78</b>	<b>4,645,813.96</b>





Discount Obligations

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Security I.D.	Security Description	Moody's Default Probability Rating	Purchase Price	Principal Balance
LX144914	Academy T/L B	Caa1	79.00	13,356.18
LX144914	Academy T/L B	Caa1	79.00	13,356.18
LX144914	Academy T/L B	Caa1	79.00	21,912.48
LX144914	Academy T/L B	Caa1	79.00	21,912.48
LX144914	Academy T/L B	Caa1	79.00	20,869.03
LX144914	Academy T/L B	Caa1	79.00	20,869.03
LX144914	Academy T/L B	Caa1	79.00	12,100.91
LX144914	Academy T/L B	Caa1	79.00	12,100.91
Totals:				8136,477.18





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As of Date: 02/21/2019

Payment Date: 05/01/2019

<b>Totals:</b>	<b>0</b>	<b>-</b>
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**ACIS CLO 2015-6 LTD**

**Hedge Characteristics**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Nbr	Primary Type	Reference Security I.D.	Synthetic Asset and Hedge Characteristics	Counterparty	Trade Date	Effective Date	Termination Date	Reference Index	(1) Reference Index





**ACIS CLO 2015-6 LTD**

**Hedge Calculations**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



		Party A				Party B				
Nbr	P / I	Notional		Current	Current	Notional		Current	Current	Net
		Amount	Rate	Days	Payment	Amount	Rate	Days	Payment	
										Payment

Totals: 0





**ACIS CLO 2015-6 LTD.**

**ETB Subsidiary**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



Blocker Subsidiary Name	Security or Obligation Held	Issuer	Asset	Amount	Collateral that has been transferred in and/or out
ACIS CLO 2015-6 Chemical Holdings, LLC		Vertellus Holdings	Common	265,729.00	In - 10/31/2016
Cash Held:				0.00	

<b>Total:</b>	<b>265,729.00</b>
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**ACIS CLO 2015-6 LTD.**

**Equity Securities**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



LoanX ID	Security Description	Asset Description	# of Units/Shares
75957V104	FGI Operating Company - C/S	Equity	40,848

Totals: 1





# Stratifications - Characteristics

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Principal Balances

Current Principal Balances	# of Assets	Principal Balance	% of Balance	Rating(1)
0 to 500,000.00	32	10,357,712.63	1.95 %	B1
500,000.00 to 1,000,000.00	36	27,668,499.87	5.22 %	B1
1,000,000.00 to 1,500,000.00	19	24,748,863.77	4.67 %	B1
1,500,000.00 to 2,000,000.00	17	30,245,525.19	5.70 %	Ba3
2,000,000.00 to 2,500,000.00	9	20,348,207.01	3.84 %	B1
2,500,000.00 to 3,000,000.00	16	45,154,769.48	8.52 %	B1
3,000,000.00 to 3,500,000.00	20	65,201,484.83	12.30 %	B1
3,500,000.00 to 4,000,000.00	11	41,796,502.05	7.88 %	B2
4,000,000.00 to 4,500,000.00	13	51,760,751.02	9.76 %	Ba3
4,500,000.00 to 5,000,000.00	-	-	-	-
5,000,000.00 to 5,500,000.00	6	32,046,927.35	6.04 %	B1
5,500,000.00 to 6,000,000.00	10	57,796,888.83	10.90 %	B1
6,000,000.00 to 6,500,000.00	2	12,259,208.30	2.31 %	B1
6,500,000.00 to 7,000,000.00	2	13,560,560.74	2.56 %	B3
7,000,000.00 to 7,500,000.00	8	50,205,261.11	9.47 %	Ba3
7,500,000.00 to 8,000,000.00	1	7,571,989.69	1.43 %	B1
8,000,000.00 to 8,500,000.00	-	-	-	-
8,500,000.00 to 9,000,000.00	1	8,690,381.26	1.64 %	Ba3
9,000,000.00 to 9,500,000.00	2	18,779,041.56	3.54 %	Ba2
9,500,000.00 to 10,000,000.00	-	-	-	-
10,000,000.00 to 10,500,000.00	-	-	-	-
10,500,000.00 to 11,000,000.00	-	-	-	-
11,000,000.00 to 11,050,000.00	-	-	-	-
11,050,000.00 to 12,000,000.00	1	11,988,000.52	2.26 %	B2
12,000,000.00 to 99,999,999.00	-	-	-	-
<b>Total</b>	<b>206</b>	<b>530,180,575.21</b>	<b>100.00 %</b>	<b>B1</b>

## Distribution of Coupon Type

Collateral Type	# of Assets	Principal Balance	% of Balance	Rating(1)
Fixed	1	5,581,498.55	1.05 %	Ba2
Floating	205	524,599,076.66	98.95 %	B1
<b>Total</b>	<b>206</b>	<b>530,180,575.21</b>	<b>100.00 %</b>	<b>B1</b>

## Distribution of Fixed Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Rating(1)
0.000% to 5.000%	1	5,581,498.55	100.00 %	Ba2
5.001% to 5.500%	-	-	-	-
5.501% to 6.000%	-	-	-	-
6.001% to 6.500%	-	-	-	-
6.501% to 7.000%	-	-	-	-
7.001% to 7.500%	-	-	-	-
7.501% to 8.000%	-	-	-	-
8.001% to 8.500%	-	-	-	-
8.501% to 9.000%	-	-	-	-
9.001% to 9.500%	-	-	-	-
9.501% to 99.000%	-	-	-	-
<b>Total</b>	<b>1</b>	<b>5,581,498.55</b>	<b>100.00 %</b>	<b>Ba2</b>

## Distribution of Spread Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Rating(1)
-0.500% to 0.000%	-	-	-	-
0.000% to 0.500%	-	-	-	-
0.500% to 1.000%	-	-	-	-
1.000% to 1.500%	1	7,278,252.85	1.39 %	Baa3
1.500% to 2.000%	40	86,982,291.69	16.58 %	Ba2
2.000% to 2.500%	38	90,004,860.69	17.16 %	Ba3
2.500% to 3.000%	40	119,450,511.38	22.77 %	B1
3.000% to 3.500%	34	89,242,141.05	17.01 %	B1
3.500% to 4.000%	21	69,625,552.41	13.27 %	B2
4.000% to 4.500%	6	15,609,077.79	2.98 %	B2
4.500% to 99.000%	25	46,406,388.80	8.85 %	B2
<b>Total</b>	<b>205</b>	<b>524,599,076.66</b>	<b>100.00 %</b>	<b>B1</b>

(1) Based on the definition of "Rating" in the Indenture





# Stratifications - Ratings

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Ratings

Moody's (1)	# of Assets	Principal Balance	% of Balance
Aaa		0.00	-
Aa1		0.00	-
Aa2		0.00	-
Aa3		0.00	-
A1		0.00	-
A2		0.00	-
A3	1	704,375.00	0.13 %
Baa1		0.00	-
Baa2	1	400,000.00	0.08 %
Baa3	7	14,873,617.19	2.81 %
Ba1	18	48,578,087.57	9.16 %
Ba2	37	91,554,671.63	17.27 %
Ba3	30	78,191,073.32	14.75 %
B1	41	115,728,049.24	21.83 %
B2	44	133,085,386.76	25.10 %
B3	13	30,360,297.38	5.73 %
Caa1	4	7,440,741.98	1.40 %
Caa2	6	6,937,126.13	1.31 %
Caa3	3	332,161.54	0.06 %
Ca		0.00	-
C		0.00	-
NR		0.00	-
SUSP		0.00	-
Private	1	1,994,987.47	0.38 %
Shadow		0.00	-
Rating Estimate		0.00	-
<b>Total</b>	<b>206</b>	<b>530,180,575.21</b>	<b>100.00 %</b>

## Distribution of S&P Ratings

S&P (1)	# of Assets	Principal Balance	% of Balance
AAA		0.00	-
AA+		0.00	-
AA		0.00	-
AA-		0.00	-
A+		0.00	-
A		0.00	-
A-		0.00	-
BBB+		0.00	-
BBB		0.00	-
BBB-	3	5,559,375.00	1.05 %
BB+	12	31,357,977.70	5.91 %
BB	25	64,105,756.78	12.09 %
BB-	32	79,556,452.87	15.01 %
B+	31	82,829,956.21	15.62 %
B	70	189,470,884.77	35.74 %
B-	23	52,729,853.36	9.95 %
CCC+	7	22,243,169.51	4.20 %
CCC		0.00	-
CCC-	2	332,161.54	0.06 %
CC		0.00	-
C		0.00	-
SD		0.00	-
D		0.00	-
NR		0.00	-
SUSP		0.00	-
Private	1	1,994,987.47	0.38 %
Shadow		0.00	-
<b>Total</b>	<b>206</b>	<b>530,180,575.21</b>	<b>100.00 %</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.

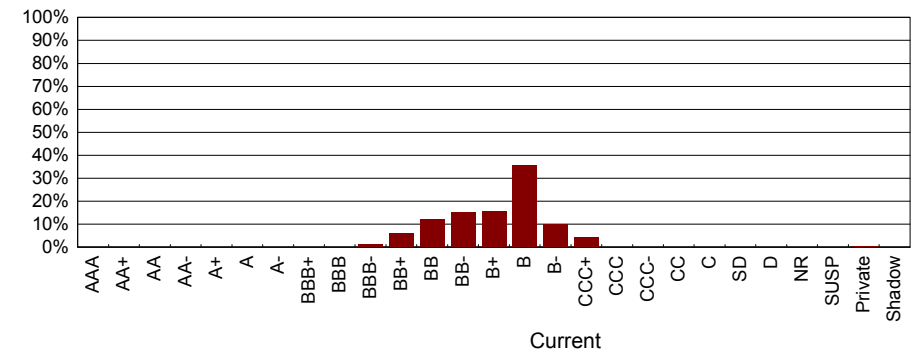
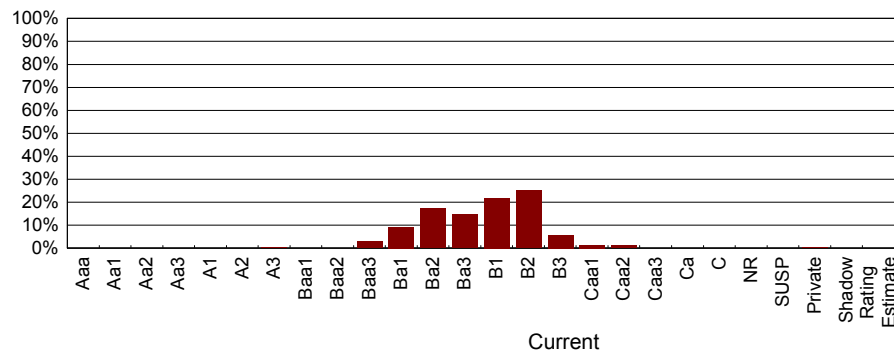




**ACIS CLO 2015-6 LTD.**  
**Stratifications - Ratings**

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)



(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





# Stratifications - Industries

As of Date: 02/21/2019  
Payment Date: 05/01/2019

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Rating(1)
Aerospace & Defense	9	25,464,367.53	4.80 %	Ba3
Automotive	9	25,461,622.96	4.80 %	B1
Banking, Finance, Insurance & Real Estate	12	43,841,060.05	8.27 %	Ba3
Beverage, Food & Tobacco	5	16,836,898.80	3.18 %	Ba2
Capital Equipment	12	27,423,797.93	5.17 %	B2
Chemicals, Plastics, & Rubber	9	18,520,286.86	3.49 %	Ba2
Construction & Building	7	15,268,012.19	2.88 %	B1
Consumer goods: Durable	6	10,840,130.02	2.04 %	B2
Consumer goods: Non-durable	5	22,363,946.71	4.22 %	Ba3
Containers, Packaging & Glass	5	10,125,385.28	1.91 %	B1
Energy: Electricity	5	10,294,777.01	1.94 %	B1
Energy: Oil & Gas	5	14,463,534.57	2.73 %	B1
Environmental Industries	2	4,021,466.45	0.76 %	B1
Forest Products & Paper	1	694,758.75	0.13 %	B1
Healthcare & Pharmaceuticals	14	37,535,297.63	7.08 %	Ba3
High Tech Industries	8	21,921,905.32	4.13 %	B2
Hotel, Gaming & Leisure	11	22,662,593.27	4.27 %	Ba3
Media: Advertising, Printing & Publishing	9	29,949,353.98	5.65 %	B2
Media: Broadcasting & Subscription	12	23,474,815.27	4.43 %	B1
Media: Diversified & Production	3	15,929,502.95	3.00 %	B1
Metals & Mining	4	7,862,191.59	1.48 %	Ba2
Retail	7	13,210,042.37	2.49 %	B3
Services: Business	13	29,324,810.78	5.53 %	B1
Services: Consumer	5	8,098,106.92	1.53 %	B1
Telecommunications	11	35,542,564.52	6.70 %	Ba3
Transportation: Cargo	4	4,704,767.35	0.89 %	B2
Transportation: Consumer	2	9,746,142.37	1.84 %	Ba3
Utilities: Electric	8	14,720,083.41	2.78 %	Ba1
Utilities: Water	1	1,234,375.00	0.23 %	B2
Wholesale	2	8,643,977.37	1.63 %	B1
<b>Total</b>	<b>206</b>	<b>530,180,575.21</b>	<b>100.00 %</b>	<b>B1</b>

## Distribution of S&P Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Rating(1)
Aerospace & Defense	6	17,491,004.63	3.30 %	B
Air transport	4	12,363,387.77	2.33 %	BB-
Automotive	6	17,356,789.55	3.27 %	B+
Building & Development	16	32,999,542.32	6.22 %	BB-
Business equipment & services	19	51,998,554.93	9.81 %	B
Cable & satellite television	7	11,397,273.81	2.15 %	BBB-
Chemicals & plastics	11	25,513,493.51	4.81 %	BB-
Clothing/textiles	1	1,240,480.45	0.23 %	BB-
Conglomerates	4	9,505,136.07	1.79 %	B
Containers & glass products	4	9,135,385.28	1.72 %	B+
Cosmetics/toiletries	1	5,842,023.35	1.10 %	CCC+
Diversified Insurance	1	594,000.00	0.11 %	B
Drugs	2	1,542,976.69	0.29 %	B+
Ecological services & equipment	2	4,021,466.45	0.76 %	B+
Electronics/electrical	12	28,581,297.73	5.39 %	B-
Equipment leasing	1	3,972,523.24	0.75 %	BB-
Financial intermediaries	9	35,916,490.00	6.77 %	BB-
Food service	4	19,321,319.02	3.64 %	BB-
Food/drug retailers	3	7,816,835.83	1.47 %	B
Health care	18	56,745,743.07	10.70 %	B+
Industrial equipment	5	8,782,562.41	1.66 %	B+
Leisure goods/activities/movies	8	14,980,664.08	2.83 %	B+
Lodging & casinos	7	14,393,246.73	2.71 %	B
Oil & gas	5	7,858,539.05	1.48 %	B+
Property & Casualty Insurance	1	4,495,628.88	0.85 %	B
Publishing	6	15,127,399.80	2.85 %	B
Radio & Television	8	27,384,308.05	5.17 %	B
Retailers (except food & drug)	6	12,851,709.03	2.42 %	B
Surface transport	5	7,643,188.40	1.44 %	B
Telecommunications	9	30,818,764.20	5.81 %	B+
Utilities	15	32,488,840.88	6.13 %	BB+
<b>Total</b>	<b>206</b>	<b>530,180,575.21</b>	<b>100.00 %</b>	<b>B+</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





General Information

As of Date: 02/21/2019  
Payment Date: 05/01/2019



General Information

Sec. 5.1(g) Event of Default calculation (Minimum 102.5%)

Aggregate Principal Balance of Collateral Obligations:	541,766,018.34
Amounts on deposit in the Collection Account and the Ramp-Up Account:	19,166,634.20
Less:	
Aggregate Principal Balance of Defaulted Obligations:	11,585,443.13
Plus:	
Aggregate Market Value of Defaulted Obligations:	6,714,973.78
Collateral Principal Amount:	556,062,183.19
Divided by:	
Aggregate Outstanding Amount of the Class A Notes:	347,000,000.00
<b>Result:</b>	<b>160.2%</b>

Description

Weighted Average Moody's Rating Factor:	2,751
Weighted Average Floating Spread determined as if the Libor Floor of each Libor Floor Obligation were equal to zero:	3.10%
Excess Weighted Average Coupon:	0.00050%
Excess Weighted Average Floating Spread:	0.00940%





**Disclaimer**

As of Date: 02/21/2019  
Payment Date: 05/01/2019



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## **ACIS CLO 2015-6 Ltd.**

Monthly Report

As of September 21, 2020





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As of Date: 09/21/2020  
Payment Date: 11/02/2020



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## Notice

As of Date: 09/21/2020  
Payment Date: 11/02/2020



The Notes may be held or beneficially owned, as applicable, only by Persons that (a)(i) are not U.S. persons and are purchasing their beneficial interest in an offshore transaction or (ii) are either (A) Qualified Purchasers (as defined for purposes of Section 3(c)(7) of the Investment Company Act) ("Qualified Purchasers") or (B) (in the case of the Subordinated Notes only) Knowledgeable Employees (as defined in Rule 3c-5 under the Investment Company Act) ("Knowledgeable Employees") with respect to the Issuer or corporations, partnerships, limited liability companies or other entities (other than trusts) each shareholder, partner, member or other equity owner of which is either (x) a Knowledgeable Employee with respect to the Issuer or (y) a Qualified Purchaser that in the case of (A) and (B) are either (1) "institutional" accredited investors ("Accredited Investors") (in the case of the Class E Notes and the Subordinated Notes only) meeting the requirements of Rule 501(a)(1), (2), (3) or (7) under the Securities Act, who, in the case of Subordinated Notes only, if "individual" Accredited Investors, are also Knowledgeable Employees with respect to the Issuer or (2) qualified institutional buyers ("Qualified Institutional Buyers") within the meaning of Rule 144A under the Securities Act and (b) can make the representations set forth in Section 2.6 (Registration, Registration of Transfer and Exchange) of this Indenture or the appropriate Exhibit to this Indenture. Beneficial ownership interests in the Rule 144A Global Notes may be transferred only to a Person that is both a Qualified Institutional Buyer and a Qualified Purchaser and that can make the representations referred to in clause (b) of the preceding sentence. The Issuer has the right to compel any beneficial owner of an interest in Rule 144A Global Notes that does not meet the qualifications set forth in such clauses to sell its interest in such Notes, or may sell such interest on behalf of such owner, pursuant to Section 2.12 (Notes Beneficially Owned by Persons Not QIB/QPs or in Violation of ERISA Representations) of this Indenture.

Each Holder or beneficial owner receiving this report agrees to keep all non-public information herein confidential and not to use such information for any purpose other than its evaluation of its investment in the Offered Securities, provided that any Holder or beneficial owner may provide such information on a confidential basis to any prospective purchaser of such Holder or beneficial owner's Offered Securities that is permitted by the terms of this Indenture to acquire such Holder or beneficial owner's Offered Securities and that agrees to keep such information confidential in accordance with the terms of this Indenture.





# ACIS CLO 2015-6 LTD

## Executive Summary

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Contact Information			Electronic Reports			Relevant Dates		
Issuer:	ACIS CLO 2015-6 Ltd.		Issue ID: .....	ACIS1506		Closing Date:	16-Apr-15	
Co-Issuer:	ACIS CLO 2015-6, LLC		Monthly Data File Name:			First Payment Date:	03-Aug-15	
Investment Advisor:	Acis Capital Management, LP		ACIS1506_09/21/20_D_3.CSV	Test History Standard		Interim Ramp-Up Date:	22-Jun-15	
Rated By:	S&P Global Ratings		ACIS1506_09/21/20_D_4.CSV	Holdings Standard		Investment Period End Date:	22-Jun-15	
Account Manager:	Taylor Potts		ACIS1506_09/21/20_D_2.CSV	Transaction Details Standard		Reinvestment Period End Date:	01-May-19	
Phone:	312/332-7830		ACIS1506_09/21/20_D_12.CSV	Amortization		Scheduled Termination Date:	03-May-27	
Email:	taylor.potts@usbank.com		ACIS1506_09/21/20_D_13.CSV	Cash Account Summary				
			ACIS1506_09/21/20_D_14.CSV	Liability Details				

Asset Positions			Account Balances			Note Information					
Position	Current Count	Current	Account	Currency	Balance	Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon
Term Loan	93	299,610,232.92	Collection - Interest	USD	1,720,607.77	Class A-1	300,000,000.00	102,195,620.74	475,581.51	0.25100 %	1.84100 %
Cash	-	16,446,611.30	Collection - Principal	USD	16,446,611.30	Class A-2	47,000,000.00	16,010,647.25	134,769.62	N/A	3.36700 %
Settle Date Asset Balance	-	299,665,566.19	Custodial	USD	0.00	Class B-1	75,000,000.00	75,000,000.00	517,752.08	0.25100 %	2.73100 %
			Expense Reserve	USD	0.00	Class B-2	14,000,000.00	14,000,000.00	154,875.00	N/A	4.42500 %
			Hedge	USD	0.00	Class C	31,500,000.00	31,500,000.00	288,322.13	0.25100 %	3.62100 %
			Interest Reserve	USD	0.00	Class D	25,000,000.00	25,000,000.00	254,104.86	0.25100 %	4.02100 %
			Payment	USD	0.00	Class E	26,000,000.00	26,000,000.00	377,311.28	0.25100 %	5.74100 %
			Ramp-Up	USD	0.00	Subordinated	59,850,000.00	59,850,000.00	N/A	N/A	N/A
			Revolver Funding	USD	0.00	Totals:	578,350,000.00	349,556,267.99	2,202,716.48		

Coverage Tests					Quality Tests				
Test Name	Current Threshold	09/21/2020 Current	Result	08/21/2020 Prior	Test Name	Current Threshold	09/21/2020 Current	Result	08/21/2020 Prior
Class A/B Overcollateralization Test	119.40%	145.58%	Pass	146.70%	S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	42.50%	42.19%	Fail	42.05%
Class C Overcollateralization Test	112.60%	126.37%	Pass	127.34%	S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	52.00%	51.90%	Fail	51.70%
Class D Overcollateralization Test	108.50%	114.39%	Pass	115.27%	S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	57.50%	57.80%	Pass	57.60%
Class E Overcollateralization Test	104.80%	104.12%	Fail	104.92%	S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	63.50%	64.20%	Pass	64.10%
Interest Reinvestment Test	105.80%	104.12%	N/A	104.92%	S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	68.00%	69.10%	Pass	69.00%
Class A/B Interest Coverage Test	120.00%	234.65%	Pass	234.83%	S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	68.00%	71.20%	Pass	71.10%
Class C Interest Coverage Test	115.00%	191.59%	Pass	191.74%	Minimum Weighted Average Coupon Test	4.70%	-	N/A	-
Class D Interest Coverage Test	110.00%	164.92%	Pass	165.05%	Minimum Floating Spread Test	3.10%	3.72%	Pass	3.76%
Class E Interest Coverage Test	105.00%	136.67%	Pass	136.77%	Weighted Average Life Test	2.57	3.10	Fail	3.19





# ACIS CLO 2015-6 LTD

## Note Summary Information

As of Date: 09/21/2020  
Payment Date: 11/02/2020



### Note Information

Note	Total Commitment	Current Balance	Expected Interest Payment	Index	Coupon	Moody's		S&P	
						Orig	Curr	Orig	Curr
Class A-1	300,000,000.00	102,195,620.74	475,581.51	0.25100%	1.84100%	N/R	N/R	AAA	AAA
Class A-2	47,000,000.00	16,010,647.25	134,769.62	N/A	3.36700%	N/R	N/R	AAA	AAA
Class B-1	75,000,000.00	75,000,000.00	517,752.08	0.25100%	2.73100%	N/R	N/R	AA	AA
Class B-2	14,000,000.00	14,000,000.00	154,875.00	N/A	4.42500%	N/R	N/R	AA	AA
Class C	31,500,000.00	31,500,000.00	288,322.13	0.25100%	3.62100%	N/R	N/R	A	A
Class D	25,000,000.00	25,000,000.00	254,104.86	0.25100%	4.02100%	N/R	N/R	BBB	BBB
Class E	26,000,000.00	26,000,000.00	377,311.28	0.25100%	5.74100%	N/R	N/R	BB	B-
Subordinated	59,850,000.00	59,850,000.00	N/A	N/A	N/A	N/R	N/R	NR	NR
<b>Totals:</b>	<b>578,350,000.00</b>	<b>349,556,267.99</b>	<b>2,202,716.48</b>						

### Asset Positions

Position	Curr Count	Current	Prior Count	Prior
Term Loan	93	299,665,566.19	93	302,212,952.51
Cash	-	16,446,611.30	-	13,884,763.75
<b>Totals:</b>	<b>93</b>	<b>316,112,177.49</b>	<b>93</b>	<b>316,097,716.26</b>

### Test Summary

Test Type	Pass	Fail	N/A
Coverage	7	1	1
Quality	5	3	1
Portfolio Profile	27	5	0
<b>Totals:</b>	<b>39</b>	<b>9</b>	<b>2</b>

(1) Cash is based on Trade Date





# ACIS CLO 2015-6 LTD Coverage and Quality Tests

As of Date: 09/21/2020  
Payment Date: 11/02/2020



## Coverage Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Class A/B Overcollateralization Test	146.70%	145.58%	119.40%	Minimum	Pass
2	Class C Overcollateralization Test	127.34%	126.37%	112.60%	Minimum	Pass
3	Class D Overcollateralization Test	115.27%	114.39%	108.50%	Minimum	Pass
4	Class E Overcollateralization Test	104.92%	104.12%	104.80%	Minimum	Fail
5	Interest Reinvestment Test	104.92%	104.12%	105.80%	Minimum	N/A
6	Class A/B Interest Coverage Test	234.83%	234.65%	120.00%	Minimum	Pass
7	Class C Interest Coverage Test	191.74%	191.59%	115.00%	Minimum	Pass
8	Class D Interest Coverage Test	165.05%	164.92%	110.00%	Minimum	Pass
9	Class E Interest Coverage Test	136.77%	136.67%	105.00%	Minimum	Pass

## Collateral Quality Test Summary

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	S&P Weighted Avg. Recovery Rate Test ('AAA' liabilities)	42.05%	42.19%	42.50%	Minimum	Fail
2	S&P Weighted Avg. Recovery Rate Test ('AA' liabilities)	51.70%	51.90%	52.00%	Minimum	Fail
3	S&P Weighted Avg. Recovery Rate Test ('A' liabilities)	57.60%	57.80%	57.50%	Minimum	Pass
4	S&P Weighted Avg. Recovery Rate Test ('BBB' liabilities)	64.10%	64.20%	63.50%	Minimum	Pass
5	S&P Weighted Avg. Recovery Rate Test ('BB' liabilities)	69.00%	69.10%	68.00%	Minimum	Pass
6	S&P Weighted Avg. Recovery Rate Test ('B' liabilities)	71.10%	71.20%	68.00%	Minimum	Pass
7	S&P CDO Monitor Test	*** See S&P CDO Monitor Report ***				
8	Minimum Weighted Average Coupon Test	-	-	4.70%	Minimum	N/A
9	Minimum Floating Spread Test	3.76%	3.72%	3.10%	Minimum	Pass
10	Weighted Average Life Test	3.19	3.10	2.57	Maximum	Fail

## Other Tests

Test Number	Description	Prior	Current	Trigger	Max / Min	Result
1	Weighted Average Moody's Recovery Rate Test	49.2%	49.4%	-	Minimum	N/A
2	Weighted Average Adjusted Moody's Rating Factor	3,913	3,841	-	Minimum	N/A
3	Diversity Score	40	40	-	Minimum	N/A

N/A - Not Applicable for the Current Measurement Date





# ACIS CLO 2015-6 LTD. Concentration Limitations

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
1	Senior Secured Loans, Cash and Eligible Investments	98% / 307,302,453.87	98% / 304,345,471.77	90%	Minimum	Pass
2	Floating Rate Collateral Obligations	100% / 313,268,317.67	100% / 310,311,335.57	95%	Minimum	Pass
3	Participation Interests	-	-	20%	Maximum	Pass
4	Second Lien Loans	2% / 5,965,863.80	2% / 5,965,863.80	10%	Maximum	Pass
5	DIP Collateral Obligations	-	-	5%	Maximum	Pass
6	DIP Collateral Obligations - Single Obligor	-	-	2%	Maximum	Pass
7	Single Obligor - Five Above 2%	3% / 8,194,936.70	3% / 8,194,936.70	2%	Maximum	Fail
8	Single Obligor - Zero Above 2.5%	3.4% / 10,546,104.94	3.4% / 10,546,104.94	2.5%	Maximum	Fail
9	Moody's Rating of "Caa1" or below	18.4% / 57,674,226.52	17.6% / 54,709,744.42	7.5%	Maximum	Fail
10	S&P Rating of "CCC+" or below	18.4% / 57,776,868.65	22.7% / 70,549,291.86	7.5%	Maximum	Fail
11	Delayed Drawdown Loans and Revolving Loans	-	-	15%	Maximum	Pass
12	Third Party Credit Exposure	-	-	20%	Maximum	Pass
13	Third Party Credit Exposure - S&P rated below AA	-	-	5%	Maximum	Pass
14	S&P Rating derived from a Moody's Rating	-	-	10%	Maximum	Pass
15	Non-Emerging Market Obligors	100% / 299,383,553.92	100% / 293,864,724.27	100%	Minimum	Pass
16	Other than the United States	5% / 14,532,301.24	4% / 12,583,109.47	20%	Maximum	Pass
17	Other than the United States or Canada	2% / 6,705,429.42	2% / 6,705,429.42	15%	Maximum	Pass
18	Canada	2% / 7,826,871.82	2% / 5,877,680.05	15%	Maximum	Pass
19	United Kingdom	1% / 3,151,230.97	1% / 3,151,230.97	10%	Maximum	Pass
20	Any Tax Jurisdiction	1% / 3,554,198.45	1% / 3,554,198.45	10%	Maximum	Pass
21	Group I Countries	1% / 3,151,230.97	1% / 3,151,230.97	10%	Maximum	Pass
22	Group II Countries	-	-	10%	Maximum	Pass
23	Group III Countries	1.1% / 3,554,198.45	1.1% / 3,554,198.45	7.5%	Maximum	Pass
24	Any individual country other than United States, United Kingdom or Canada	1% / 3,554,198.45	1% / 3,554,198.45	10%	Maximum	Pass
25	Largest S&P Industry Classification - one up to 15%	18% / 55,064,564.97	18% / 55,064,564.97	15%	Maximum	Fail
26	Largest S&P Industry Classification - two up to 12%	8% / 24,136,850.06	8% / 24,136,850.06	12%	Maximum	Pass
27	Largest S&P Industry Classification - 10%, with exception of three	7% / 20,495,431.78	7% / 20,484,028.07	10%	Maximum	Pass
28	Cov-Lite Loans	6% / 19,519,863.86	6% / 19,517,331.21	60%	Maximum	Pass
29	Non-Quarterly Assets	2% / 6,331,654.41	2% / 6,331,654.41	7.5%	Maximum	Pass
30	Collateral Obligations that pay interest less frequently than semi-annually	-	-	3%	Maximum	Pass
31	Deferrable Obligations	-	-	3%	Maximum	Pass

N/A - Not applicable for the Current Measurement Date





**Concentration Limitations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Test Number	Description	Prior % / Agg. Prin. Balance	Current % / Agg. Prin. Balance	Trigger	Max / Min	Result
32	Current Pay Obligations	-	0.3% / 928,846.15	2.5%	Maximum	Pass

N/A - Not applicable for the Current Measurement Date





**Standard & Poor's CDO Monitor**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



**Portfolio Statistics**

Number of Assets:	119
Number of Obligors:	86
Total Principal Balance of Collateral Debt Securities:	293,864,724.27
Weighted Average Maturity (in years):	3.17
Weighted Average Rating:	B
S&P Default Measure (Annualized Expected Portfolio Default Rate):	8.056%
S&P Variability Measure (Annualized Standard Deviation of Portfolio Default Rate):	5.340%
S&P Correlation Measure (Ratio of Standard Deviation of Portfolio with Correlation to without):	1.94

**Class Statistics**

Rated Class	Balance	Initial Rating	Shadow	Rate	Break-Even Loss Rate	Test Results
Class A-1	300,000,000.00	AAA		34.554%	58.566%	PASS
Class A-2	47,000,000.00	AAA		34.554%	58.566%	PASS





# Interest Coverage Ratio Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



	Calculation	Ratio	Minimum	Result
Class A/B	A/ (D+E)	234.65%	120.00%	Pass
Class C	A/ (D+E+F)	191.59%	115.00%	Pass
Class D	A/ (D+E+F+G)	164.92%	110.00%	Pass
Class E	A/ (D+E+F+G+H)	136.67%	105.00%	Pass

## Received:

Scheduled Interest Proceeds and Fees Received:	1,719,007.92	
Interest on Eligible Investments:	1,599.85	
Amendment and waiver fees, late payment fees and other fees (except Turbo Payment Amounts):	0.00	
Amounts from the Expense Reserve Account:	0.00	
Principal Proceeds treated as Interest Proceeds:	0.00	
Payment received with respect to any Hedge Agreement:	0.00	
Commitment fees and other similar fees:	0.00	
Amounts from the Ramp-Up Account:	0.00	
Amounts from the Interest Reserve Account:	0.00	
		1,720,607.77

## Projected:

Scheduled Interest:	1,433,234.03	
Reinvestment Income:	0.00	
Reinvestment Income on Eligible Investments:	0.00	
		1,433,234.03

## Less:

Taxes, Registration, and Filing Fees Owed by the Issuer or the Co-Issuer:	0.00	
Fees, Expenses and Indemnities to the Trustee:	14,667.20	
Fees, Expenses and Indemnities to the Collateral Administrator:	0.00	
Fees, Expenses and Indemnities to the Bank:	0.00	
Fees, Expenses and Indemnities to Independent accountants, agents, and counsel of the Issuer and any ETB Subsidiary:	0.00	
Fees and Expenses to the Rating Agencies:	0.00	
Fees, Expenses and Indemnities in relation to Petition Expenses:	0.00	
Fees, Expenses and Indemnities to the Portfolio Manager:	0.00	
Fees, Expenses, and Indemnities to the Administrator:	0.00	
Amounts due and payable to any other person permitted under the Indenture:	0.00	
Accrued and Unpaid Senior Management Fee:	128,707.18	
		143,374.38
		3,010,467.42 (A)





# **Interest Coverage Ratio Detail**

As of Date: 09/21/2020  
 Payment Date: 11/02/2020



**Denominator:**

Amounts due to any Hedge Counterparty, excluding termination amounts:	0.00 (B)
Amounts due to any Hedge Counterparty pursuant to an early termination:	0.00 (C)
Class A Notes Interest Distribution Amount:	610,351.13 (D)
Class B Notes Interest Distribution Amount:	672,627.08 (E)
Class C Notes Interest Distribution Amount, including any interest on Deferred Interest:	288,322.13 (F)
Class D Notes Interest Distribution Amount, including any interest on Deferred Interest:	254,104.86 (G)
Class E Notes Interest Distribution Amount, including any interest on Deferred Interest:	377,311.28 (H)





## Overcollateralization Ratio Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



	Calculation	Ratio	Minimum	Result
Class A/B	A/(B+C)	145.58%	119.40%	Pass
Class C	A/(B+C+D)	126.37%	112.60%	Pass
Class D	A/(B+C+D+E)	114.39%	108.50%	Pass
Class E	A/(B+C+D+E+F)	104.12%	104.80%	Fail
Interest Reinvestment	A/(B+C+D+E+F)	104.12%	105.80%	N/A

### Collateral:

Aggregate Principal Balance of the Collateral Obligations:	299,610,232.92	
Available Principal Amounts:	16,446,611.30	
Unpaid Principal Financed Accrued Interest:	0.00	
		316,056,844.22

### Less:

Aggregate Principal Balance of Defaulted Obligations:	5,745,508.65	
Aggregate Principal Balance of Discounted Obligations:	0.00	
Aggregate Principal Balance of Deferring Obligations:	0.00	
CCC/Caa Par Reduction Amount:	9,972,101.24	
		15,717,609.89

### Plus:

Lesser of (x) Market Value and (y) S&P Recovery Amount of Defaulted Securities:	1,315,490.97	
Lesser of (i) S&P Collateral Value (ii) Moody's Collateral Value of Deferring Securities:	0.00	
Purchase Price of Discount Obligations:	0.00	
		1,315,490.97

Adjusted Collateral Principal Amount: **301,654,725.30 (A)**

### Notes:

Aggregate Principal Amount of the Class A Notes:	118,206,267.99 (B)
Aggregate Principal Amount of the Class B Notes:	89,000,000.00 (C)
Aggregate Principal Amount of the Class C Notes, including Deferred Interest:	31,500,000.00 (D)
Aggregate Principal Amount of the Class D Notes, including Deferred Interest:	25,000,000.00 (E)
Aggregate Principal Amount of the Class E Notes, including Deferred Interest:	26,000,000.00 (F)





# Caa/CCC Excess Haircut Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

## Caa Excess Calculation:

Balance of Caa Obligations	54,709,744.42
Less: Threshold	23,273,350.17
Caa Excess	31,436,394.25
Market Value of Excess	23,644,953.68
Caa Excess Adjustment Amount	7,791,440.57

## CCC Excess Calculation:

Balance of CCC Obligations	70,549,291.86
Less: Threshold	23,273,350.17
CCC Excess	47,275,941.69
Market Value of Excess	37,303,840.45
CCC Excess Adjustment Amount	9,972,101.24

The greater of the Caa and CCC Excess Adjustment Amounts: 9,972,101.24

Caa Excess Obligation	Principal Balance	Caa Excess	Market Price	Market Value	CCC Excess Obligation	Principal Balance	CCC Excess	Market Price	Market Value
Cengage Learning T/LB	1,881,808.38	1,002,554.29	85.05	852,672.43	Affinity Gaming T/L (Initial)	1,973,269.90	1,857,644.18	86.83	1,613,048.17
Cengage Learning T/LB	2,234,208.86	2,234,208.86	85.05	1,900,194.64	Flexential Intermediate T/L B (Peak 10)	1,935,126.90	1,935,126.90	86.50	1,673,884.77
Cengage Learning T/LB	1,707,038.21	1,707,038.21	85.05	1,451,836.00	Flexential Intermediate T/L B (Peak 10)	1,126,826.16	1,126,826.16	86.50	974,704.63
Cengage Learning T/LB	1,906,192.69	1,906,192.69	85.05	1,621,216.88	Flexential Intermediate T/L B (Peak 10)	2,763,173.84	2,763,173.84	86.50	2,390,145.37
Cengage Learning T/LB	569,012.69	569,012.69	85.05	483,945.29	McGraw-Hill Global Education Holdings T/L	2,295,440.77	2,295,440.77	85.68	1,966,779.56
American Tire Distributors T/L B	2,835,755.02	2,835,755.02	84.82	2,405,315.77	McGraw-Hill Global Education Holdings T/L	937,468.68	937,468.68	85.68	803,241.91
American Tire Distributors T/L B	351,563.50	351,563.50	84.82	298,199.68	McGraw-Hill Global Education Holdings T/L	1,323,921.68	1,323,921.68	85.68	1,134,362.57
American Tire Distributors T/L B	14,143.64	14,143.64	84.82	11,996.78	McGraw-Hill Global Education Holdings T/L	1,326,480.96	1,326,480.96	85.68	1,136,555.42
Team Health Holdings T/L	1,262,919.84	1,262,919.84	84.35	1,065,272.89	McGraw-Hill Global Education Holdings T/L	3,999,009.77	3,999,009.77	85.68	3,426,431.55
Team Health Holdings T/L	2,902,500.00	2,902,500.00	84.35	2,448,258.75	Cengage Learning T/LB	1,881,808.38	1,881,808.38	85.05	1,600,478.03
Premier Brands T/L (3/19) (Nine West Holdings)(3)	245.54	245.54	82.67	202.98	Cengage Learning T/LB	2,234,208.86	2,234,208.86	85.05	1,900,194.64
Premier Brands T/L (3/19) (Nine West Holdings)(3)	98,215.97	98,215.97	82.67	81,192.20	Cengage Learning T/LB	1,707,038.21	1,707,038.21	85.05	1,451,836.00
Premier Brands T/L (3/19) (Nine West Holdings)(2)	1,197.01	1,197.01	82.67	989.53	Cengage Learning T/LB	1,906,192.69	1,906,192.69	85.05	1,621,216.88
Premier Brands T/L (3/19) (Nine West Holdings)(2)	478,803.00	478,803.00	82.67	395,812.08	Cengage Learning T/LB	569,012.69	569,012.69	85.05	483,945.29
Premier Brands T/L (3/19) (Nine West Holdings) (1)	873.78	873.78	82.67	722.33	American Tire Distributors T/L B	2,835,755.02	2,835,755.02	84.82	2,405,315.77
Premier Brands T/L (3/19) (Nine West Holdings) (1)	349,510.85	349,510.85	82.67	288,930.14	American Tire Distributors T/L B	351,563.50	351,563.50	84.82	298,199.68





# Caa/CCC Excess Haircut Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Syniverse Holdings T/L (01/18)	2,269,940.99	2,269,940.99	77.44	1,757,796.90	American Tire Distributors T/L B	14,143.64	14,143.64	84.82	11,996.78
Syniverse Holdings T/L (01/18)	1,866,582.91	1,866,582.91	77.44	1,445,444.47	Urban One T/L	1,560,620.25	1,560,620.25	83.65	1,305,458.84
Envision Healthcare (Enterprise Merger) T/L B	1,974,937.35	1,974,937.35	73.60	1,453,553.89	Premier Brands T/L (3/19) (Nine West Holdings)(3)	245.54	245.54	82.67	202.98
Envision Healthcare (Enterprise Merger) T/L B	1,974,937.35	1,974,937.35	73.60	1,453,553.89	Premier Brands T/L (3/19) (Nine West Holdings)(3)	98,215.97	98,215.97	82.67	81,192.20
Dayco Products T/L B (04/17)	2,902,500.00	2,902,500.00	62.33	1,809,215.33	Premier Brands T/L (3/19) (Nine West Holdings)(2)	1,197.01	1,197.01	82.67	989.53
Glass Mountain Pipeline T/L B	1,969,696.95	1,969,696.95	53.50	1,053,787.87	Premier Brands T/L (3/19) (Nine West Holdings)(2)	478,803.00	478,803.00	82.67	395,812.08
Bright Bidco (Lumileds) T/L B (02/18)	403,969.00	403,969.00	49.40	199,544.53	Premier Brands T/L (3/19) (Nine West Holdings) (1)	873.78	873.78	82.67	722.33
Bright Bidco (Lumileds) T/L B (02/18)	1,854,133.55	1,854,133.55	49.40	915,867.81	Premier Brands T/L (3/19) (Nine West Holdings) (1)	349,510.85	349,510.85	82.67	288,930.14
Bright Bidco (Lumileds) T/L B (02/18)	504,961.26	504,961.26	49.40	249,430.66	Syniverse Holdings T/L (01/18)	2,269,940.99	2,269,940.99	77.44	1,757,796.90
					Syniverse Holdings T/L (01/18)	1,866,582.91	1,866,582.91	77.44	1,445,444.47
					Envision Healthcare (Enterprise Merger) T/L B	1,974,937.35	1,974,937.35	73.60	1,453,553.89
					Envision Healthcare (Enterprise Merger) T/L B	1,974,937.35	1,974,937.35	73.60	1,453,553.89
					Dayco Products T/L B (04/17)	2,902,500.00	2,902,500.00	62.33	1,809,215.33
					Glass Mountain Pipeline T/L B	1,969,696.95	1,969,696.95	53.50	1,053,787.87
					Bright Bidco (Lumileds) T/L B (02/18)	403,969.00	403,969.00	49.40	199,544.53
					Bright Bidco (Lumileds) T/L B (02/18)	1,854,133.55	1,854,133.55	49.40	915,867.81
					Bright Bidco (Lumileds) T/L B (02/18)	504,961.26	504,961.26	49.40	249,430.66
<b>Total:</b>	<b>33</b>	<b>31,436,394.25</b>		<b>23,644,953.68</b>			<b>47,275,941.69</b>		<b>37,303,840.45</b>





**ACIS CLO 2015-6 LTD**

**Assets: Purchased**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Primary Asset Type	Par Amount	Purchase Price	Cost	Accrued Interest Amount	Trade Date
			-	-	-	-	
Totals:			0				





**ACIS CLO 2015-6 LTD.**

**Assets: Sold**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Primary Asset Type	Par Amount	Sale Price	Cost	Reason For Sale	Trade Date
			-	-	-		
Total:			0				





# ACIS CLO 2015-6 LTD. Intra-Period Collection Account Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX144914	Academy T/L B	27,641.46	25,402.27	53,043.73	-	-	-	53,043.73
LX172091	Acadia Healthcare T/L B3	11,598.42	10,409.03	22,007.45	-	-	-	22,007.45
LX172092	Acadia Healthcare T/L B4	631.05	566.33	1,197.38	-	-	-	1,197.38
LX153030	Affinity Gaming T/L (Initial)	7,221.62	6,522.75	13,744.37	-	-	-	13,744.37
LX144519	Agrofresh T/L	8,613.38	-	8,613.38	1,997,305.96	-	1,997,305.96	2,005,919.34
LX163228	Almonde (Misys) T/L B	47,995.39	39.54	48,034.93	-	11,297.52	11,297.52	59,332.45
LX155973	American Airlines Replacement T/L B (AMR)	5,427.12	5,383.93	10,811.05	-	-	-	10,811.05
LX169521	American Airlines T/L B (11/17)	11,839.07	10,342.46	22,181.53	-	-	-	22,181.53
LX172399	American Greetings T/L (3/18)	18,922.49	17,091.28	36,013.77	-	10,654.91	10,654.91	46,668.68
LX143787	American Tire Distributors T/L B	20,859.67	18,841.00	39,700.67	-	-	-	39,700.67
LX173667	Aramark Services T/L B-2	4,142.54	4,238.21	8,380.75	-	-	-	8,380.75
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	-	-	-	-	-	-	-
LX183349	Berry Global (Berry Plastics) T/L W	5,708.53	5,622.78	11,331.31	-	-	-	11,331.31
LX171932	Boardriders T/L B	56,775.82	-	56,775.82	7,556.68	-	7,556.68	64,332.50
LX189759	Boardriders T/L B2	-	2,119.12	2,119.12	-	-	-	2,119.12
LX161204	Boyd Gaming T/L B3	2,109.40	1,688.37	3,797.77	-	-	-	3,797.77
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	5,009.02	5,009.02	-	-	-	5,009.02
LX152766	Cengage Learning T/L B	111,335.00	-	111,335.00	-	-	-	111,335.00
LX159695	Change Healthcare T/L	48,637.58	583.05	49,220.63	-	-	-	49,220.63
LX183543	Charter Communications Operating T/L B1	7,291.78	6,552.00	13,843.78	-	-	-	13,843.78
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	-	-	-	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	692.44	625.43	1,317.87	-	-	-	1,317.87
LX156731	Conduent T/L B (Xerox)	11,163.72	10,018.91	21,182.63	-	-	-	21,182.63
LX177266	ConvergeOne T/L (01/19)	8,806.62	7,928.07	16,734.69	-	-	-	16,734.69
LX161958	Cypress Intermediate (CCC Info) T/L B	11,702.28	10,569.80	22,272.08	-	-	-	22,272.08
LX163416	Dayco Products T/L B (04/17)	-	33,928.78	33,928.78	-	7,500.00	7,500.00	41,428.78
LX174095	Diamond Resorts International T/L B (Amend 3)	8,077.27	7,295.59	15,372.86	-	-	-	15,372.86
LX155237	Eldorado Resorts T/L B (03/17)	-	7,506.03	7,506.03	-	-	-	7,506.03
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	13,361.08	12,015.48	25,376.56	-	-	-	25,376.56
LX173582	Epic Y-Grade T/L B	24,500.00	10,888.89	35,388.89	-	-	-	35,388.89





# ACIS-CLO 2015-6 LTD. Intra-Period Collection Account Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-
LX169510	Excelitas Technologies T/L (EXC Holdings)	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	1,279.08	1,292.51	2,571.59	-	61,745.58	61,745.58	64,317.17
LX155134	G-III Apparel Group T/L B (10/16)	8,829.81	-	8,829.81	1,240,480.45	-	1,240,480.45	1,249,310.26
LX178592	Getty Images T/L B USD (Abe Investment)	7,886.15	7,122.98	15,009.13	-	-	-	15,009.13
LX175013	GIP III Stetson T/L B	2,103.72	1,531.86	3,635.58	2,374.99	-	2,374.99	6,010.57
LX170112	Glass Mountain Pipeline T/L B	27,773.15	-	27,773.15	5,050.51	-	5,050.51	32,823.66
LX171691	Global Medical Response T/L B	-	89,092.94	89,092.94	-	-	-	89,092.94
LX169639	Go Daddy T/L B (11/17)	4,930.56	4,413.88	9,344.44	-	-	-	9,344.44
LX168592	Golden Nugget T/L B (09/17)	5,684.07	3,543.96	9,228.03	-	-	-	9,228.03
LX141384	Granite Acq 1st T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	6,218.89	5,430.39	11,649.28	-	-	-	11,649.28
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX185637	GVC Holdings T/L B3	-	-	-	-	-	-	-
LX168918	HB Fuller T/L B	566.29	560.46	1,126.75	-	11,403.71	11,403.71	12,530.46
LX176498	HD Supply T/L B-5	6,997.00	6,263.76	13,260.76	-	-	-	13,260.76
LX173879	IBC Capital T/L B1 (Goodpack)	-	14,405.71	14,405.71	-	-	-	14,405.71
LX185419	IHeartCommunications T/L (01/20)	2,075.76	1,864.78	3,940.54	-	-	-	3,940.54
LX169195	Ineos US Finance T/L (2024 Dollar)	14,700.31	-	14,700.31	-	-	-	14,700.31
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	3,887.31	3,479.95	7,367.26	-	-	-	7,367.26
LX146975	Kenan Advantage T/L B (Canadian)	936.04	845.46	1,781.50	-	-	-	1,781.50
LX146807	Kenan Advantage T/L B (U.S.)	3,085.69	2,787.07	5,872.76	-	-	-	5,872.76
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	49,494.92	25,247.91	74,742.83	-	1,949,191.77	1,949,191.77	2,023,934.60
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	20,398.77	-	20,398.77	-	-	-	20,398.77
LX136370	Libbey Glass T/L	-	-	-	-	-	-	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	25,283.37	25,283.37	-	-	-	25,283.37
LX173565	Lifescan Global T/L	-	-	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	2,310.02	1,965.34	4,275.36	-	507,521.41	507,521.41	511,796.77
LX176002	Messer Industries T/L B	-	-	-	-	-	-	-
LX155231	Mohegan Tribal T/L A	-	24,530.83	24,530.83	-	-	-	24,530.83
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-





# ACIS CLO 2015-6 LTD Intra-Period Collection Account Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D	Security Description	Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX165715	MTS Systems Corporation T/L B (06/17)	1,291.43	1,166.45	2,457.88	-	2,532.65	2,532.65	4,990.53
LX162460	Nielsen Finance T/L B4	5,701.30	5,278.55	10,979.85	-	-	-	10,979.85
LX155280	NN, Inc T/L B (9/16)	18,826.53	17,004.60	35,831.13	-	-	-	35,831.13
LX175923	Northriver Midstream T/L B (Grizzly Acquisitions)(Enbridge)	-	-	-	-	-	-	-
LX167279	Parexel International T/L B	5,214.78	4,682.59	9,897.37	-	-	-	9,897.37
LX172378	Pisces Midco T/L (Ply Gem)	3,808.76	4,178.97	7,987.73	-	-	-	7,987.73
LX184253	Pitney Bowes T/L B	9,182.98	8,279.71	17,462.69	-	-	-	17,462.69
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	-	-	-	-	-	-	-
LX169594	Rackspace T/L B (11/17)	47,915.86	-	47,915.86	-	-	-	47,915.86
LX159617	RadNet Management T/L B (01/17)	39,009.13	-	39,009.13	-	-	-	39,009.13
LX155106	RP Crown Parent (JDA Software) T/L B	10,891.67	-	10,891.67	3,372,905.21	-	3,372,905.21	3,383,796.88
LX152375	Russell Investments T/L B	-	-	-	-	-	-	-
LX171269	Scientific Games T/L B-5	45,123.05	2,590.95	47,714.00	-	-	-	47,714.00
LX158094	Sinclair Television T/L B2	3,470.38	3,121.64	6,592.02	-	-	-	6,592.02
LX151194	Solera T/L B	4,598.82	4,129.49	8,728.31	-	-	-	8,728.31
LX159036	Sophia / Ellucian T/L B	-	-	-	-	-	-	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	42,003.74	-	42,003.74	-	-	-	42,003.74
LX165294	Surgery Center Holdings T/L B (06/17)	20,632.35	18,635.67	39,268.02	-	-	-	39,268.02
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	13,450.84	12,149.14	25,599.98	-	-	-	25,599.98
LX168620	Traverse Midstream T/L B	22,471.64	20,296.96	42,768.60	-	-	-	42,768.60
LX168581	Tronox T/L B (09/17)	6,856.30	6,345.41	13,201.71	-	-	-	13,201.71
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	19,405.24	17,450.92	36,856.16	-	-	-	36,856.16
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	4,779.17	4,316.67	9,095.84	-	-	-	9,095.84
LX172243	Uber Technologies T/L (3/18)	17,005.32	15,359.64	32,364.96	-	-	-	32,364.96
LX173324	United Airlines T/L B (05/18)	4,016.18	3,595.31	7,611.49	-	-	-	7,611.49
LX169609	Univar Solutions T/L B3 (11/17)	5,077.21	4,553.54	9,630.75	-	-	-	9,630.75
LX161197	Univision Communications T/L C5	34,055.13	30,759.47	64,814.60	-	-	-	64,814.60
LX162476	Urban One T/L	6,719.34	6,069.08	12,788.42	-	-	-	12,788.42
LX153134	US Foods Second Incremental T/L	5,418.05	4,850.27	10,268.32	-	-	-	10,268.32
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX168056	USS Ultimate Holdings 2nd Lien T/L	-	-	-	-	-	-	-
LX168054	USS Ultimate Holdings T/L (United Site)	-	-	-	-	-	-	-



**Intra-Period Collection Account Detail**As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D Security Description		Interest			Principal			Total Collected
		Prior Balance	Current Amounts Received	Ending Balance	Prior Balance	Current Amounts Received	Ending Balance	
LX169239	VC GB Holdings T/L (Generation Brands)	17,571.38	15,870.93	33,442.31	-	-	-	33,442.31
LX165578	Veritas US T/L B1 (06/17)	38,461.42	-	38,461.42	4,936,224.50	-	4,936,224.50	4,974,685.92
LX144232	Wash Multifamily T/L (1st Lien)	3,287.32	2,969.20	6,256.52	-	-	-	6,256.52
Totals:		1,100,456.59	654,506.44	1,754,963.03	11,561,898.30	2,561,847.55	14,123,745.85	15,878,708.88





# ACIS-CLO 2015-6 LTD. Proceeds Account Summary

As of Date: 09/21/2020  
Payment Date: 11/02/2020



## Accounts Summary

Account	Beginning Balance	Deposits	Withdrawals	Ending Balance
Collection - Interest	1,078,330.95	667,165.71	24,888.89	1,720,607.77
Collection - Principal	11,908,760.41	4,537,850.89	0.00	16,446,611.30
Custodial	0.00	0.00	0.00	0.00
Expense Reserve	0.00	0.00	0.00	0.00
Hedge	0.00	0.00	0.00	0.00
Interest Reserve	0.00	0.00	0.00	0.00
Payment	0.00	0.00	0.00	0.00
Ramp-Up	0.00	0.00	0.00	0.00
Revolver Funding	0.00	0.00	0.00	0.00
<b>Totals:</b>	<b>12,987,091.36</b>	<b>5,205,016.60</b>	<b>24,888.89</b>	<b>18,167,219.07</b>

## Asset Summary

Balance of Collection:	18,167,219.07
Balance of Custodial:	0.00
Balance of Expense Reserve:	0.00
Balance of Hedge:	0.00
Balance of Interest Reserve:	0.00
Balance of Payment:	0.00
Balance of Ramp-Up:	0.00
Balance of Revolver Funding:	0.00
<b>Total of All Proceeds:</b>	<b>18,167,219.07</b>

Account Summary: Based on Settlement Date

Asset Summary: Based on Trade Date





**Current Asset Characteristics - Part I**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX144914	Academy T/L B	Academy, Ltd.	01-Jul-22	5.00000%	6,160,030.15	-	6,160,030.15	1.99%
LX172091	Acadia Healthcare T/L B3	Acadia Healthcare Company, Inc.	11-Feb-22	2.65638%	5,029,081.17	-	5,029,081.17	1.62%
LX172092	Acadia Healthcare T/L B4	Acadia Healthcare Company, Inc.	16-Feb-23	2.65638%	273,622.41	-	273,622.41	0.09%
LX153030	Affinity Gaming T/L (Initial)	Affinity Gaming, LLC	03-Jul-23	4.25000%	1,973,269.90	-	1,973,269.90	0.64%
LX163228	Almonde (Misys) T/L B	Almonde, Inc.	13-Jun-24	4.50000%	4,162,214.88	-	4,162,214.88	1.34%
LX155973	American Airlines Replacement T/L B (AMR)	American Airlines, Inc.	28-Apr-23	2.15638%	2,982,440.16	-	2,982,440.16	0.96%
LX169521	American Airlines T/L B (11/17)	American Airlines, Inc.	15-Dec-23	2.15238%	5,938,775.51	-	5,938,775.51	1.91%
LX172399	American Greetings T/L (3/18)	American Greetings Corporation	05-Apr-24	5.50000%	3,984,710.34	-	3,984,710.34	1.28%
LX143787	American Tire Distributors T/L B	American Tire Distributors Inc	02-Sep-24	8.50000%	3,201,462.16	-	3,201,462.16	1.03%
LX173667	Aramark Services T/L B-2	Aramark Services, Inc.	28-Mar-24	1.90328%	2,494,849.86	-	2,494,849.86	0.80%
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	Axalta Coating Systems Dutch Holding B B.V.	31-May-24	2.05788%	1,162,890.35	-	1,162,890.35	0.37%
LX183349	Berry Global (Berry Plastics) T/L W	Berry Global, Inc.	03-Oct-22	2.15550%	3,029,480.08	-	3,029,480.08	0.98%
LX189759	Boardriders T/L B2	Boardriders, Inc.	23-Apr-24	-	2,954,659.92	-	2,954,659.92	0.95%
LX161204	Boyd Gaming T/L B3	Boyd Gaming Corporation	15-Sep-23	2.35600%	918,876.62	-	918,876.62	0.30%
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Bright Bidco B.V.	28-Jun-24	4.57200%	2,763,063.81	-	2,763,063.81	0.89%
LX159595	Builders Firstsource T/L	Builders FirstSource, Inc.	29-Feb-24	4.00000%	495,397.60	-	495,397.60	0.16%
LX152766	Cengage Learning T/L B	Cengage Learning, Inc.	07-Jun-23	5.25000%	8,298,260.83	-	8,298,260.83	2.67%
LX159695	Change Healthcare T/L	Change Healthcare Holdings, Inc.	01-Mar-24	3.50000%	5,437,740.35	-	5,437,740.35	1.75%
LX183543	Charter Communications Operating T/L B1	Charter Communications Operating, LLC.	30-Apr-25	1.91000%	4,387,500.00	-	4,387,500.00	1.41%
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	Clark Equipment Company	17-May-24	2.05788%	2,659,168.22	-	2,659,168.22	0.86%
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Coinamatic Canada Inc.	16-May-22	4.25000%	189,205.65	-	189,205.65	0.06%
LX156731	Conduent T/L B (Xerox)	Conduent Incorporated	07-Dec-23	2.65638%	4,840,595.65	-	4,840,595.65	1.56%
LX177266	ConvergeOne T/L (01/19)	ConvergeOne Holdings Corp.	04-Jan-26	5.15638%	1,975,000.00	-	1,975,000.00	0.64%
LX161958	Cypress Intermediate (CCC Info) T/L B	Cypress Intermediate Holdings III, Inc.	29-Apr-24	4.00000%	3,397,437.20	-	3,397,437.20	1.09%
LX163416	Dayco Products T/L B (04/17)	Dayco Products, LLC	19-May-23	4.50588%	2,902,500.00	-	2,902,500.00	0.94%
LX174095	Diamond Resorts International T/L B (Amend 3)	Diamond Resorts International, Inc.	01-Sep-23	4.75000%	1,974,747.46	-	1,974,747.46	0.64%
LX163026	Endo Luxembourg Finance T/L B	Endo Luxembourg Finance Company I S.a.r.l.	29-Apr-24	5.00000%	3,554,198.45	-	3,554,198.45	1.15%
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Envision Healthcare Corporation	10-Oct-25	3.90638%	3,949,874.70	-	3,949,874.70	1.27%
LX159615	ExamWorks T/L B1	Examworks Group Inc	27-Jul-23	4.32200%	3,516,507.65	-	3,516,507.65	1.13%
LX169510	Excelitas Technologies T/L (EXC Holdings)	Excelitas Technologies Corp.	02-Dec-24	4.50000%	1,066,406.29	-	1,066,406.29	0.34%





**Current Asset Characteristics - Part I**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX173032	Ferro T/L B-1	Ferro Corporation	14-Feb-24	2.55788%	1,344,062.51	-	1,344,062.51	0.43%
LX167187	Flexential Intermediate T/L B (Peak 10)	Flexential Intermediate Corporation	01-Aug-24	3.80788%	5,825,126.90	-	5,825,126.90	1.88%
LX162521	Forterra Finance T/L (04/17)	Forterra Finance, LLC	25-Oct-23	4.00000%	309,599.21	-	309,599.21	0.10%
LX178592	Getty Images T/L B USD (Abe Investment)	Getty Images, Inc.	19-Feb-26	4.68750%	1,953,730.48	-	1,953,730.48	0.63%
LX170112	Glass Mountain Pipeline T/L B	Glass Mountain Pipeline Holdings, LLC	23-Dec-24	5.50000%	1,969,696.95	-	1,969,696.95	0.63%
LX171691	Global Medical Response T/L B	Global Medical Response, Inc.	28-Apr-22	4.25000%	8,194,936.70	-	8,194,936.70	2.64%
LX169639	Go Daddy T/L B (11/17)	Go Daddy Operating Company, LLC	15-Feb-24	1.90638%	2,969,437.08	-	2,969,437.08	0.96%
LX168592	Golden Nugget T/L B (09/17)	Golden Nugget, Inc.	04-Oct-23	3.25000%	1,315,730.46	-	1,315,730.46	0.42%
LX141384	Granite Acq 1st T/L B (Wheelabrator)	Granite Acquisition, Inc.	17-Dec-21	4.50000%	6,102,060.14	-	6,102,060.14	1.97%
LX159621	Gray Television T/L B	Gray Television, Inc.	07-Feb-24	2.40513%	2,802,246.31	-	2,802,246.31	0.90%
LX165794	Gruden Acquisition T/L	Gruden Acquisition, Inc.	18-Aug-22	6.50000%	3,176,035.21	-	3,176,035.21	1.02%
LX185637	GVC Holdings T/L B3	GVC Holdings PLC	29-Mar-24	3.30763%	3,151,230.97	-	3,151,230.97	1.02%
LX168918	HB Fuller T/L B	H.B. Fuller Co	21-Oct-24	2.15625%	289,327.00	-	289,327.00	0.09%
LX176498	HD Supply T/L B-5	HD Supply, Inc.	17-Oct-23	1.90638%	4,213,950.94	-	4,213,950.94	1.36%
LX173879	IBC Capital T/L B1 (Goodpack)	IBC Capital Limited	11-Sep-23	3.98325%	1,388,690.16	-	1,388,690.16	0.45%
LX185419	IHeartCommunications T/L (01/20)	IHeartCommunications, Inc.	01-May-26	3.15638%	758,455.24	-	758,455.24	0.24%
LX169195	Ineos US Finance T/L (2024 Dollar)	Ineos US Finance LLC	01-Apr-24	2.21350%	7,837,176.42	-	7,837,176.42	2.53%
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	IQVIA Inc.	07-Mar-24	1.90638%	2,341,136.92	-	2,341,136.92	0.75%
LX146975	Kenan Advantage T/L B (Canadian)	Kenan Advantage Group, Inc.	01-Aug-22	4.00000%	271,754.92	-	271,754.92	0.09%
LX146807	Kenan Advantage T/L B (U.S.)	Kenan Advantage Group, Inc.	01-Aug-22	4.00000%	895,844.25	-	895,844.25	0.29%
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Kronos Acquisition Holdings Inc.	15-May-23	5.00000%	3,892,831.58	-	3,892,831.58	1.25%
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Lanai Holdings III, Inc.	29-Aug-22	5.75000%	1,388,195.88	-	1,388,195.88	0.45%
LX136370	Libbey Glass (Pre-Petition) T/L	Libbey Glass Inc.	09-Apr-21	-	2,790,848.73	-	2,790,848.73	0.90%
LX159083	Life Time Fitness 2017 Refinancing T/L B	Life Time, Inc.	10-Jun-22	3.75000%	2,667,255.70	-	2,667,255.70	0.86%
LX173565	Lifescan Global T/L	Lifescan Global Corporation	01-Oct-24	7.17525%	4,365,863.80	-	4,365,863.80	1.41%
LX152400	McGraw-Hill Global Education Holdings T/L	McGraw-Hill Global Education Holdings, LLC	04-May-22	5.00000%	9,882,321.86	-	9,882,321.86	3.18%
LX172427	Mediacom T/L N	Mediacom Illinois LLC	15-Feb-24	1.86000%	1,001,878.99	-	1,001,878.99	0.32%
LX176002	Messer Industries T/L B	Messer Industries GMBH	02-Mar-26	2.80788%	2,784,750.00	-	2,784,750.00	0.90%
LX152711	MPH Acquisition (Multiplan) T/L B	MPH Acquisition Holdings LLC	07-Jun-23	3.75000%	1,928,650.98	-	1,928,650.98	0.62%
LX165715	MTS Systems Corporation T/L B (06/17)	MTS Systems Corporation	05-Jul-23	4.00000%	372,397.64	-	372,397.64	0.12%
LX162460	Nielsen Finance T/L B4	Nielsen Finance LLC	04-Oct-23	2.15425%	2,938,814.99	-	2,938,814.99	0.95%





# Current Asset Characteristics - Part I

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	Total Commitment	% of Collateral Principal Amount
LX155280	NN, Inc T/L B (9/16)	NN, Inc.	19-Oct-22	6.50000%	3,363,548.19	-	3,363,548.19	1.08%
LX175923	Northriver Midstream T/L B (Grizzly Acquisitions)(Enbridge)	Northriver Midstream Finance LP	01-Oct-25	3.54613%	1,984,848.47	-	1,984,848.47	0.64%
LX167279	Parexel International T/L B	Parexel International Corporation	27-Sep-24	2.90638%	2,068,087.44	-	2,068,087.44	0.67%
LX172378	Pisces Midco T/L (Ply Gem)	Pisces Midco Inc	12-Apr-25	3.91825%	1,163,498.88	-	1,163,498.88	0.37%
LX184253	Pitney Bowes T/L B	Pitney Bowes Inc.	07-Jan-25	5.66000%	1,877,484.37	-	1,877,484.37	0.61%
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	Premier Brands Group Holdings LLC	19-Mar-24	9.03972%	928,846.15	-	928,846.15	0.30%
LX169594	Rackspace T/L B (11/17)	Rackspace Hosting, Inc.	03-Nov-23	4.00000%	4,738,931.30	-	4,738,931.30	1.53%
LX159617	RadNet Management T/L B (01/17)	RadNet Management, Inc.	30-Jun-23	4.75000%	3,213,567.47	-	3,213,567.47	1.04%
LX152375	Russell Investments T/L B	Russell Investments US Institutional Holdco, Inc.	01-Jun-23	3.82200%	8,309,533.57	-	8,309,533.57	2.68%
LX171269	Scientific Games T/L B-5	Scientific Games International, Inc.	14-Aug-24	3.02818%	5,836,867.00	-	5,836,867.00	1.88%
LX158094	Sinclair Television T/L B2	Sinclair Television Group, Inc.	03-Jan-24	2.41000%	1,658,486.33	-	1,658,486.33	0.53%
LX151194	Solera T/L B	Solera, LLC	03-Mar-23	2.93792%	1,823,807.59	-	1,823,807.59	0.59%
LX159036	Sophia / Ellucian T/L B	Sophia, L.P.	30-Sep-22	4.25000%	4,095,112.14	-	4,095,112.14	1.32%
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Spin Holdco, Inc.	14-Nov-22	4.25000%	3,862,699.31	-	3,862,699.31	1.24%
LX165294	Surgery Center Holdings T/L B (06/17)	Surgery Center Holdings, Inc.	03-Sep-24	4.25000%	5,637,681.21	-	5,637,681.21	1.82%
LX171276	Syniverse Holdings T/L (01/18)	Syniverse Holdings, Inc.	09-Mar-23	6.00000%	4,136,523.90	-	4,136,523.90	1.33%
LX156377	Team Health Holdings T/L	Team Health Holdings, Inc.	06-Feb-24	3.75000%	4,165,419.84	-	4,165,419.84	1.34%
LX168620	Traverse Midstream T/L B	Traverse Midstream Partners LLC	27-Sep-24	5.00000%	5,219,218.76	-	5,219,218.76	1.68%
LX168581	Tronox T/L B (09/17)	Tronox Finance LLC	23-Sep-24	3.21906%	4,637,687.13	-	4,637,687.13	1.49%
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	Truck Hero, Inc.	22-Apr-24	3.90638%	5,736,680.32	-	5,736,680.32	1.85%
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Truck Hero, Inc.	21-Apr-25	9.25000%	600,000.00	-	600,000.00	0.19%
LX172243	Uber Technologies T/L (3/18)	Uber Technologies Inc	04-Apr-25	5.00000%	3,949,622.15	-	3,949,622.15	1.27%
LX173324	United Airlines T/L B (05/18)	United Airlines, Inc.	01-Apr-24	1.90638%	2,418,750.00	-	2,418,750.00	0.78%
LX169609	Univar Solutions T/L B3 (11/17)	Univar Solutions USA Inc.	01-Jul-24	2.40638%	2,428,134.66	-	2,428,134.66	0.78%
LX161197	Univision Communications T/L C5	Univision Communications Inc.	15-Mar-24	3.75000%	10,546,104.94	-	10,546,104.94	3.40%
LX162476	Urban One T/L	Urban One, Inc.	18-Apr-23	5.00000%	1,560,620.25	-	1,560,620.25	0.50%
LX153134	US Foods Second Incremental T/L	US Foods, Inc.	27-Jun-23	1.90638%	3,263,022.86	-	3,263,022.86	1.05%
LX167989	USI Incremental T/L	U.S.I., Inc.	16-May-24	3.30788%	3,407,406.00	-	3,407,406.00	1.10%
LX168056	USS Ultimate Holdings 2nd Lien T/L	USS Ultimate Holdings Inc	25-Aug-25	8.75000%	1,000,000.00	-	1,000,000.00	0.32%
LX168054	USS Ultimate Holdings T/L (United Site)	USS Ultimate Holdings Inc	26-Aug-24	4.75000%	3,180,423.44	-	3,180,423.44	1.02%





**Current Asset Characteristics - Part I**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Issuer / Obligor	Stated Maturity	Current Coupon	Funded Balance	Unfunded Balance	% of Collateral	
							Total Commitment	Principal Amount
LX169239	VC GB Holdings T/L (Generation Brands)	VC GB Holdings, Inc.	28-Feb-24	4.00000%	5,101,368.82	-	5,101,368.82	1.64%
LX144232	Wash Multifamily T/L (1st Lien)	Wash MultiFamily Acquisition, Inc.	16-May-22	4.25000%	898,244.14	-	898,244.14	0.29%

<b>Totals:</b>	<b>93</b>				<b>299,610,232.92</b>	<b>-</b>	<b>299,610,232.92</b>	
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**Current Asset Characteristics - Part II**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX144914	Academy T/L B	-	-	-	-	-	-	-
LX172091	Acadia Healthcare T/L B3	-	-	-	-	-	-	-
LX172092	Acadia Healthcare T/L B4	-	-	-	-	-	-	-
LX153030	Affinity Gaming T/L (Initial)	-	-	-	-	-	-	-
LX163228	Almonde (Misys) T/L B	-	-	-	-	-	-	-
LX155973	American Airlines Replacement T/L B (AMR)	-	-	-	-	-	-	-
LX169521	American Airlines T/L B (11/17)	-	-	-	-	-	-	-
LX172399	American Greetings T/L (3/18)	-	-	-	-	-	-	-
LX143787	American Tire Distributors T/L B	-	-	-	-	-	-	-
LX173667	Aramark Services T/L B-2	-	-	-	-	-	-	-
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	-	-	-	-	-	-	-
LX183349	Berry Global (Berry Plastics) T/L W	-	-	-	-	-	-	-
LX189759	Boardriders T/L B2	-	-	-	-	-	-	-
LX161204	Boyd Gaming T/L B3	-	-	-	-	-	-	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	-	-	-	-	-	-	-
LX159595	Builders Firstsource T/L	-	-	-	-	-	-	-
LX152766	Cengage Learning T/L B	-	-	-	-	-	-	-
LX159695	Change Healthcare T/L	-	-	-	-	-	-	-
LX183543	Charter Communications Operating T/L B1	-	-	-	-	-	-	-
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	-	-	-	-	-	-	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	-	-	-	-	-	-	-
LX156731	Conduent T/L B (Xerox)	-	-	-	-	-	-	-
LX177266	ConvergeOne T/L (01/19)	-	-	-	-	-	-	-
LX161958	Cypress Intermediate (CCC Info) T/L B	-	-	-	-	-	-	-
LX163416	Dayco Products T/L B (04/17)	-	-	-	-	-	-	-
LX174095	Diamond Resorts International T/L B (Amend 3)	-	-	-	-	-	-	-
LX163026	Endo Luxembourg Finance T/L B	-	-	-	-	-	-	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	-	-	-	-	-	-	-
LX159615	ExamWorks T/L B1	-	-	-	-	-	-	-
LX169510	Excelitas Technologies T/L (EXC Holdings)	-	-	-	-	-	-	-
LX173032	Ferro T/L B-1	-	-	-	-	-	-	-
LX167187	Flexential Intermediate T/L B (Peak 10)	-	-	-	-	-	-	-
LX162521	Forterra Finance T/L (04/17)	-	-	-	-	-	-	-





## Current Asset Characteristics - Part II

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX178592	Getty Images T/L B USD (Abe Investment)	-	-	-	-	-	-	-
LX170112	Glass Mountain Pipeline T/L B	-	-	-	-	-	-	-
LX171691	Global Medical Response T/L B	-	-	-	-	-	-	-
LX169639	Go Daddy T/L B (11/17)	-	-	-	-	-	-	-
LX168592	Golden Nugget T/L B (09/17)	-	-	-	-	-	-	-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	-	-	-	-	-	-	-
LX159621	Gray Television T/L B	-	-	-	-	-	-	-
LX165794	Gruden Acquisition T/L	-	-	-	-	-	-	-
LX185637	GVC Holdings T/L B3	-	-	-	Yes	-	-	-
LX168918	HB Fuller T/L B	-	-	-	-	-	-	-
LX176498	HD Supply T/L B-5	-	-	-	-	-	-	-
LX173879	IBC Capital T/L B1 (Goodpack)	-	-	-	-	-	-	-
LX185419	IHeartCommunications T/L (01/20)	-	-	-	-	-	-	-
LX169195	Ineos US Finance T/L (2024 Dollar)	-	-	Yes	-	-	-	-
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	-	-	-	-	-	-	-
LX146975	Kenan Advantage T/L B (Canadian)	-	-	-	-	-	-	-
LX146807	Kenan Advantage T/L B (U.S.)	-	-	-	-	-	-	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	-	-	-	-	-	-	-
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	-	-	-	-	-	-	-
LX136370	Libbey Glass (Pre-Petition) T/L	-	-	-	-	-	-	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	-	-	-	-	-	-	-
LX173565	Lifescan Global T/L	-	-	-	-	-	-	-
LX152400	McGraw-Hill Global Education Holdings T/L	-	-	-	-	-	-	-
LX172427	Mediacom T/L N	-	-	-	-	-	-	-
LX176002	Messer Industries T/L B	-	-	-	-	-	-	-
LX152711	MPH Acquisition (Multiplan) T/L B	-	-	-	-	-	-	-
LX165715	MTS Systems Corporation T/L B (06/17)	-	-	Yes	-	-	-	-
LX162460	Nielsen Finance T/L B4	-	-	-	-	-	-	-
LX155280	NN, Inc T/L B (9/16)	-	-	-	-	-	-	-
LX175923	Northriver Midstream T/L B (Grizzly Acquisitions)(Enbridge)	-	-	-	-	-	-	-
LX167279	Parexel International T/L B	-	-	-	-	-	-	-
LX172378	Pisces Midco T/L (Ply Gem)	-	-	-	-	-	-	-





**Current Asset Characteristics - Part II**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	DIP Loan	Specified Type	Cov-Lite Loan	Pays less frequently than Quarterly	Moody's Rating derived from S&P	S&P Rating derived from Moody's	Zero Coupon
LX184253	Pitney Bowes T/L B	-	-	-	-	-	-	-
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	-	-	-	-	-	-	-
LX169594	Rackspace T/L B (11/17)	-	-	-	-	-	-	-
LX159617	RadNet Management T/L B (01/17)	-	-	-	-	-	-	-
LX152375	Russell Investments T/L B	-	-	-	-	-	-	-
LX171269	Scientific Games T/L B-5	-	-	-	-	-	-	-
LX158094	Sinclair Television T/L B2	-	-	-	-	-	-	-
LX151194	Solera T/L B	-	-	-	-	-	-	-
LX159036	Sophia / Ellucian T/L B	-	-	Yes	-	-	-	-
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	-	-	-	-	-	-	-
LX165294	Surgery Center Holdings T/L B (06/17)	-	-	-	-	-	-	-
LX171276	Syniverse Holdings T/L (01/18)	-	-	-	-	-	-	-
LX156377	Team Health Holdings T/L	-	-	-	-	-	-	-
LX168620	Traverse Midstream T/L B	-	-	-	-	-	-	-
LX168581	Tronox T/L B (09/17)	-	-	-	-	-	-	-
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	-	-	-	-	-	-	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	-	-	-	-	-	-	-
LX172243	Uber Technologies T/L (3/18)	-	-	Yes	-	-	-	-
LX173324	United Airlines T/L B (05/18)	-	-	-	-	-	-	-
LX169609	Univar Solutions T/L B3 (11/17)	-	-	-	-	-	-	-
LX161197	Univision Communications T/L C5	-	-	-	-	-	-	-
LX162476	Urban One T/L	-	-	-	-	-	-	-
LX153134	US Foods Second Incremental T/L	-	-	Yes	-	-	-	-
LX167989	USI Incremental T/L	-	-	-	-	-	-	-
LX168056	USS Ultimate Holdings 2nd Lien T/L	-	-	-	-	-	-	-
LX168054	USS Ultimate Holdings T/L (United Site)	-	-	-	Yes	-	-	-
LX169239	VC GB Holdings T/L (Generation Brands)	-	-	-	-	-	-	-
LX144232	Wash Multifamily T/L (1st Lien)	-	-	-	-	-	-	-

**Totals: 93**





# Current Asset Characteristics - Part III

As of Date: 09/21/2020  
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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX144914	Academy T/L B	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX172091	Acadia Healthcare T/L B3	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX172092	Acadia Healthcare T/L B4	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX153030	Affinity Gaming T/L (Initial)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX163228	Almonde (Misys) T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	-
LX155973	American Airlines Replacement T/L B (AMR)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX169521	American Airlines T/L B (11/17)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX172399	American Greetings T/L (3/18)	United States	Consumer goods: Durable	Home furnishings	Term Loan	Senior Secured Loan	-
LX143787	American Tire Distributors T/L B	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX173667	Aramark Services T/L B-2	United States	Services: Business	Food service	Term Loan	Senior Secured Loan	-
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX183349	Berry Global (Berry Plastics) T/L W	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	-
LX189759	Boardriders T/L B2	United States	Consumer goods: Durable	Clothing/textiles	Term Loan	Senior Secured Loan	-
LX161204	Boyd Gaming T/L B3	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	-
LX159595	Builders Firstsource T/L	United States	Wholesale	Building & Development	Term Loan	Senior Secured Loan	-
LX152766	Cengage Learning T/L B	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX159695	Change Healthcare T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX183543	Charter Communications Operating T/L B1	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	United States	Capital Equipment	Equipment leasing	Term Loan	Senior Secured Loan	-
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-
LX156731	Conduent T/L B (Xerox)	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
LX177266	ConvergeOne T/L (01/19)	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX161958	Cypress Intermediate (CCC Info) T/L B	United States	High Tech Industries	Business equipment & services	Term Loan	Senior Secured Loan	-
LX163416	Dayco Products T/L B (04/17)	United States	Automotive	Surface transport	Term Loan	Senior Secured Loan	-
LX174095	Diamond Resorts International T/L B (Amend 3)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX163026	Endo Luxembourg Finance T/L B	Luxembourg	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX175867	Envision Healthcare (Enterprise Merger) T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX159615	ExamWorks T/L B1	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX169510	Excelitas Technologies T/L (EXC Holdings)	United States	Capital Equipment	Industrial equipment	Term Loan	Senior Secured Loan	-
LX173032	Ferro T/L B-1	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX167187	Flexential Intermediate T/L B (Peak 10)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX162521	Forterra Finance T/L (04/17)	United States	Construction & Building	Building & Development	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX178592	Getty Images T/L B USD (Abe Investment)	United States	Media: Diversified & Production	Publishing	Term Loan	Senior Secured Loan	-
LX170112	Glass Mountain Pipeline T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX171691	Global Medical Response T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX169639	Go Daddy T/L B (11/17)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-
LX168592	Golden Nugget T/L B (09/17)	United States	Hotel, Gaming & Leisure	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX141384	Granite Acq 1st T/L B (Wheelabrator)	United States	Energy: Electricity	Utilities	Term Loan	Senior Secured Loan	-
LX159621	Gray Television T/L B	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX165794	Gruden Acquisition T/L	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX185637	GVC Holdings T/L B3	United Kingdom	Hotel, Gaming & Leisure	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX168918	HB Fuller T/L B	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX176498	HD Supply T/L B-5	United States	Wholesale	Industrial equipment	Term Loan	Senior Secured Loan	-
LX173879	IBC Capital T/L B1 (Goodpack)	United States	Transportation: Cargo	Containers & glass products	Term Loan	Senior Secured Loan	-
LX185419	IHeartCommunications T/L (01/20)	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX169195	Ineos US Finance T/L (2024 Dollar)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX146975	Kenan Advantage T/L B (Canadian)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX146807	Kenan Advantage T/L B (U.S.)	United States	Transportation: Cargo	Surface transport	Term Loan	Senior Secured Loan	-
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Canada	Consumer goods: Non-durable	Cosmetics/toiletries	Term Loan	Senior Secured Loan	-
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX136370	Libbey Glass (Pre-Petition) T/L	United States	Containers, Packaging & Glass	Containers & glass products	Term Loan	Senior Secured Loan	-
LX159083	Life Time Fitness 2017 Refinancing T/L B	United States	Services: Consumer	Leisure goods/activities/movies	Term Loan	Senior Secured Loan	-
LX173565	Lifescan Global T/L	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	2nd Lien Loan	-
LX152400	McGraw-Hill Global Education Holdings T/L	United States	Media: Advertising, Printing & Publishing	Publishing	Term Loan	Senior Secured Loan	-
LX172427	Mediacom T/L N	United States	Media: Broadcasting & Subscription	Cable & satellite television	Term Loan	Senior Secured Loan	-
LX176002	Messer Industries T/L B	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX152711	MPH Acquisition (Multiplan) T/L B	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX165715	MTS Systems Corporation T/L B (06/17)	United States	Construction & Building	Industrial equipment	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX162460	Nielsen Finance T/L B4	United States	Services: Business	Publishing	Term Loan	Senior Secured Loan	-
LX155280	NN, Inc T/L B (9/16)	United States	Automotive	Industrial equipment	Term Loan	Senior Secured Loan	-
LX175923	Northriver Midstream T/L B (Grizzly Acquisitions)(Enbridge)	Canada	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX167279	Parexel International T/L B	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX172378	Pisces Midco T/L (Ply Gem)	United States	Construction & Building	Industrial equipment	Term Loan	Senior Secured Loan	-
LX184253	Pitney Bowes T/L B	United States	Services: Business	Surface transport	Term Loan	Senior Secured Loan	-





**Current Asset Characteristics - Part III**

As of Date: 09/21/2020  
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Security I.D.	Security Description	Obligor Country	Moody's Industry	S&P Industry	Primary Asset Type	Secondary Asset Type	Asset Type Other
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	United States	Retail	Retailers (except food & drug)	Term Loan	Senior Secured Loan	-
LX169594	Rackspace T/L B (11/17)	United States	Telecommunications	Telecommunications	Term Loan	Senior Secured Loan	-
LX159617	RadNet Management T/L B (01/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX152375	Russell Investments T/L B	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX171269	Scientific Games T/L B-5	United States	Services: Business	Lodging & casinos	Term Loan	Senior Secured Loan	-
LX158094	Sinclair Television T/L B2	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX151194	Solera T/L B	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
LX159036	Sophia / Ellucian T/L B	United States	High Tech Industries	Electronics/electrical	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	United States	Consumer goods: Non-durable	Business equipment & services	Term Loan	Senior Secured Loan	-
LX165294	Surgery Center Holdings T/L B (06/17)	United States	Healthcare & Pharmaceuticals	Health care	Term Loan	Senior Secured Loan	-
LX171276	Syniverse Holdings T/L (01/18)	United States	Services: Business	Telecommunications	Term Loan	Senior Secured Loan	-
LX156377	Team Health Holdings T/L	United States	Services: Business	Health care	Term Loan	Senior Secured Loan	-
LX168620	Traverse Midstream T/L B	United States	Energy: Oil & Gas	Oil & gas	Term Loan	Senior Secured Loan	-
LX168581	Tronox T/L B (09/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	United States	Automotive	Automotive	Term Loan	2nd Lien Loan	-
LX172243	Uber Technologies T/L (3/18)	United States	Automotive	Automotive	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX173324	United Airlines T/L B (05/18)	United States	Transportation: Consumer	Air transport	Term Loan	Senior Secured Loan	-
LX169609	Univar Solutions T/L B3 (11/17)	United States	Chemicals, Plastics, & Rubber	Chemicals & plastics	Term Loan	Senior Secured Loan	-
LX161197	Univision Communications T/L C5	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX162476	Urban One T/L	United States	Media: Broadcasting & Subscription	Radio & Television	Term Loan	Senior Secured Loan	-
LX153134	US Foods Second Incremental T/L	United States	Beverage, Food & Tobacco	Food service	Term Loan	Senior Secured Loan	Cov-Lite Loan
LX167989	USI Incremental T/L	United States	Banking, Finance, Insurance & Real Estate	Financial intermediaries	Term Loan	Senior Secured Loan	-
LX168056	USS Ultimate Holdings 2nd Lien T/L	United States	Services: Business	Business equipment & services	Term Loan	2nd Lien Loan	-
LX168054	USS Ultimate Holdings T/L (United Site)	United States	Services: Business	Business equipment & services	Term Loan	Senior Secured Loan	-
LX169239	VC GB Holdings T/L (Generation Brands)	United States	Consumer goods: Durable	Conglomerates	Term Loan	Senior Secured Loan	-
LX144232	Wash Multifamily T/L (1st Lien)	United States	Services: Consumer	Business equipment & services	Term Loan	Senior Secured Loan	-

**Totals: 93**





# Weighted Average Spread

As of Date: 09/21/2020  
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Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX144914	Academy T/L B	Floating	1,261,191.65	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	59,893.99
LX144914	Academy T/L B	Floating	19,572.07	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	929.48
LX144914	Academy T/L B	Floating	649,555.69	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	30,847.40
LX144914	Academy T/L B	Floating	2,101,986.06	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	99,823.32
LX144914	Academy T/L B	Floating	2,127,724.68	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	101,045.65
LX172091	Acadia Healthcare T/L B3	Floating	5,029,081.17	LIBOR (1 month)	0.16%	2.50%	2.50%		125,727.03
LX172092	Acadia Healthcare T/L B4	Floating	273,622.41	LIBOR (1 month)	0.16%	2.50%	2.50%		6,840.56
LX153030	Affinity Gaming T/L (Initial)	Floating	1,973,269.90	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	78,911.06
LX163228	Almonde (Misys) T/L B	Floating	611,870.01	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	25,998.36
LX163228	Almonde (Misys) T/L B	Floating	2,993,543.17	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	127,195.65
LX163228	Almonde (Misys) T/L B	Floating	556,801.70	LIBOR (6 months)	1.00%	3.50%	4.25%	1.00%	23,658.50
LX155973	American Airlines Replacement T/L B (AMR)	Floating	2,982,440.16	LIBOR (1 month)	0.16%	2.00%	2.00%		59,648.80
LX169521	American Airlines T/L B (11/17)	Floating	5,938,775.51	LIBOR (1 month)	0.15%	2.00%	2.00%		118,775.51
LX172399	American Greetings T/L (3/18)	Floating	3,984,710.34	LIBOR (1 month)	1.00%	4.50%	5.25%	1.00%	209,157.45
LX143787	American Tire Distributors T/L B	Floating	2,835,755.02	LIBOR (1 month)	1.00%	7.50%	8.25%	1.00%	233,921.43
LX143787	American Tire Distributors T/L B	Floating	351,563.50	LIBOR (3 months)	1.00%	7.50%	8.25%	1.00%	29,000.47
LX143787	American Tire Distributors T/L B	Floating	14,143.64	LIBOR (1 month)	1.00%	7.50%	8.25%	1.00%	1,166.71
LX173667	Aramark Services T/L B-2	Floating	2,494,849.86	LIBOR (1 month)	0.15%	1.75%	1.75%		43,659.87
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	Floating	1,162,890.35	LIBOR (3 months)	0.31%	1.75%	1.75%		20,350.58
LX183349	Berry Global (Berry Plastics) T/L W	Floating	3,029,480.08	LIBOR (1 month)	0.16%	2.00%	2.00%		60,589.60
LX161204	Boyd Gaming T/L B3	Floating	918,876.62	LIBOR (1 week)	0.11%	2.25%	2.25%		20,674.72
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	504,961.26	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	21,455.80
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	1,854,133.55	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	78,782.13
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Floating	403,969.00	LIBOR (6 months)	1.07%	3.50%	4.25%	1.00%	17,164.64
LX159595	Builders Firstsource T/L	Floating	495,397.60	LIBOR (3 months)	1.00%	3.00%	3.75%	1.00%	18,572.46
LX152766	Cengage Learning T/L B	Floating	8,298,260.83	LIBOR (6 months)	1.00%	4.25%	5.00%	1.00%	414,830.06
LX159695	Change Healthcare T/L	Floating	1,717,827.79	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	55,812.22
LX159695	Change Healthcare T/L	Floating	214,182.64	LIBOR (1 month)	1.00%	2.50%	3.25%	1.00%	6,958.79
LX159695	Change Healthcare T/L	Floating	910,382.47	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	29,578.33
LX159695	Change Healthcare T/L	Floating	1,692,014.32	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	54,973.55
LX159695	Change Healthcare T/L	Floating	903,333.13	LIBOR (3 months)	1.00%	2.50%	3.25%	1.00%	29,349.29
LX183543	Charter Communications Operating T/L B1	Floating	4,387,500.00	LIBOR (1 month)	0.16%	1.75%	1.75%		76,781.25
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	Floating	2,659,168.22	LIBOR (3 months)	0.31%	1.75%	1.75%		46,535.44





# Weighted Average Spread

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	Floating	189,205.65	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	7,566.33
LX156731	Conduent T/L B (Xerox)	Floating	4,840,595.65	LIBOR (1 month)	0.16%	2.50%	2.50%		121,014.89
LX177266	ConvergeOne T/L (01/19)	Floating	1,975,000.00	LIBOR (1 month)	0.16%	5.00%	5.00%		98,750.00
LX161958	Cypress Intermediate (CCC Info) T/L B	Floating	3,397,437.20	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	127,369.92
LX163416	Dayco Products T/L B (04/17)	Floating	2,902,500.00	LIBOR (3 months)	0.26%	4.25%	4.25%		123,356.25
LX174095	Diamond Resorts International T/L B (Amend 3)	Floating	1,974,747.46	LIBOR (1 month)	1.00%	3.75%	4.50%	1.00%	88,843.89
LX163026	Endo Luxembourg Finance T/L B	Floating	3,554,198.45	LIBOR (3 months)	0.75%	4.25%	4.75%	0.75%	168,788.88
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Floating	3,949,874.70	LIBOR (1 month)	0.16%	3.75%	3.75%		148,120.30
LX159615	ExamWorks T/L B1	Floating	3,516,507.65	LIBOR (6 months)	1.07%	3.25%	4.00%	1.00%	140,625.14
LX169510	Excelitas Technologies T/L (EXC Holdings)	Floating	1,066,406.29	LIBOR (3 months)	1.00%	3.50%	4.25%	1.00%	45,311.60
LX173032	Ferro T/L B-1	Floating	1,344,062.51	LIBOR (3 months)	0.31%	2.25%	2.25%		30,241.41
LX167187	Flexential Intermediate T/L B (Peak 10)	Floating	5,825,126.90	LIBOR (3 months)	0.31%	3.50%	3.50%		203,879.44
LX162521	Forterra Finance T/L (04/17)	Floating	309,599.21	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	11,606.87
LX178592	Getty Images T/L B USD (Abe Investment)	Floating	1,953,730.48	LIBOR (1 month)	0.19%	4.50%	4.50%		87,917.87
LX170112	Glass Mountain Pipeline T/L B	Floating	1,969,696.95	LIBOR (3 months)	1.00%	4.50%	5.25%	1.00%	103,389.39
LX171691	Global Medical Response T/L B	Floating	8,194,936.70	LIBOR (6 months)	1.00%	3.25%	4.00%	1.00%	327,715.52
LX169639	Go Daddy T/L B (11/17)	Floating	2,255,353.86	LIBOR (1 month)	0.16%	1.75%	1.75%		39,468.69
LX169639	Go Daddy T/L B (11/17)	Floating	714,083.22	LIBOR (1 month)	0.16%	1.75%	1.75%		12,496.46
LX168592	Golden Nugget T/L B (09/17)	Floating	603,912.33	LIBOR (1 month)	0.75%	2.50%	3.00%	0.75%	18,111.33
LX168592	Golden Nugget T/L B (09/17)	Floating	711,818.13	LIBOR (1 month)	0.75%	2.50%	3.00%	0.75%	21,347.43
LX141384	Granite Acq 1st T/L B (Wheelabrator)	Floating	6,102,060.14	LIBOR (3 months)	1.00%	3.50%	4.25%	1.00%	259,276.54
LX159621	Gray Television T/L B	Floating	2,802,246.31	LIBOR (1 month)	0.16%	2.25%	2.25%		63,050.54
LX165794	Gruden Acquisition T/L	Floating	3,176,035.21	LIBOR (3 months)	1.00%	5.50%	6.25%	1.00%	198,470.44
LX185637	GVC Holdings T/L B3	Floating	3,151,230.97	LIBOR (6 months)	1.06%	2.25%	3.00%	1.00%	94,505.42
LX168918	HB Fuller T/L B	Floating	289,327.00	LIBOR (1 month)	0.16%	2.00%	2.00%		5,786.54
LX176498	HD Supply T/L B-5	Floating	4,213,950.94	LIBOR (1 month)	0.16%	1.75%	1.75%		73,744.14
LX173879	IBC Capital T/L B1 (Goodpack)	Floating	1,388,690.16	LIBOR (3 months)	0.23%	3.75%	3.75%		52,075.88
LX185419	IHeartCommunications T/L (01/20)	Floating	758,455.24	LIBOR (1 month)	0.16%	3.00%	3.00%		22,753.66
LX169195	Ineos US Finance T/L (2024 Dollar)	Floating	7,837,176.42	LIBOR (2 months)	0.21%	2.00%	2.00%		156,743.53
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	Floating	2,341,136.92	LIBOR (1 month)	0.16%	1.75%	1.75%		40,969.90
LX146975	Kenan Advantage T/L B (Canadian)	Floating	271,754.92	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	10,188.09
LX146807	Kenan Advantage T/L B (U.S.)	Floating	895,844.25	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	33,585.20
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	846,735.10	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	40,211.45





# Weighted Average Spread

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,508,816.15	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	71,653.68
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	1,050,407.65	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	49,883.86
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	Floating	486,872.68	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	23,121.58
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	1,384,561.86	LIBOR (3 months)	1.00%	4.75%	5.50%	1.00%	76,137.06
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Floating	3,634.02	LIBOR (2 months)	1.00%	4.75%	5.50%	1.00%	199.83
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	2,660,399.00	LIBOR (6 months)	1.00%	2.75%	3.50%	1.00%	93,087.36
LX159083	Life Time Fitness 2017 Refinancing T/L B	Floating	6,856.70	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	239.92
LX173565	Lifescan Global T/L	Floating	4,365,863.80	LIBOR (6 months)	1.18%	6.00%	6.00%		261,951.83
LX152400	McGraw-Hill Global Education Holdings T/L	Floating	9,882,321.86	LIBOR (3 months)	1.00%	4.00%	4.75%	1.00%	469,311.47
LX172427	Mediacom T/L N	Floating	1,001,878.99	LIBOR (1 week)	0.11%	1.75%	1.75%		17,532.88
LX176002	Messer Industries T/L B	Floating	2,784,750.00	LIBOR (3 months)	0.31%	2.50%	2.50%		69,618.75
LX152711	MPH Acquisition (Multiplan) T/L B	Floating	1,928,650.98	LIBOR (3 months)	1.00%	2.75%	3.50%	1.00%	67,483.50
LX165715	MTS Systems Corporation T/L B (06/17)	Floating	372,397.64	LIBOR (1 month)	0.75%	3.25%	3.75%	0.75%	13,961.19
LX162460	Nielsen Finance T/L B4	Floating	2,938,814.99	LIBOR (1 month)	0.15%	2.00%	2.00%		58,776.30
LX155280	NN, Inc T/L B (9/16)	Floating	3,363,548.19	LIBOR (1 month)	0.75%	5.75%	6.25%	0.75%	210,188.13
LX175923	Northriver Midstream T/L B (Grizzly Acquisitions)(Enbridge)	Floating	1,984,848.47	LIBOR (3 months)	0.30%	3.25%	3.25%		64,507.58
LX167279	Parexel International T/L B	Floating	2,068,087.44	LIBOR (1 month)	0.16%	2.75%	2.75%		56,872.40
LX172378	Pisces Midco T/L (Ply Gem)	Floating	1,163,498.88	LIBOR (1 month)	0.17%	3.75%	3.75%		43,631.21
LX184253	Pitney Bowes T/L B	Floating	1,877,484.37	LIBOR (1 month)	0.16%	5.50%	5.50%		103,261.64
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	Floating	350,384.63	Prime	3.25%	7.00%	10.00%		35,034.96
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	Floating	480,000.01	LIBOR (3 months)	0.31%	8.00%	8.75%	1.00%	41,995.20
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	Floating	98,461.51	LIBOR (3 months)	0.31%	8.00%	8.75%	1.00%	8,614.40
LX169594	Rackspace T/L B (11/17)	Floating	4,726,717.56	LIBOR (3 months)	1.00%	3.00%	3.75%	1.00%	177,204.64
LX169594	Rackspace T/L B (11/17)	Floating	12,213.74	LIBOR (2 months)	1.00%	3.00%	3.75%	1.00%	457.89
LX159617	RadNet Management T/L B (01/17)	Floating	3,213,567.47	LIBOR (6 months)	1.00%	3.75%	4.50%	1.00%	144,578.40
LX152375	Russell Investments T/L B	Floating	8,309,533.57	LIBOR (6 months)	1.07%	2.75%	3.50%	1.00%	290,750.58
LX171269	Scientific Games T/L B-5	Floating	4,677,634.11	LIBOR (6 months)	0.31%	2.75%	2.75%		128,634.94
LX171269	Scientific Games T/L B-5	Floating	14,928.05	LIBOR (3 months)	0.31%	2.75%	2.75%		410.52
LX171269	Scientific Games T/L B-5	Floating	1,144,304.84	LIBOR (1 month)	0.16%	2.75%	2.75%		31,468.38
LX158094	Sinclair Television T/L B2	Floating	1,658,486.33	LIBOR (1 month)	0.16%	2.25%	2.25%		37,315.94
LX151194	Solera T/L B	Floating	4,761.90	LIBOR (1 month)	0.16%	2.75%	2.75%		130.95
LX151194	Solera T/L B	Floating	1,819,045.69	LIBOR (2 months)	0.19%	2.75%	2.75%		50,023.76





# ACIS CLO 2015-6 LTD. Weighted Average Spread

As of Date: 09/21/2020  
Payment Date: 11/02/2020

Security I.D.	Security Description	Coupon Type	Total Commitment	Index Type	Current Index	Cash Spread	Effective Spread	Libor Floor	Weighted Factor
LX159036	Sophia / Ellucian T/L B	Floating	4,095,112.14	LIBOR (3 months)	1.00%	3.25%	4.00%	1.00%	163,763.53
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	Floating	3,862,699.31	LIBOR (3 months)	1.00%	3.25%	4.00%	1.00%	154,469.35
LX165294	Surgery Center Holdings T/L B (06/17)	Floating	5,637,681.21	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	225,450.87
LX171276	Syniverse Holdings T/L (01/18)	Floating	4,136,523.90	LIBOR (6 months)	1.00%	5.00%	5.75%	1.00%	237,808.76
LX156377	Team Health Holdings T/L	Floating	4,165,419.84	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	145,748.04
LX168620	Traverse Midstream T/L B	Floating	5,219,218.76	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	247,860.70
LX168581	Tronox T/L B (09/17)	Floating	1,918,604.64	LIBOR (3 months)	0.31%	3.00%	3.00%		57,558.14
LX168581	Tronox T/L B (09/17)	Floating	2,719,082.49	LIBOR (1 month)	0.16%	3.00%	3.00%		81,572.47
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	Floating	5,736,680.32	LIBOR (1 month)	0.16%	3.75%	3.75%		215,125.51
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Floating	600,000.00	LIBOR (1 month)	1.00%	8.25%	9.00%	1.00%	53,994.00
LX172243	Uber Technologies T/L (3/18)	Floating	3,949,622.15	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	187,567.56
LX173324	United Airlines T/L B (05/18)	Floating	2,418,750.00	LIBOR (1 month)	0.16%	1.75%	1.75%		42,328.13
LX169609	Univar Solutions T/L B3 (11/17)	Floating	2,428,134.66	LIBOR (1 month)	0.16%	2.25%	2.25%		54,633.03
LX161197	Univision Communications T/L C5	Floating	10,546,104.94	LIBOR (1 month)	1.00%	2.75%	3.50%	1.00%	369,008.21
LX162476	Urban One T/L	Floating	1,560,620.25	LIBOR (1 month)	1.00%	4.00%	4.75%	1.00%	74,113.86
LX153134	US Foods Second Incremental T/L	Floating	3,263,022.86	LIBOR (1 month)	0.16%	1.75%	1.75%		57,102.90
LX167989	USI Incremental T/L	Floating	3,407,406.00	LIBOR (3 months)	0.31%	3.00%	3.00%		102,222.18
LX168056	USS Ultimate Holdings 2nd Lien T/L	Floating	1,000,000.00	LIBOR (3 months)	1.00%	7.75%	8.50%	1.00%	84,990.00
LX168054	USS Ultimate Holdings T/L (United Site)	Floating	3,180,423.44	LIBOR (6 months)	1.00%	3.75%	4.50%	1.00%	143,087.25
LX169239	VC GB Holdings T/L (Generation Brands)	Floating	5,101,368.82	LIBOR (1 month)	1.00%	3.00%	3.75%	1.00%	191,250.32
LX144232	Wash Multifamily T/L (1st Lien)	Floating	898,244.14	LIBOR (1 month)	1.00%	3.25%	4.00%	1.00%	35,920.78
<b>Totals:</b>	<b>119</b>		<b>293,864,724.27</b>						<b>10,929,509.37</b>









ACIS CLO 2015-6 LTD.

Rating Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's						S & P				
		Type	Status	Rating	Default Prob.	Date	Rec Rate	Type	Status	Rating	Date	Rec Rate
LX144914	Academy T/L B	MR		Caa1	B3		40.00	SCC		CCC+		27.00
LX172091	Acadia Healthcare T/L B3	MR		Ba3	B2		60.00	SCC		B		50.00
LX172092	Acadia Healthcare T/L B4	MR		Ba3	B2		60.00	SCC		B		50.00
LX153030	Affinity Gaming T/L (Initial)	MR		B2	B3		50.00	SCC		CCC+		60.00
LX163228	Almonde (Misys) T/L B	MR		B2	B3		50.00	SCC		CCC+		40.00
LX155973	American Airlines Replacement T/L B (AMR)	MR		Ba3	B2		60.00	SCC		B-		40.00
LX169521	American Airlines T/L B (11/17)	MR		Ba3	B2		60.00	SCC		B-		50.00
LX172399	American Greetings T/L (3/18)	MR		Ba3	B2		60.00	SCC		B		50.00
LX143787	American Tire Distributors T/L B	MR		Ca	Caa3		40.00	SCC		CCC+		20.00
LX173667	Aramark Services T/L B-2	MR		Ba2	Ba3		50.00	SCC		BB-		65.00
LX163100	Axalta Coating Systems (Dupont) T/L (05/17)	MR		Ba1	Ba3		60.00	SCC		BB		65.00
LX183349	Berry Global (Berry Plastics) T/L W	MR		Ba2	Ba3		50.00	SCC		BB+		50.00
LX189759	Boardriders T/L B2	MR	DEF	B3	Caa1	04-Sep-20	50.00	SCC	DEF	SD	04-Sep-20	30.00
LX161204	Boyd Gaming T/L B3	MR		Ba3	B2		60.00	SCC		B		65.00
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	MR		Caa3	Caa3		45.00	SCC		CCC		40.00
LX159595	Builders Firstsource T/L	MR	CW+	B1	B1	31-Aug-20	45.00	SCC		BB-		65.00
LX152766	Cengage Learning T/L B	MR		Caa1	Caa2		50.00	SCC		CCC+		50.00
LX159695	Change Healthcare T/L	MR		B1	B2		50.00	SCC		B+		40.00
LX183543	Charter Communications Operating T/L B1	MR		Ba1	Ba2		50.00	SCC		BB+		65.00
LX184217	Clark Equipment (11/19) T/L B (Doosan Bobcat/ Infracore)	MR		Ba3	Ba3		45.00	SCC		BB		50.00
LX144736	Coinamatic Canada (Wash Multifamily) T/L 1st Lien	MR		B2	B3		50.00	SCC		B-		40.00
LX156731	Conduent T/L B (Xerox)	MR		B1	B1		45.00	SCC		B+		50.00
LX177266	ConvergeOne T/L (01/19)	MR		B2	B3		50.00	SCC		B-		40.00
LX161958	Cypress Intermediate (CCC Info) T/L B	MR		B3	B3		45.00	SCC		B-		30.00
LX163416	Dayco Products T/L B (04/17)	MR		Caa2	Caa2		45.00	SCC		CCC+		20.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





**Rating Detail**  
As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's						S & P				
		Type	Status	Rating	Default Prob.	Date	Rec Rate	Type	Status	Rating	Date	Rec Rate
LX174095	Diamond Resorts International T/L B (Amend 3)	MR		B3	Caa1		50.00	SCC		CCC+		50.00
LX163026	Endo Luxembourg Finance T/L B	MR		B2	B3		50.00	SCC		B		50.00
LX175867	Envision Healthcare (Enterprise Merger) T/L B	MR		Caa1	Caa2		50.00	SCC		CCC		30.00
LX159615	ExamWorks T/L B1	MR		B1	B2		50.00	SCC		B		30.00
LX169510	Excelitas Technologies T/L (EXC Holdings)	MR		B2	B3		50.00	SCC		B-		30.00
LX173032	Ferro T/L B-1	MR		Ba3	Ba3		45.00	SCC		B+		30.00
LX167187	Flexential Intermediate T/L B (Peak 10)	MR		B3	Caa1		50.00	SCC		CCC+		30.00
LX162521	Forterra Finance T/L (04/17)	MR		B3	B3		45.00	SCC		B-		27.00
LX178592	Getty Images T/L B USD (Abe Investment)	MR		B2	B3		50.00	SCC		B-		40.00
LX170112	Glass Mountain Pipeline T/L B	MR		Caa2	Caa2		45.00	SCC		CCC		30.00
LX171691	Global Medical Response T/L B	MR		B1	B2		50.00	SCC		B		40.00
LX169639	Go Daddy T/L B (11/17)	MR		Ba1	Ba2		50.00	SCC		BB		40.00
LX168592	Golden Nugget T/L B (09/17)	MR		B2	Caa1		60.00	SCC		B-		50.00
LX141384	Granite Acq 1st T/L B (Wheelabrator)	MR		B1	B1		45.00	SCC		B+		30.00
LX159621	Gray Television T/L B	MR		Ba2	B1		60.00	SCC		B+		65.00
LX165794	Gruden Acquisition T/L	MR		B3	B3		45.00	SCC		B-		30.00
LX185637	GVC Holdings T/L B3	MR		Ba2	Ba2		45.00	SCC		BB		40.00
LX168918	HB Fuller T/L B	MR		Ba2	Ba3		50.00	SCC		BB		40.00
LX176498	HD Supply T/L B-5	MR		Ba1	Ba1		45.00	SCC	CW-	BB	26-Sep-19	65.00
LX173879	IBC Capital T/L B1 (Goodpack)	MR	CW-	B2	B2	02-Jul-20	45.00	SCC		B		40.00
LX185419	IHeartCommunications T/L (01/20)	MR		B1	B2		50.00	SCC		B		50.00
LX169195	Ineos US Finance T/L (2024 Dollar)	MR		Ba2	Ba3		50.00	SCC	CW-	BB-	01-Jul-20	60.00
LX160894	IQVIA (Quintiles/IMS Health) T/L B-1 (USD)	MR		Ba1	Ba2		50.00	SCC		BB+		50.00
LX146975	Kenan Advantage T/L B (Canadian)	MR		B3	Caa1		50.00	SCC		CCC+		60.00
LX146807	Kenan Advantage T/L B (U.S.)	MR		B3	Caa1		50.00	SCC		CCC+		60.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





**ACIS CLO 2015-6 LTD.**  
**Rating Detail**  
 As of Date: 09/21/2020  
 Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's						S & P				
		Type	Status	Rating	Default Prob.	Date	Rec Rate	Type	Status	Rating	Date	Rec Rate
LX147095	Kronos Acquisition Holdings 1st Lien T/L (KIK Custom Products)	MR		B1	B3		60.00	SCC		B-		40.00
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	MR		Caa1	Caa2		50.00	SCC		CCC		30.00
LX136370	Libbey Glass (Pre-Petition) T/L	MR	DEF	Caa3	Caa3	14-Apr-20	45.00	SCC	DEF	CCC-	14-Apr-20	45.00
LX159083	Life Time Fitness 2017 Refinancing T/L B	MR		B2	B3		50.00	SCC		CCC+		65.00
LX173565	Lifescan Global T/L	MR		B3	B3		35.00	SCC		B		30.00
LX152400	McGraw-Hill Global Education Holdings T/L	MR		Caa1	Caa2		50.00	SCC		CCC+		50.00
LX172427	Mediacom T/L N	MR		Ba1	Ba1		45.00	SCC		BBB		45.00
LX176002	Messer Industries T/L B	MR		B1	B1		45.00	SCC		BB-		30.00
LX152711	MPH Acquisition (Multiplan) T/L B	MR	CW+	B1	B3	13-Jul-20	60.00	SCC		B+		40.00
LX165715	MTS Systems Corporation T/L B (06/17)	MR		Ba2	B1		60.00	SCC		B+		60.00
LX162460	Nielsen Finance T/L B4	MR		Ba1	Ba3		60.00	SCC	CW-	BB-	07-Nov-19	65.00
LX155280	NN, Inc T/L B (9/16)	MR	CW+	Caa2	Caa2	25-Aug-20	45.00	SCC		B-		30.00
LX175923	Northriver Midstream T/L B (Grizzly Acquisitions)(Enbridge)	MR		Ba3	Ba3		45.00	SCC		BB+		40.00
LX167279	Parexel International T/L B	MR		B2	B3		50.00	SCC		B-		27.00
LX172378	Pisces Midco T/L (Ply Gem)	MR		B2	B2		45.00	SCC		B+		30.00
LX184253	Pitney Bowes T/L B	MR		Ba1	Ba3		60.00	SCC		BB+		60.00
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	MR		Caa1	B3		40.00	SCC		SD		40.00
LX169594	Rackspace T/L B (11/17)	MR		B1	B2		50.00	SCC		B		60.00
LX159617	RadNet Management T/L B (01/17)	MR		B1	B2		50.00	SCC		B		30.00
LX152375	Russell Investments T/L B	MR		Ba2	Ba2		45.00	SCC		BB-		27.00
LX171269	Scientific Games T/L B-5	MR		B1	B3		60.00	SCC		B		50.00
LX158094	Sinclair Television T/L B2	MR		Ba2	Ba3		50.00	SCC		BB-		65.00
LX151194	Solera T/L B	MR		Ba3	B2		60.00	SCC		B-		60.00
LX159036	Sophia / Ellucian T/L B	MR		B2	B3		50.00	SCC		B-		50.00
LX165477	Spin Holdco (Coinmach) T/L B (02/18)	MR		B2	B3		50.00	SCC		B-		40.00

**Watch Status / Rating Type Legend:**

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2015-6 LTD.

Rating Detail

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's						S & P				
		Type	Status	Rating	Default Prob.	Date	Rec Rate	Type	Status	Rating	Date	Rec Rate
LX165294	Surgery Center Holdings T/L B (06/17)	MR		B2	Caa1		60.00	SCC	CW-	CCC+	25-Mar-20	40.00
LX171276	Syniverse Holdings T/L (01/18)	MR			Caa1	Caa1	45.00	SCC		CCC+		27.00
LX156377	Team Health Holdings T/L	MR			Caa1	Caa2	50.00	SCC		B-		30.00
LX168620	Traverse Midstream T/L B	MR		B3	B3		45.00	SCC		B		27.00
LX168581	Tronox T/L B (09/17)	MR		Ba3	B1		50.00	SCC		B		60.00
LX163494	Truck Hero (Tectum Holdings) 1st Lien T/L	MR		B2	B3		50.00	SCC		B-		30.00
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	MR			Caa2	B3	15.00	SCC		B-		2.00
LX172243	Uber Technologies T/L (3/18)	MR		B1	B2		-	SCC		B-		-
LX173324	United Airlines T/L B (05/18)	MR		Ba1	Ba2		50.00	SCC		B+		65.00
LX169609	Univar Solutions T/L B3 (11/17)	MR		Ba3	Ba3		45.00	SCC		BB		50.00
LX161197	Univision Communications T/L C5	MR		B2	B2		45.00	SCC		B		40.00
LX162476	Urban One T/L	MR		B3	B3		45.00	SCC		CCC		40.00
LX153134	US Foods Second Incremental T/L	MR		B3	B2		40.00	SCC		BB-		30.00
LX167989	USI Incremental T/L	MR		B2	B3		50.00	SCC		B		30.00
LX168056	USS Ultimate Holdings 2nd Lien T/L	MR			Caa2	B3	15.00	SCC		B-		2.00
LX168054	USS Ultimate Holdings T/L (United Site)	MR		B2	B3		50.00	SCC		B-		40.00
LX169239	VC GB Holdings T/L (Generation Brands)	MR		B2	B2		45.00	SCC		B		30.00
LX144232	Wash Multifamily T/L (1st Lien)	MR		B2	B3		50.00	SCC		B-		40.00

Totals: 93

Watch Status / Rating Type Legend:

<b>RE</b> - Rating Estimate	<b>MSI</b> - Moody's Senior Implied	<b>MSUS</b> - Moody's Senior Unsecured	<b>SSUS</b> - S&P Senior Unsecured	<b>CW-</b> - Credit Watch with negative implications
<b>NR</b> - Not Rated	<b>MR</b> - Moody's Rating	<b>MSIO</b> - Moody's Senior Implied Obligor	<b>SCC</b> - S&P Corporate Credit	<b>CW+</b> - Credit Watch with positive implications
<b>ISD</b> - Indenture Specified Default	<b>PR</b> - Private Rating	<b>MSS</b> - Moody's Senior Secured	<b>SSS</b> - S&P Senior Secured	<b>DEF</b> - In Default
	<b>SH</b> - Shadow Rating		<b>SPR</b> - S&P Rating	<b>DOR</b> - Derived from rating of other rating agency





ACIS CLO 2015-6 LTD

### Rating Change History

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Principal Balance	Moody's			S & P		
			Curr	Date	Action (1)	Curr	Date	Action (1)
LX147095	Kronos Acquisition Holdings 1st Lien T/L	3,892,831.58	B1	28-Aug-20	UPG			
LX152400	McGraw-Hill Global Education Holdings T/L	9,882,321.86				CCC+	04-Sep-20	DNG
LX152766	Cengage Learning T/LB	8,298,260.83				CCC+	04-Sep-20	DNG
LX153134	US Foods Second Incremental T/L	3,263,022.86				BB-	08-Sep-20	OFF(CW-)
LX153134	US Foods Second Incremental T/L	3,263,022.86				BB-	08-Sep-20	DNG
LX155280	NN, Inc T/L B (9/16)	3,363,548.19	Caa2	25-Aug-20	CW+	B-	25-Aug-20	OFF(CW-)
LX159595	Builders Firstsource T/L	495,397.60	B1	31-Aug-20	CW+			
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	2,763,063.81				CCC	31-Aug-20	OFF(CW-)
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	2,763,063.81				CCC	31-Aug-20	DNG

<b>Totals:</b>	<b>9</b>	<b>37,984,533.40</b>
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Upgrades:	1	Aggregate Balance:	3,892,831.58
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Downgrades:	4	Aggregate Balance:	24,206,669.36
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<b>Asset Status Legend: (1)</b>	<b>DNG</b> - Downgrade	<b>N</b> - Notched / Implied Rating	<b>CW-</b> - Credit Watch with negative implications
	<b>UPG</b> - Upgrade	<b>E</b> - Credit Estimate	<b>CW+</b> - Credit Watch with positive implications
	<b>WDR</b> - Withdrawn	<b>S</b> - Shadow Rated	<b>DEF</b> - In Default





# **Caa/CCC Obligations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Moody's			S & P		
		Rating	Rating Type	Principal Balance	Rating	Rating Type	Principal Balance
LX144914	Academy T/L B	Caa1	MR	6,160,030.15	CCC+	SCC	6,160,030.15
LX153030	Affinity Gaming T/L (Initial)	B2	MR	-	CCC+	SCC	1,973,269.90
LX163228	Almonde (Misys) T/L B	B2	MR	-	CCC+	SCC	4,162,214.88
LX143787	American Tire Distributors T/L B	Ca	MR	3,201,462.16	CCC+	SCC	3,201,462.16
LX171142	Bright Bidco (Lumileds) T/L B (02/18)	Caa3	MR	2,763,063.81	CCC	SCC	2,763,063.81
LX152766	Cengage Learning T/L B	Caa1	MR	8,298,260.83	CCC+	SCC	8,298,260.83
LX163416	Dayco Products T/L B (04/17)	Caa2	MR	2,902,500.00	CCC+	SCC	2,902,500.00
LX174095	Diamond Resorts International T/L B (Amend 3)	B3	MR	-	CCC+	SCC	1,974,747.46
LX175867	Envision Healthcare (Enterprise Merger) T/L B	Caa1	MR	3,949,874.70	CCC	SCC	3,949,874.70
LX167187	Flexential Intermediate T/L B (Peak 10)	B3	MR	-	CCC+	SCC	5,825,126.90
LX170112	Glass Mountain Pipeline T/L B	Caa2	MR	1,969,696.95	CCC	SCC	1,969,696.95
LX146975	Kenan Advantage T/L B (Canadian)	B3	MR	-	CCC+	SCC	271,754.92
LX146807	Kenan Advantage T/L B (U.S.)	B3	MR	-	CCC+	SCC	895,844.25
LX147127	Lanai Holdings III T/L 1st Lien (Patterson)	Caa1	MR	1,388,195.88	CCC	SCC	1,388,195.88
LX159083	Life Time Fitness 2017 Refinancing T/L B	B2	MR	-	CCC+	SCC	2,667,255.70
LX152400	McGraw-Hill Global Education Holdings T/L	Caa1	MR	9,882,321.86	CCC+	SCC	9,882,321.86
LX155280	NN, Inc T/L B (9/16)	Caa2	MR	3,363,548.19	B-	SCC	-
LX179151	Premier Brands T/L (3/19) (Nine West Holdings)	Caa1	MR	928,846.15	SD	SCC	928,846.15
LX165294	Surgery Center Holdings T/L B (06/17)	B2	MR	-	CCC+	SCC	5,637,681.21
LX171276	Syniverse Holdings T/L (01/18)	Caa1	MR	4,136,523.90	CCC+	SCC	4,136,523.90
LX156377	Team Health Holdings T/L	Caa1	MR	4,165,419.84	B-	SCC	-
LX163496	Truck Hero (Tectum Holdings) 2nd Lien T/L	Caa2	MR	600,000.00	B-	SCC	-
LX162476	Urban One T/L	B3	MR	-	CCC	SCC	1,560,620.25
LX168056	USS Ultimate Holdings 2nd Lien T/L	Caa2	MR	1,000,000.00	B-	SCC	-
<b>Totals:</b>	<b>24</b>			<b>54,709,744.42</b>			<b>70,549,291.86</b>

**Rating Type Legend:**

**SS** - Senior Secured    **RE** - Rating Estimate    **MSUS** - Moody's Senior  
**IR** - Issuer    **SH** - Shadow Rating    **MSI** - Moody's Senior Implied  
**PR** - Private Rating    **MSS** - Moody's Senior Secured    **SSUS** - S&P Senior Unsecured  
**SCC** - S&P Corporate Credit

**Asset Status Legend:**

**CW-** - Credit Watch with negative implications  
**CW+** - Credit Watch with positive implications

**DOR** Derived from other rating agency





**Defaulted/Deferring Obligations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Asset Description	Date of Action	Par Amount	S&P Recovery Amount	Market Value	Applicable Value
LX189759	Boardriders T/L B2	Defaulted	04-Sep-20	2,954,659.92	886,397.98	2,186,448.34	886,397.98
LX136370	Libbey Glass (Pre-Petition) T/L	Defaulted	14-Apr-20	2,790,848.73	1,255,881.93	429,092.99	429,092.99
<b>Totals:</b>				<b>5,745,508.65</b>	<b>2,142,279.90</b>	<b>2,615,541.33</b>	<b>1,315,490.97</b>





## 57

As of Date: 09/21/2020

Payment Date: 11/02/2020

<b>Totals:</b>	<b>0</b>	<b>-</b>
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## 57

As of Date: 09/21/2020

Payment Date: 11/02/2020

<b>Totals:</b>	<b>0</b>	<b>-</b>
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**ACIS CLO 2015-6 LTD.**  
**Trading Plans**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Obigor	Sale/Purchase	Rating	Maturity	Trade Date	Settle Date	Plan Number
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Total:





**Current Pay Obligations**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Security I.D.	Security Description	Principal Balance	% of Collateral Principal Amount	Market Value
LX179151	Premier Brands T/L (3/19) (Nine	928,846.15	0.30%	767,849.25
Totals:		1	928,846.15	767,849.25





**ACIS CLO 2015-6 LTD**

**Hedge Characteristics**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Nbr	Primary Type	Reference Security I.D.	Synthetic Asset and Hedge Characteristics	Counterparty	Trade Date	Effective Date	Termination Date	Reference Index	(1) Reference Index





# ACIS CLO 2015-6 LTD

## Hedge Calculations

As of Date: 09/21/2020  
Payment Date: 11/02/2020



		Party A				Party B				
Nbr	P / I	Notional		Current	Current	Notional		Current	Current	Net
		Amount	Rate	Days	Payment	Amount	Rate	Days	Payment	Payment

Totals: 0





**ACIS CLO 2015-6 LTD.**

**ETB Subsidiary**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



Blocker Subsidiary Name	Security or Obligation Held	Issuer	Asset	Amount	Collateral that has been transferred in and/or out
ACIS CLO 2015-6 Chemical Holdings, LLC		Vertellus Holdings	Common	265,729.00	In - 10/31/2016
ACIS CLO 2015-6 Chemical Holdings, LLC		Vertellus Holdings	Common	(265,729.00)	Out - 11/21/2019
Cash Held:				0.00	
<b>Total:</b>				-	





**ACIS CLO 2015-6 LTD.**  
**Equity Securities**

As of Date: 09/21/2020  
 Payment Date: 11/02/2020



LoanX ID	Security Description	Asset Description	# of Units/Shares
18453H106	Clear Channel Outdoor Holdings C/S	Equity	112,237.00
45174J608	IHeartCommunications - Class B C/S	Equity	85.00
45174J509	IHeartCommunications Class A C/S	Equity	6,342.00
96MSC64P8	iHeartRadio - Warrant	Equity	41,303.00
LX178834	Tru Kids Parent - Units	Equity	718.52
8AMCSF0Z0	Wayne Services Legacy - C/S	Equity	718.52

**Totals: 6**





# Stratifications - Characteristics

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Principal Balances

Current Principal Balances	# of Assets	Principal Balance	% of Balance	Rating(1)
0 to 500,000.00	7	2,201,304.43	0.75 %	B1
500,000.00 to 1,000,000.00	7	6,000,266.40	2.04 %	B3
1,000,000.00 to 1,500,000.00	8	9,831,353.52	3.35 %	B2
1,500,000.00 to 2,000,000.00	11	20,680,342.78	7.04 %	B2
2,000,000.00 to 2,500,000.00	5	11,750,958.88	4.00 %	Ba2
2,500,000.00 to 3,000,000.00	11	25,469,676.27	8.67 %	B2
3,000,000.00 to 3,500,000.00	10	32,383,613.58	11.02 %	B3
3,500,000.00 to 4,000,000.00	7	26,710,444.18	9.09 %	B2
4,000,000.00 to 4,500,000.00	7	29,526,585.50	10.05 %	B2
4,500,000.00 to 5,000,000.00	3	14,217,214.08	4.84 %	B1
5,000,000.00 to 5,500,000.00	4	20,787,409.10	7.07 %	B2
5,500,000.00 to 6,000,000.00	5	28,975,130.94	9.86 %	B2
6,000,000.00 to 6,500,000.00	2	12,262,090.29	4.17 %	B3
6,500,000.00 to 7,000,000.00	-	-	-	-
7,000,000.00 to 7,500,000.00	-	-	-	-
7,500,000.00 to 8,000,000.00	1	7,837,176.42	2.67 %	Ba2
8,000,000.00 to 8,500,000.00	3	24,802,731.10	8.44 %	B2
8,500,000.00 to 9,000,000.00	-	-	-	-
9,000,000.00 to 9,500,000.00	-	-	-	-
9,500,000.00 to 10,000,000.00	1	9,882,321.86	3.36 %	Caa1
10,000,000.00 to 10,500,000.00	-	-	-	-
10,500,000.00 to 11,000,000.00	1	10,546,104.94	3.59 %	B2
11,000,000.00 to 11,050,000.00	-	-	-	-
11,050,000.00 to 12,000,000.00	-	-	-	-
12,000,000.00 to 99,999,999.00	-	-	-	-
<b>Total</b>	<b>93</b>	<b>293,864,724.27</b>	<b>100.00 %</b>	<b>B2</b>

## Distribution of Coupon Type

Collateral Type	# of Assets	Principal Balance	% of Balance	Rating(1)
Floating	93	293,864,724.27	100.00 %	B2
<b>Total</b>	<b>93</b>	<b>293,864,724.27</b>	<b>100.00 %</b>	<b>B2</b>

## Distribution of Fixed Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Rating(1)
0.000% to 5.000%	-	-	-	-
5.001% to 5.500%	-	-	-	-
5.501% to 6.000%	-	-	-	-
6.001% to 6.500%	-	-	-	-
6.501% to 7.000%	-	-	-	-
7.001% to 7.500%	-	-	-	-
7.501% to 8.000%	-	-	-	-
8.001% to 8.500%	-	-	-	-
8.501% to 9.000%	-	-	-	-
9.001% to 9.500%	-	-	-	-
9.501% to 99.000%	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>

## Distribution of Spread Rates

Coupon Rate	# of Assets	Principal Balance	% of Balance	Rating(1)
-0.500% to 0.000%	-	-	-	-
0.000% to 0.500%	1	-	-	-
0.500% to 1.000%	-	-	-	-
1.000% to 1.500%	-	-	-	-
1.500% to 2.000%	16	49,928,599.38	16.99 %	Ba2
2.000% to 2.500%	12	31,984,557.44	10.88 %	Ba2
2.500% to 3.000%	18	61,359,608.73	20.88 %	B2
3.000% to 3.500%	15	50,643,774.83	17.23 %	B2
3.500% to 4.000%	13	51,272,127.18	17.45 %	B3
4.000% to 4.500%	6	22,663,097.05	7.71 %	B3
4.500% to 99.000%	12	26,012,959.66	8.85 %	Caa1
<b>Total</b>	<b>93</b>	<b>293,864,724.27</b>	<b>100.00 %</b>	<b>B2</b>

(1) Based on the definition of "Rating" in the Indenture





# Stratifications - Ratings

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)

## Distribution of Moody's Ratings

Moody's (1)	# of Assets	Principal Balance	% of Balance
Aaa		0.00	-
Aa1		0.00	-
Aa2		0.00	-
Aa3		0.00	-
A1		0.00	-
A2		0.00	-
A3		0.00	-
Baa1		0.00	-
Baa2		0.00	-
Baa3		0.00	-
Ba1	9	23,311,843.64	7.93 %
Ba2	9	29,944,728.18	10.19 %
Ba3	12	34,005,214.79	11.57 %
B1	14	55,690,913.81	18.95 %
B2	21	65,943,008.61	22.44 %
B3	12	30,259,270.82	10.30 %
Caa1	8	38,909,473.31	13.24 %
Caa2	5	9,835,745.14	3.35 %
Caa3	2	2,763,063.81	0.94 %
Ca	1	3,201,462.16	1.09 %
C		0.00	-
NR		0.00	-
SUSP		0.00	-
Private		0.00	-
Shadow		0.00	-
Rating Estimate		0.00	-
<b>Total</b>	<b>93</b>	<b>293,864,724.27</b>	<b>100.00 %</b>

## Distribution of S&P Ratings

S&P (1)	# of Assets	Principal Balance	% of Balance
AAA		0.00	-
AA+		0.00	-
AA		0.00	-
AA-		0.00	-
A+		0.00	-
A		0.00	-
A-		0.00	-
BBB+		0.00	-
BBB	1	1,001,878.99	0.34 %
BBB-		0.00	-
BB+	5	13,620,449.84	4.63 %
BB	7	16,874,139.22	5.74 %
BB-	8	29,782,031.63	10.13 %
B+	9	26,410,002.46	8.99 %
B	18	74,686,093.96	25.42 %
B-	23	60,940,836.31	20.74 %
CCC+	14	57,988,994.12	19.73 %
CCC	5	11,631,451.59	3.96 %
CCC-	1	0.00	-
CC		0.00	-
C		0.00	-
SD	2	928,846.15	0.32 %
D		0.00	-
NR		0.00	-
SUSP		0.00	-
Private		0.00	-
Shadow		0.00	-
<b>Total</b>	<b>93</b>	<b>293,864,724.27</b>	<b>100.00 %</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.

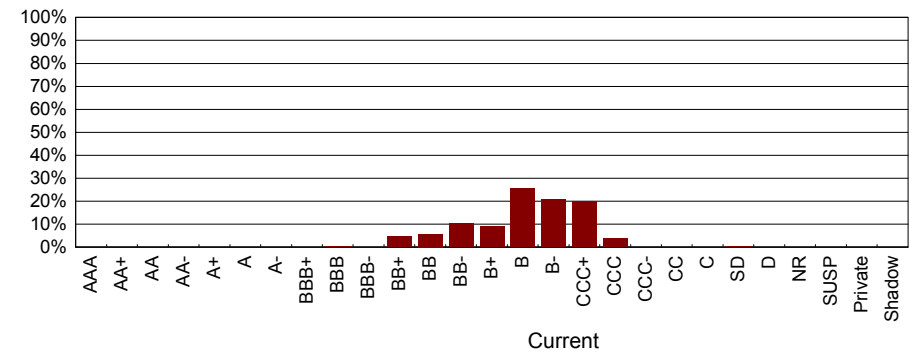
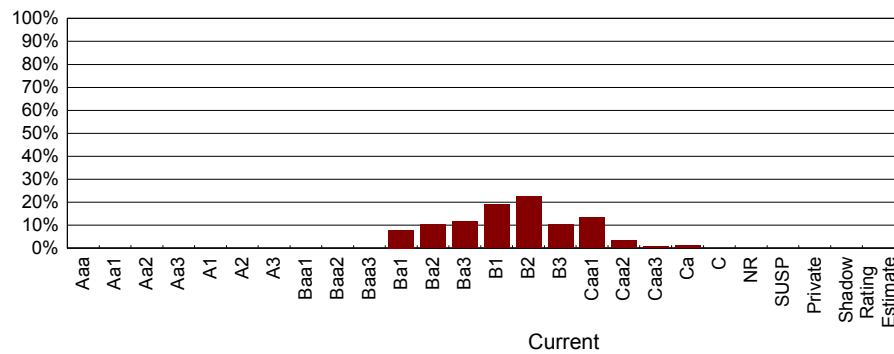




**ACIS CLO 2015-6 LTD.**  
**Stratifications - Ratings**

As of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments & Defaulted Obligations)



(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.



ACIS CLO 2015-6 LTD  
Stratifications - IndustriesAs of Date: 09/21/2020  
Payment Date: 11/02/2020

(Excluding Cash, Eligible Investments &amp; Defaulted Obligations)

## Distribution of Moody's Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Rating(1)
Automotive	6	19,753,812.82	6.72 %	Caa1
Banking, Finance, Insurance & Real Estate	2	11,716,939.57	3.99 %	Ba3
Beverage, Food & Tobacco	1	3,263,022.86	1.11 %	B3
Capital Equipment	3	6,488,638.32	2.21 %	Caa1
Chemicals, Plastics, & Rubber	7	20,484,028.07	6.97 %	Ba3
Construction & Building	3	1,845,495.73	0.63 %	Ba1
Consumer goods: Durable	3	9,086,079.16	3.09 %	B1
Consumer goods: Non-durable	2	7,755,530.89	2.64 %	B1
Containers, Packaging & Glass	2	3,029,480.08	1.03 %	Ba2
Energy: Electricity	1	6,102,060.14	2.08 %	B1
Energy: Oil & Gas	3	9,173,764.18	3.12 %	Ba3
Healthcare & Pharmaceuticals	12	46,629,357.23	15.87 %	B2
High Tech Industries	4	13,629,764.22	4.64 %	B2
Hotel, Gaming & Leisure	5	9,333,855.41	3.18 %	Baa3
Media: Advertising, Printing & Publishing	2	18,180,582.69	6.19 %	Caa1
Media: Broadcasting & Subscription	7	22,715,292.06	7.73 %	Ba3
Media: Diversified & Production	1	1,953,730.48	0.66 %	-
Retail	2	7,088,876.30	2.41 %	Caa1
Services: Business	12	36,564,574.54	12.44 %	B1
Services: Consumer	4	6,724,142.57	2.29 %	Ba2
Telecommunications	2	10,564,058.20	3.59 %	B2
Transportation: Cargo	4	5,732,324.54	1.95 %	B3
Transportation: Consumer	3	11,339,965.67	3.86 %	Ba3
Wholesale	2	4,709,348.54	1.60 %	Ba1
<b>Total</b>	<b>93</b>	<b>293,864,724.27</b>	<b>100.00 %</b>	<b>B2</b>

## Distribution of S&amp;P Industry Classification

Industry Group	# of Assets	Principal Balance	% of Balance	Rating(1)
Air transport	3	11,339,965.67	3.86 %	B-
Automotive	4	13,487,764.63	4.59 %	B-
Building & Development	2	804,996.81	0.27 %	B+
Business equipment & services	10	24,136,850.06	8.21 %	BB
Cable & satellite television	2	5,389,378.99	1.83 %	AA-
Chemicals & plastics	7	20,484,028.07	6.97 %	BB-
Clothing/textiles	1	-	-	-
Conglomerates	1	5,101,368.82	1.74 %	B
Containers & glass products	3	4,418,170.24	1.50 %	BB
Cosmetics/toiletries	1	3,892,831.58	1.32 %	B-
Electronics/electrical	2	8,257,327.02	2.81 %	CCC+
Equipment leasing	1	2,659,168.22	0.90 %	BB
Financial intermediaries	2	11,716,939.57	3.99 %	B+
Food service	2	5,757,872.72	1.96 %	BB-
Health care	15	55,064,564.97	18.74 %	B
Home furnishings	1	3,984,710.34	1.36 %	B
Industrial equipment	6	12,942,865.75	4.40 %	B+
Leisure goods/activities/movies	2	5,818,486.67	1.98 %	BB+
Lodging & casinos	5	12,019,491.44	4.09 %	BB
Oil & gas	3	9,173,764.18	3.12 %	BB+
Publishing	4	23,073,128.16	7.85 %	B-
Radio & Television	5	17,325,913.07	5.90 %	B
Retailers (except food & drug)	2	7,088,876.30	2.41 %	B-
Surface transport	5	9,123,618.75	3.10 %	B
Telecommunications	3	14,700,582.10	5.00 %	B-
Utilities	1	6,102,060.14	2.08 %	B+
<b>Total</b>	<b>93</b>	<b>293,864,724.27</b>	<b>100.00 %</b>	<b>B+</b>

(1) If applicable, where no assigned rating exists, a notched rating is used as described in the Governing Agreements.





General Information

As of Date: 09/21/2020  
Payment Date: 11/02/2020



General Information

Sec. 5.1(g) Event of Default calculation (Minimum 102.5%)

Aggregate Principal Balance of Collateral Obligations:	299,610,232.92
Amounts on deposit in the Collection Account and the Ramp-Up Account:	16,446,611.30
Less:	
Aggregate Principal Balance of Defaulted Obligations:	5,745,508.65
Plus:	
Aggregate Market Value of Defaulted Obligations:	2,615,541.33
Collateral Principal Amount:	312,926,876.90
Divided by:	
Aggregate Outstanding Amount of the Class A Notes:	118,206,267.99
<b>Result:</b>	<b>264.7%</b>

Description

Weighted Average Moody's Rating Factor:	3,841
Weighted Average Floating Spread determined as if the Libor Floor of each Libor Floor Obligation were equal to zero:	3.29%
Excess Weighted Average Coupon:	0.00000%
Excess Weighted Average Floating Spread:	0.00000%





**Disclaimer**

As of Date: 09/21/2020  
Payment Date: 11/02/2020



The information contained in this report is for general information only and has been obtained primarily from third party providers. The information is believed to be reliable, but is not guaranteed as to accuracy or completeness. U.S. Bank is not responsible for and does not guarantee the products, services or performance of its affiliates or third party providers. This information is not intended to serve as a recommendation or solicitation for the purchase or sale of any particular product or service. It is not intended to be a forecast of future events or guarantee of future results and should not be used as a primary basis of investment decisions.



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM N-CSR**

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**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-23369

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**HIGHLAND GLOBAL ALLOCATION FUND**

(Exact name of registrant as specified in charter)

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**300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Address of principal executive offices) (Zip code)

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**Highland Capital Management Fund Advisors, L.P.  
300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Name and Address of Agent for Service)

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**Registrant's telephone number, including area code: (800) 357-9167**

**Date of fiscal year end: September 30**

**Date of reporting period: March 31, 2020**

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**Item 1. Reports to Stockholders.**

A copy of the Semi-Annual Report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the “1940 Act”), is attached herewith.



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# Highland Global Allocation Fund

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## Semi-Annual Report March 31, 2020

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Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Funds' annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website ([highlandfunds.com](http://highlandfunds.com)), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from a Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by contacting the Funds' transfer agent at 1-877-665-1287.

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with a Fund, you can call 1-877-665-1287 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with a Fund.



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# **Highland Global Allocation Fund**

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Economic and market conditions change frequently.  
There is no assurance that the trends described in this report will continue or commence.

**A prospectus must precede or accompany this report. Please read the prospectus carefully before you invest.**



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## CONSOLIDATED FUND PROFILE (unaudited)

### Highland Global Allocation Fund

#### Objective

Highland Global Allocation Fund seeks to provide long-term growth of capital and future income (future income means the ability to pay dividends in the future.)

#### Net Assets as of March 31, 2020

\$183.8 million

#### Portfolio Data as of March 31, 2020

The information below provides a snapshot of Highland Global Allocation Fund at the end of the reporting period. Highland Global Allocation Fund is actively managed and the composition of its portfolio will change over time. Current and future holdings are subject to risk.

#### Industry Classifications as of 03/31/20<sup>(1)</sup>

U.S. Equity	31.4%
Non-U.S. Equity	25.2%
U.S. Senior Loans	11.2%
Non-U.S. Registered Investment Companies	9.3%
Non-U.S. Government Bond	7.7%
U.S. Master Limited Partnerships	6.9%
U.S. LLC Interest	5.2%
U.S. Rights	4.9%
Non-U.S. Asset-Backed Securities	4.0%
U.S. Preferred Stock	2.2%
Non-U.S. Corporate Bonds & Notes	1.4%
Other (each less than 1.0%)	1.4%
Other Assets & Liabilities, Net	(10.8)%
	<u>100.0%</u>

#### Top 10 Holdings as of 3/31/2020 (%)<sup>(1)</sup>

TerreStar Corporation (U.S. Equity)	28.5%
Vistra Energy Corp. (Non-U.S. Equity)	12.7%
TerreStar Corporation, Term Loan A 11.00%, 2/25/2022 (U.S. Senior Loans)	8.2%
Argentine Republic Government International Bond 3.75%, 12/31/2038 (Non-U.S. Government Bonds)	7.7%
Highland Merger Arbitrage Fund, (Non-U.S. Registered Investment Companies)	5.7%
Texas Competitive Electric Holdings Co., LLC %, (U.S. Rights)	4.9%
Williams Cos., Inc. (Non-U.S. Equity)	4.4%
Energy Transfer LP –%, (U.S. Master Limited Partnerships)	3.9%
MPLX LP %, (U.S. Master Limited Partnerships)	2.4%
MPM Holdings, Inc. (U.S. Equity)	2.0%

<sup>(1)</sup> Industry classifications and holdings are calculated as a percentage of total net assets and net of long and short positions.



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## CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

March 31, 2020

Highland Global Allocation Fund

### A guide to understanding the Fund's financial statements

#### Consolidated Investment Portfolio

The Investment Portfolio details the Fund's holdings and its market value as of the last day of the reporting period. Portfolio holdings are organized by type of asset and industry to demonstrate areas of concentration and diversification.

#### Consolidated Statement of Assets and Liabilities

This statement details the Fund's assets, liabilities, net assets and share price for each share class as of the last day of the reporting period. Net assets are calculated by subtracting all of the Fund's liabilities (including any unpaid expenses) from the total of the Fund's investment and non-investment assets. The net asset value per share for each class is calculated by dividing net assets allocated to that share class by the number of shares outstanding in that class as of the last day of the reporting period.

#### Consolidated Statement of Operations

This statement reports income earned by the Fund and the expenses incurred by each Fund during the reporting period. The Statement of Operations also shows any net gain or loss the Fund realized on the sales of its holdings during the period as well as any unrealized gains or losses recognized over the period. The total of these results represents the Fund's net increase or decrease in net assets from operations.

#### Consolidated Statement of Changes in Net Assets

This statement details how the Fund's net assets were affected by its operating results, distributions to shareholders and shareholder transactions (e.g., subscriptions, redemptions and distribution reinvestments) during the reporting period. The Statement of Changes in Net Assets also details changes in the number of shares outstanding.

#### Consolidated Statement of Cash Flows

This statement reports net cash and foreign currency provided or used by operating, investing and financing activities and the net effect of those flows on cash and foreign currency during the period.

#### Consolidated Financial Highlights

The Financial Highlights demonstrate how the Fund's net asset value per share was affected by the Fund's operating results. The Financial Highlights also disclose the classes' performance and certain key ratios (e.g., net expenses and net investment income as a percentage of average net assets).

#### Notes to Consolidated Financial Statements

These notes disclose the organizational background of the Fund, certain of their significant accounting policies (including those surrounding security valuation, income recognition and distributions to shareholders), federal tax information, fees and compensation paid to affiliates and significant risks and contingencies.



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited)

As of March 31, 2020

Highland Global Allocation Fund

Shares	Value (\$)	Shares	Value (\$)
<b>U.S. Equity - 37.2%</b>		<b>INDUSTRIALS - 0.8%</b>	
<b>COMMUNICATION SERVICES - 28.5%</b>		38,549 American Airlines Group, Inc. (f)	469,912
169,531 TerreStar Corporation (a)(b)(c)(d)(e)	52,459,673	65,931 GL Events (f)(o)	956,104
<b>CONSUMER DISCRETIONARY - 0.6%</b>			1,426,016
56,965 K12, Inc. (e)(o)	1,074,360	<b>INFORMATION TECHNOLOGY - 1.8%</b>	
<b>HEALTHCARE - 2.1%</b>		119,188 Avaya Holdings Corp. (e)(f)(o)	964,231
15,200 Aerie Pharmaceuticals, Inc. (e)(o)	205,200	111,550 StoneCo, Class A (e)(f)(o)	2,428,444
61,625 Brookdale Senior Living, Inc. (e)(o)	192,270		3,392,675
232,800 Heron Therapeutics, Inc. (e)(o)	2,733,072	<b>UTILITIES - 13.4%</b>	
17,200 Patterson (o)	262,988	202,250 Central Puerto ADR (f)(o)	455,063
57,200 Portola Pharmaceuticals, Inc. (e)(o)	407,836	67,700 Pampa Energia ADR (e)(f)(o)	765,010
5,500 Surgery Partners, Inc. (e)(o)	35,915	1,461,950 Vistra Energy Corp. (f)(o)	23,332,722
	3,837,281		24,552,795
<b>MATERIALS - 2.0%</b>		Total Non-U.S. Equity (Cost \$110,666,235)	
730,484 MPM Holdings, Inc. (e)	3,652,420		46,374,106
<b>REAL ESTATE - 4.0%</b>		<b>Principal Amount (\$)</b>	
70,700 City Office, REIT (o)	511,161	<b>U.S. Senior Loans (g) - 11.2%</b>	
300,100 GAF REIT (a)(b)(c)(e)	3,057,509	<b>COMMUNICATION SERVICES - 8.2%</b>	
66,300 Independence Realty Trust, Inc., REIT (o)	592,722	15,148,244 TerreStar Corporation, Term Loan A, 11.000% PIK 02/25/22 (a)(b)(c)	15,042,206
101,918 Jernigan Capital, Inc., REIT (o)	1,117,021	<b>ENERGY - 1.3%</b>	
62,710 NexPoint Residential Trust, REIT (c)(o)	1,580,919	23,743,431 Fieldwood Energy LLC, Closing Date Loan, 2nd Lien, VAR LIBOR USD 3 Month+7.250%, 04/11/23	2,421,830
44,387 RAIT Financial Trust, REIT (e)(o)	1,906	<b>RETAIL - 0.6%</b>	
280,000 United Development Funding IV, REIT	476,000	1,941,679 Academy, Ltd., Initial Term Loan, VAR LIBOR USD 3 Month+4.000%, 07/01/22	1,072,244
	7,337,238	<b>SERVICE - 1.0%</b>	
Total U.S. Equity (Cost \$73,919,547)	68,360,972	2,500,000 Advantage Sales & Marketing Inc., Term Loan, 2nd Lien, VAR LIBOR USD 3 Month+6.500%, 07/25/22	1,821,875
<b>Non-U.S. Equity - 25.2%</b>		<b>UTILITIES - 0.1%</b>	
<b>COMMUNICATION SERVICES - 1.2%</b>		471,039,553 Texas Competitive Electric Holdings Co., LLC, Extended Escrow Loan (h)	164,864
77,866 Grupo Clarin, Class B (e)(f)	36,279	Total U.S. Senior Loans (Cost \$54,241,207)	
129,945 Loral Space & Communications, Inc. (e)(f)(o)	2,111,606		20,523,019
	2,147,885	<b>Non-U.S. Government Bond - 7.7%</b>	
<b>CONSUMER DISCRETIONARY - 2.6%</b>		<b>SOVEREIGN - 7.7%</b>	
4,800 MercadoLibre, Inc. (e)(f)(o)	2,345,184	46,500,000 Argentine Republic Government International Bond 3.75%, 5.25%, 03/31/29, 12/31/38 (f)(i)(o)	14,150,183
718 Toys 'R' Us (e)(f)	125,615	Total Non-U.S. Government Bond (Cost \$23,522,513)	
718 Tru Kids, Inc. (e)(f)	2,386,685		14,150,183
	4,857,484	<b>ENERGY - 5.0%</b>	
29,751 NextDecade Corp. (e)(f)	55,932	53,200 Plains GP Holdings, Class A (f)(o)	298,452
53,200 Plains GP Holdings, Class A (f)(o)	298,452	131,600 Targa Resources (f)(o)	909,356
131,600 Targa Resources (f)(o)	909,356	121 Transocean (e)(f)(o)	140
566,995 Williams Cos., Inc. (f)(o)	8,022,979		8,022,979
	9,286,859	<b>FINANCIAL - 0.4%</b>	
<b>FINANCIAL - 0.4%</b>		188,858 Grupo Supervielle SA ADR (f)(o)	294,618
188,858 Grupo Supervielle SA ADR (f)(o)	294,618	92,600 Itau Unibanco Holding ADR (f)(o)	415,774
92,600 Itau Unibanco Holding ADR (f)(o)	415,774		710,392
	710,392		

See Glossary on page 7 for abbreviations along with accompanying Notes to Consolidated Financial Statements. 3



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (continued)

As of March 31, 2020

Highland Global Allocation Fund

Shares		Value (\$)
<b>U.S. Master Limited Partnerships - 6.9%</b>		
<b>ENERGY - 6.9%</b>		
65,168	Crestwood Equity Partners (o)	275,661
1,558,690	Energy Transfer LP (f)(o)	7,169,974
385,923	MPLX LP (f)(o)	4,484,425
236,900	Western Midstream Partners LP (f)(o)	767,556
	Total U.S. Master Limited Partnerships (Cost \$51,602,682)	12,697,616

### Principal Amount (\$)

<b>U.S. LLC Interest - 5.2%</b>		
<b>REAL ESTATE - 5.2%</b>		
124,046	NREF OP I, L.P., REIT (c)(e)	1,197,044
6,773,494	SFR WLIF I, LLC (a)(b)(c)	3,221,338
4,437,497	SFR WLIF II, LLC (a)(b)(c)	2,123,121
3,789,008	SFR WLIF III, LLC (a)(b)(c)	3,043,938
	Total U.S. LLC Interest (Cost \$17,480,920)	9,585,441

### Units

<b>U.S. Rights - 4.9%</b>		
<b>UTILITIES - 4.9%</b>		
7,905,143	Texas Competitive Electric Holdings Co., LLC (e)	9,027,673
	Total U.S. Rights (Cost \$22,029,102)	9,027,673

### Principal Amount (\$)

<b>Non-U.S. Asset-Backed Securities - 4.1%</b>		
4,000,000	Acis CLO, Ltd., Series 2014-3A, Class E VAR ICE LIBOR USD 3 Month+4.750%, 6.51%, 2/1/2026 (f)(j)(p)	2,435,400
3,500,000	Acis CLO, Ltd., Series 2014-5A, Class E1 VAR ICE LIBOR USD 3 Month+6.520%, 8.28%, 11/1/2026 (f)(j)(k)(p)	2,100,000
2,500,000	Acis CLO, Ltd., Series 2014-4A, Class E VAR ICE LIBOR USD 3 Month+4.800%, 6.56%, 5/1/2026 (f)(j)(k)(p)	1,625,000
4,000,000	Acis CLO, Ltd., Series 2014-4A, Class F VAR ICE LIBOR USD 3 Month+5.150%, 6.91%, 5/1/2026 (f)(j)(k)(p)	1,160,000
311,866	Pamco Cayman, Ltd., Series 1997-1A, Class B 7.91%, 8/6/2013 (a)(b)(f)(k)	93,560
	Total Non-U.S. Asset-Backed Securities (Cost \$12,904,560)	7,413,960

### Shares

<b>U.S. Preferred Stock - 2.2%</b>		
<b>ENERGY - 0.2%</b>		
105,351	Crestwood Equity Partners (e)(l)(o)	400,334
<b>FINANCIALS - 0.9%</b>		
127,751	Federal Home Loan Mortgage (e)(l)(o)	1,046,743

Shares		Value (\$)
<b>FINANCIALS (continued)</b>		
58,233	Federal National Mortgage Association (e)(l)	575,814
		1,622,557
<b>REAL ESTATE - 1.1%</b>		
370,968	Braemar Hotels & Resorts, Inc., REIT (e)(l)(o)	2,058,872
	Total U.S. Preferred Stock (Cost \$10,258,169)	4,081,763

### Principal Amount (\$)

<b>Non-U.S. Corporate Bonds &amp; Notes - 1.4%</b>		
<b>ENERGY - 1.4%</b>		
37,083,000	Ocean Rig UDW, Inc. 7.25%, 04/01/19 (a)(b)(f)(k)(m)	2,558,727
	Total Non-U.S. Corporate Bonds & Notes (Cost \$28,728,908)	2,558,727

### U.S. Corporate Bonds & Notes - 0.5%

<b>COMMUNICATION SERVICES - 0.5%</b>		
315,654	iHeartCommunications, Inc. 6.38%, 05/01/26 (f)(o)	300,464
584,493	8.38%, 05/01/27 (f)(o)	512,115
		812,579

<b>ENERGY - 0.0%</b>		
290	Sable Permian Resources Land 7.38%, 11/01/21 (f)(k)	42

<b>REAL ESTATE - 0.0%</b>		
400,000	CBL & Associates 5.95%, 12/15/26 (o)	76,787

<b>UTILITIES - 0.0%</b>		
3,000,000	Texas Competitive Electric Holdings Co., LLC (m)(o)	7,500
	Total U.S. Corporate Bonds & Notes (Cost \$3,360,301)	896,908

### Shares

<b>Non-U.S. Master Limited Partnership - 0.5%</b>		
<b>ENERGY - 0.5%</b>		
64,631	Enterprise Products Partners (f)(o)	924,223
	Total Non-U.S. Master Limited Partnerships (Cost \$1,377,894)	924,223

### U.S. Exchange-Traded Fund - 0.2%

8,750	VelocityShares 3x Long Silver ETN linked To the S&P GSCI Silver Index (o)	319,463
	Total U.S. Exchange-Traded Fund (Cost \$824,777)	319,463



4 | See Glossary on page 7 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (continued)

As of March 31, 2020

Highland Global Allocation Fund

Units	Value (\$)
<b>U.S. Warrants - 0.1%</b>	
<b>HEALTHCARE - 0.1%</b>	
42,032 HLS Therapeutics, Inc., Expires 12/31/2049 (a)(b)(e)	242,105
Total U.S. Warrants (Cost \$—)	242,105
<b>Non-U.S. Warrants - 0.1%</b>	
<b>COMMUNICATION SERVICES - 0.0%</b>	
1,109 iHeartCommunications, Inc., Expires 05/01/2039 (e)(f)	7,507
<b>INDUSTRIALS - 0.1%</b>	
1,260,362 American Airlines, Expires (e)(f)	176,450
<b>INFORMATION TECHNOLOGY - 0.0%</b>	
38,742 Avaya Holdings, Expires 12/18/2022 (e)(f)(o)	3,486
Total Non-U.S. Warrants (Cost \$77,464)	187,443
<b>Shares</b>	
<b>Non-U.S. Registered Investment Company - 9.3%</b>	
10,000 BB Votorantim Highland Infrastructure LLC (a)(b)(c)	2,919,789
546,382 Highland Merger Arbitrage Fund, Class Z (c)	10,550,641
436,131 NexPoint Strategic Opportunities Fund (c)(o)	3,602,442
Total Non-U.S. Registered Investment Companies (Cost \$24,704,437)	17,072,872
<b>Total Investments - 116.7%</b>	<b>214,416,474</b>
(Cost \$435,698,716)	
<b>Securities Sold Short (n) - (5.8)%</b>	
<b>U.S. Equity - (5.8)%</b>	
<b>COMMUNICATION SERVICES - (5.8)%</b>	
(28,400) Netflix, Inc. (q)	(10,664,200)
Total U.S. Equity (Proceeds \$2,607,285)	(10,664,200)
Total Securities Sold Short - (5.8)% (Proceeds \$2,607,285)	(10,664,200)
<b>Other Assets &amp; Liabilities, Net - (10.9)%</b>	<b>(19,946,666)</b>
<b>Net Assets - 100.0%</b>	<b>183,805,609</b>

- (a) Securities with a total aggregate value of \$84,761,966, or 46.1% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Investment Portfolio for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- (b) Represents fair value as determined by the Fund's Board of Trustees (the "Board"), or its designee in good faith, pursuant to the policies and procedures approved by the Board. The Board considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities

- with a total aggregate value of \$84,761,966, or 46.1% of net assets, were fair valued under the Fund's valuation procedures as of March 31, 2020. Please see Notes to Investment Portfolio.
- (c) Affiliated issuer. Assets with a total aggregate market value of \$98,798,620, or 53.8% of net assets, were affiliated with the Fund as of March 31, 2020.
- (d) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:

Restricted Security	Security Type	Acquisition Date	Cost of Security	Market Value at Period End	Percent of Net Assets
TerreStar Corporation	U.S. Equity	11/14/2014	\$48,015,562	\$ 52,459,673	28.

- (e) Non-income producing security.
- (f) As described in the Fund's prospectus, a company is considered to be a non-U.S. issuer if the company's securities principally trade on a market outside of the United States, the company derives a majority of its revenues or profits outside of the United States, the company is not organized in the United States, or the company is significantly exposed to the economic fortunes and risks of regions outside the United States.
- (g) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR") or (iii) the Certificate of Deposit rate. As of March 31, 2020, the LIBOR USD 3 Month rate was 1.45%. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity maybe substantially less than the stated maturity shown.
- (h) Represents value held in escrow pending future events. No interest is being accrued.
- (i) Step Bonds - Represents the current rate, the step rate, the step date and the final maturity date.
- (j) Variable or floating rate security. The base lending rates are generally the lending rate offered by one or more European banks such as the LIBOR. The interest rate shown reflects the rate in effect March 31, 2020. LIBOR, otherwise known as London Interbank Offered Rate, is the benchmark interest rate that banks charge each other for short-term loans. Current LIBOR rates include 3 months equal to 1.45%.
- (k) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transaction exempt from registration to qualified institutional buyers. At March 31, 2020, these securities amounted to \$7,537,329 or 4.1% of net assets.
- (l) Perpetual security with no stated maturity date.
- (m) The issuer is, or is in danger of being, in default of its payment obligation.
- (n) As of March 31, 2020, \$2,490,000 in cash was segregated or on deposit with the brokers to cover reverse repurchase agreements and is included in "Other Assets & Liabilities, Net".
- (o) All or part of this security is pledged as collateral for short sales. The market value of the securities pledged as collateral was \$67,795,886.
- (p) As of March 31, 2020, investments with a total aggregate value of \$7,320,400 were fully or partially segregated with broker(s)/ custodian as collateral for reverse repurchase agreements.
- (q) No dividend payable on security sold short.







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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (concluded)

As of March 31, 2020

Highland Global Allocation Fund

The average amount of borrowing by the Fund on reverse repurchase agreements outstanding during the period ended March 31, 2020 was \$10,952,954 at a weighted average interest rate of 3.29%.

Counterparty	Collateral Pledged	Interest Rate	Trade Date	Maturity Date	Repurchase Amount \$	Principal Amount \$	Value \$
Mizuho	Acis CLO, Ltd., Series 2014-3A, Class E, VAR LIBOR USD 3 Month+4.750%, 6.51%, 2/1/2026	2.64	3/11/2020	3/11/2021	1,872,822	3,190,000	1,824,000
Mizuho	Acis CLO, Ltd., Series 2014-5A, Class E1, VAR LIBOR USD 3 Month+6.520%, 8.28%, 11/1/2026	2.64	3/11/2020	3/11/2021	1,509,347	3,320,800	1,470,000
Mizuho	Acis CLO, Ltd., Series 2014-4A, Class E, VAR LIBOR USD 3 Month+4.800%, 6.56%, 5/1/2026	2.64	3/11/2020	3/11/2021	1,155,113	2,313,750	1,125,000
Mizuho	Acis CLO, Ltd., Series 2014-4A, Class F, VAR LIBOR USD 3 Month+5.150%, 6.91%, 5/1/2026	2.74	3/11/2020	3/11/2021	1,233,337	3,250,000	1,200,000
<b>Total Reverse Repurchase Agreements</b>						<u>12,074,550</u>	<u>5,619,000</u>

6 | See Glossary on page 7 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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**GLOSSARY: (abbreviations that may be used in the preceding statements)**

Other Abbreviations:

ADR	American Depositary Receipt
CLO	Collateralized Loan Obligation
LIBOR	London Interbank Offered Rate
LLC	Limited Liability Company
LP	Limited Partnership
Ltd.	Limited
PIK	Payment-in-Kind
REIT	Real Estate Investment Trust
USD	United States Dollar
VAR	Variable Rate

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## CONSOLIDATE STATEMENT OF ASSETS AND LIABILITIES

As of March 31, 2020 (unaudited)

Highland Global Allocation Fund

	(\$)
<b>Assets</b>	
Investments, at value	115,617,854
Affiliated investments, at value (Note 10)	98,798,620
Total Investments, at value	214,416,474
Cash	823,268
Restricted Cash — Securities Sold Short and Written Options (Notes 2 and 3)	2,490,000
Foreign currency	85,416
Foreign tax reclaim receivable	126,360
Receivable for:	
Investment sold	88,861
Dividends and interest	1,557,556
Fund shares sold	221,854
Due from broker	153,448
Prepaid expenses and other assets	421,232
Total assets	<u>220,384,469</u>
<b>Liabilities:</b>	
Securities sold short, at value (Notes 2 and 8)	10,664,200
Reverse repurchase agreements	5,619,000
Due to broker	19,039,382
Payable for:	
Fund shares redeemed	23,171
Investment advisory and administration fees (Note 7)	86,254
Dividends on securities sold short	6,121
Accounting services fees	136,535
Custody fees	28,062
Trustees fees	32,765
Transfer agent fees	35,427
Audit fees	124,570
Accrued expenses and other liabilities	783,373
Total liabilities	<u>36,578,860</u>
<b>Commitments and Contingencies (Note 6)</b>	
<b>Net Assets</b>	<u><b>183,805,609</b></u>
<b>Net Assets Consist of:</b>	
Paid-in capital	764,706,258
Total distributable loss	(580,900,649)
<b>Net Assets</b>	<u><b>183,805,609</b></u>
Investments, at cost	325,337,028
Affiliated investments, at cost (Note 10)	110,361,688
Foreign currency, at cost	91,695
Proceeds from securities sold short	2,607,285
<b>Common Shares</b>	
Shares outstanding (\$0.001 par value; unlimited shares authorized)	22,501,933
Net asset value, offering and redemption price per share	8.17

8 | See accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED STATEMENT OF OPERATIONS

For the Six Months Ended March 31, 2020 (unaudited)

Highland Global Allocation Fund

	(\$)
<b>Investment Income:</b>	
<b>Income:</b>	
Dividends from unaffiliated issuers	4,075,019
Dividends from affiliated issuers (Note 10)	1,880,694
Less: Foreign taxes withheld	(12,178)
Interest from unaffiliated issuers	2,837,030
Interest paid in-kind from affiliated issuers (Note 10)	850,487
Total income	<u>9,631,052</u>
<b>Expenses:</b>	
Investment advisory (Note 7)	703,917
Accounting services fees	98,711
Transfer agent fees	56,154
Legal fees	199,861
Registration fees	9,720
Audit fees	197,509
Interest expense and commitment fees (Note 6)	1,561,844
Insurance	17,642
Trustees fees (Note 7)	34,412
Reports to shareholders	115,876
Custodian/wire agent fees	46,530
Pricing fees	12,686
Dividends and fees on securities sold short (Note 2)	93,342
Other	35,793
Total operating expenses before waiver and reimbursement	3,183,997
Less: Expenses waived or borne by the adviser and administrator	(137,263)
Net operating expenses	<u>3,046,734</u>
Net investment income	<u>6,584,318</u>
<b>Net realized gain (loss) on:</b>	
Investments from unaffiliated issuers	(77,055,277)
Investments from affiliated issuers (Note 10)	(28,560,958)
Securities sold short (Note 2)	(15,341,359)
Written options contracts (Note 3)	2,158,461
Futures contracts (Note 3)	10,168,905
Foreign currency related transactions	(328,591)
<b>Change in unrealized appreciation (depreciation) on:</b>	
Investments in unaffiliated issuers	(44,216,792)
Investments in affiliated issuers (Note 10)	18,886,134
Securities sold short (Note 2)	30,699,681
Written options contracts (Note 3)	(256,583)
Futures contracts (Note 3)	(632,896)
Foreign currency related translations	121,599
Net realized and unrealized gain (loss) on investments	<u>(104,357,676)</u>
Total increase in net assets resulting from operations	<u>(97,773,358)</u>

See accompanying Notes to Consolidated Financial Statements. | 9



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## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Highland Global Allocation Fund	
	Six Months Ended March 31, 2020 (unaudited) (\$)	Year Ended September 30, 2019 (\$)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	6,584,318	11,163,887
Net realized (loss) on investments, purchased options, securities sold short, written options, futures contracts and foreign currency transactions	(108,958,819)	(21,360,238)
Net increase (decrease) in unrealized appreciation (depreciation) on investments, securities sold short, purchased options, written options and foreign currency translations	4,601,143	(7,350,344)
Net (decrease) from operations	(97,773,358)	(17,546,695)
<b>Distributions</b>		
Shares of closed-end fund	(12,841,948)	(4,579,807)
<b>Return of capital:</b>		
Shares of closed-end fund	—	(12,388,348)
<b>Total distributions</b>	(12,841,948)	(16,968,155)
Decrease in net assets from operations and distributions	(110,615,306)	(34,514,850)
<b>Share transactions:</b>		
Proceeds from sale of shares		
Class A	—	946,370
Class C	—	234,777
Class Y	—	4,996,134
Shares of closed-end fund	250,303	—
Value of distributions reinvested		
Shares of closed-end fund	1,558,584	2,237,339
Cost of shares redeemed		
Class A	—	(23,498,679)
Class C	—	(16,412,456)
Class Y	—	(37,255,360)
Shares of closed-end fund	(3,552,157)	—
Shares repurchased of closed-end fund (Note 1)	—	(12,190,006)
Reduction to redemptions (Note 7)	—	2,055,239
Net decrease from shares transactions	(1,743,270)	(78,886,642)
<b>Total decrease in net assets</b>	(112,358,576)	(113,401,492)
<b>Net Assets</b>		
Beginning of period	296,164,185	409,565,677
End of period	183,805,609	296,164,185

10 | See accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (continued)

	Six Months Ended March 31, 2020 (unaudited)	Year Ended September 30, 2019
<b>Highland Global Allocation Fund</b>		
<b>CAPITAL STOCK ACTIVITY - SHARES*</b>		
<b>Class A:</b>		
Shares sold	—	111,890
Shares redeemed	—	(2,775,549)
Shares converted in conversion (Note 1)	—	(11,645,203)
Net decrease in fund shares	—	(14,308,862)
<b>Class C:</b>		
Shares sold	—	31,829
Shares redeemed	—	(2,232,995)
Shares converted in conversion (Note 1)	—	(5,075,831)
Net decrease in fund shares	—	(7,276,997)
<b>Class Y:</b>		
Shares sold	—	485,184
Shares redeemed	—	(3,617,459)
Shares converted in conversion (Note 1)	—	(6,568,222)
Net decrease in fund shares	—	(9,700,497)
<b>Shares of closed-end fund:</b>		
Issued for distribution reinvested	200,363	199,465
Shares redeemed (Note 1)	(329,476)	(857,675)
Shares converted in conversion (Note 1)	—	23,289,256
Net increase (decrease) in fund shares	(129,113)	22,631,046

\* Capital stock activity prior to February 15, 2019 has been adjusted to give effect to an approximately 1 to 1.4217 reverse stock split as part of the conversion to a closed-end fund (Note 11). Distribution activity related to the A, C and Y share classes relates to the period from October 1, 2018 through February 15, 2019.

See accompanying Notes to Consolidated Financial Statements. | 11



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## CONSOLIDATED STATEMENT OF CASH FLOWS

Six Months Ended March 31, 2020 (unaudited)

Highland Global Allocation Fund

	(\$)
<b>Cash Flows Provided by Operating Activities:</b>	
Net decrease in net assets resulting from operations	(97,773,358)
<b>Adjustments to Reconcile Net Investment Loss to Net Cash Provided by Operating Activities:</b>	
Purchases of investment securities from unaffiliated issuers	(30,364,900)
Purchases of investment securities from affiliated issuers	(9,788,597)
Proceeds from disposition of investment securities from unaffiliated issues	151,394,394
Proceeds from return of capital of investment securities from affiliated issuers	17,054,380
Proceeds from sale of short-term portfolio investments, net	207,028
Purchases of securities sold short	(106,566,255)
Proceeds of securities sold short	57,313,088
Net proceeds received from written options contracts	(567,584)
Amortization of premiums	561,785
Net realized loss on investments from unaffiliated issuers	77,055,277
Net realized loss on investments from affiliated issuers	28,560,958
Net realized loss on securities sold short, written options contracts and foreign currency transactions	13,511,489
Net change in unrealized appreciation/ (depreciation) on investments, securities sold short, written options contracts, and translation on assets and liabilities denominated in foreign currency	(5,234,039)
Decrease in receivable for investments sold	2,289,446
Decrease in dividends and interest receivable	1,394,872
Decrease due from broker	171,778
Decrease in net receivable for variation margin	341,985
Decrease in receivable from foreign tax reclaims	7,193
Increase in prepaid expenses and other assets	(399,266)
Increase in due to broker	19,039,382
Decrease in payable for investments purchased	(3,266,520)
Decrease in payables to related parties	(3,103)
Increase in payable to transfer agent fees	25,770
Decrease in payable for dividends on securities sold short	(3,961)
Decrease in payable for commitment fees	(343,632)
Decrease in payable for custody fees	(23,756)
Decrease in payable for conversion costs	(574,324)
Increase in accrued expenses and other liabilities	292,637
Net cash flow provided by operating activities	<u>114,312,167</u>
<b>Cash Flows Used In Financing Activities:</b>	
Borrowings under credit facility	(105,431,689)
Reverse repurchase agreements	(9,244,659)
Distributions paid in cash	(11,283,364)
Payments of shares redeemed	(3,528,986)
Proceeds from shares sold	325,217
Net cash flow used in financing activities	<u>(129,163,481)</u>
Effect of exchange rate changes on cash	(206,992)
Net Decrease in Cash	<u>(15,058,306)</u>
<b>Cash, Restricted Cash, and Foreign Currency:</b>	
Beginning of period	18,456,990
End of period	<u>3,398,684</u>
<b>Supplemental disclosure of cash flow information:</b>	
Reinvestment of distributions	1,558,584
Paid in-kind interest income	<u>850,487</u>



Cash paid during the period for interest expense and commitment fees	<u>1,561,844</u>
--	------------------

12 | See accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED FINANCIAL HIGHLIGHTS

### Highland Global Allocation Fund

Selected data for a share outstanding throughout each period is as follows:

	For the Six Months Ended March 31, 2020 (unaudited)	2019*†	2018*†	2017*†	2016*†	2015*†
<b>Net Asset Value, Beginning of Period</b>	\$ 13.09	\$ 14.63	\$ 14.16	\$ 14.12	\$ 13.86	\$ 17.36
<b>Income from Investment Operations:</b>						
Net investment income <sup>(a)</sup>	0.29	0.30	0.54	1.11	1.22	0.55
Net realized and unrealized gain (loss)	(4.64)	(1.10)	0.56	(0.12)	0.03	(2.87)
<b>Total from Investment Operations</b>	<b>(4.35)</b>	<b>(0.80)</b>	<b>1.10</b>	<b>0.99</b>	<b>1.25</b>	<b>(2.32)</b>
<b>Less Distributions Declared to shareholders:</b>						
From net investment income	(0.57)	(0.20)	(0.43)	(0.92)	(0.94)	(0.65)
From net realized gains	—	—	—	—	—	(0.53)
From return of capital	—	(0.54)	(0.20)	(0.03)	(0.05)	—
<b>Total distributions declared to shareholders</b>	<b>(0.57)</b>	<b>(0.74)</b>	<b>(0.63)</b>	<b>(0.95)</b>	<b>(0.99)</b>	<b>(1.18)</b>
<b>Net Asset Value, End of period<sup>(b)</sup></b>	<b>\$ 8.17</b>	<b>\$ 13.09</b>	<b>\$ 14.63</b>	<b>\$ 14.16</b>	<b>\$ 14.12</b>	<b>\$ 13.86</b>
<b>Total Return<sup>(b)(c)</sup></b>	<b>(34.29)%</b>	<b>(4.40)%</b>	<b>7.95%</b>	<b>7.01%</b>	<b>9.91%</b>	<b>(14.41)%</b>
<b>Ratios to Average Net Assets:<sup>(d)</sup></b>						
Net Assets, End of Period (000's)	\$ 183,806	\$296,164	\$128,353	\$254,539	\$367,251	\$775,238
Gross operating expenses <sup>(e)(f)</sup>	2.45%	2.54%	2.38%	1.20%	1.11%	0.69%
Net investment gain	5.07%	2.11%	3.73%	7.59%	9.24%	3.16%
Portfolio turnover rate	8%	28%	51%	66%	100%	108%

† Reflects the financial highlights of Class Y of the open-end fund prior to the conversion.

\* Per share data prior to February 15, 2019 has been adjusted to give effect to an approximately 1 to 1.4217 reverse stock split as part of the conversion to a closed-end fund. (Note 1)

(a) Per share data was calculated using average shares outstanding during the period.

(b) The Net Asset Value per share and total return have been calculated based on net assets which include adjustments made in accordance with U.S. Generally Accepted Accounting Principles required at period end for financial reporting purposes. These figures do not necessarily reflect the Net Asset Value per share or total return experienced by the shareholder at period end.

(c) Total return is based on market value per share for periods after February 15, 2019. Distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan. Prior to February 15, 2019, total return is at net asset value assuming all distributions are reinvested. For periods with waivers/reimbursements, had the Fund's investment adviser not waived or reimbursed a portion of expenses, total return would have been lower.

(d) All ratios for the period have been annualized, unless otherwise indicated.

(e) Supplemental expense ratios are shown below:

(f) Includes dividends and fees on securities sold short.

	For the Six Months Ended March 31, 2020 (unaudited)	2019	2018	2017	2016	2015
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	2.34%	2.45%	2.38%	1.19%	1.05%	0.69%
Interest expense and commitment fees	1.20%	1.60%	1.02%	0.37%	0.11%	0.01%
Dividends and fees on securities sold short	0.07%	0.11%	0.16%	0.05%	0.17%	0.03%

See accompanying Notes to Consolidated Financial Statements. | 13



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

March 31, 2020

Highland Global Allocation Fund

### Note 1. Organization

Highland Global Allocation Fund (the "Fund") is organized as an unincorporated business trust under the laws of The Commonwealth of Massachusetts. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end management investment company. This report covers information for the six months ended March 31, 2020.

On November 8, 2018, shareholders of the Fund approved a proposal authorizing the Board of Trustees (the "Board") of the Fund to convert the fund from an open-end fund to a closed-end fund at a special meeting of shareholders. The Board took action to convert the Fund to a closed-end fund effective shortly after 4:00 p.m. Eastern Time on February 14, 2019 (the "Conversion Date"). The Fund also effected an approximately 1-for-1.4217 reverse stock split of the Fund's issued and outstanding shares on February 14, 2019, thereby reducing the number of shares outstanding. Shareholders were paid cash for any fractional shares resulting from the reverse stock split. The Fund began listing its shares for trading on the New York Stock Exchange (the "NYSE") on February 19, 2019 under the ticker symbol "HGLB". The Fund may issue an unlimited number of common shares, par value \$0.001 per share ("Common Shares"). Prior to the Conversion Date, the Fund issued Class A, Class C, and Class Y shares.

On August 20, 2019, the Board of the Fund approved an extension of the repurchase program for a period of six months up to an additional \$20 million of the Fund's shares.

On March 4, 2020, the Board of the Fund extended the repurchase program for a period of six months, during which the Fund may repurchase up to a maximum of \$30 million shares.

Under this program, the Fund repurchased 329,476 shares during the six months ended March 31, 2020, at an average price of \$9.15, for a total investment of \$3.0 million.

### Note 2. Significant Accounting Policies

The following summarizes the significant accounting policies consistently followed by the Fund in the preparation of its consolidated financial statements.

#### Use of Estimates

The Fund is an investment company that applies the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The Fund's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which require Highland Capital Management Fund Advisors, L.P.

and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

### Basis of Consolidation

The Fund consolidates Highland GAF Chemical Holdings, LLC ("GAF Chemical Holdings"), a Delaware wholly owned subsidiary, for financial reporting. GAF Chemical Holdings is used for commodity investment trading and its investments are included within the consolidated financial statements of the Fund. All inter-company accounts and transactions have been eliminated in the consolidation.

### Valuation of Investments

In computing the Fund's net assets attributable to shares, securities with readily available market quotations on the New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotation ("NASDAQ") or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund's Board of Trustees (the "Board"). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund's loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is "stale" or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund's net asset value ("NAV"), will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the



(“HCMFA” or the “Investment Adviser”) to make estimates and assumptions that affect the reported amounts of assets

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

forces that influence the market in which these securities are purchased and sold. In these cases, the Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund's consolidated financial statements may vary from the NAV published by the Fund as of its period end because portfolio securities transactions are accounted for on the trade date (rather than the day following the trade date) for consolidated financial statement purposes.

### Fair Value Measurements

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1** — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;
- Level 2** — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and
- Level 3** — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily

represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of March 31, 2020, the Fund's investments consisted of senior loans, asset-backed securities, bonds and notes, common stocks, master limited partnerships, registered investment companies, cash equivalents, exchange-traded funds, rights, warrants, securities sold short, and collateralized loan obligations. The fair value of the Fund's loans, bonds and asset-backed securities are generally based on quotes received from brokers or independent pricing services. Loans, bonds and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Senior loans, bonds and asset-backed securities that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, registered investment companies, rights and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market

value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of the levels are recognized at the value at the end of the period. A summary of the inputs used to value the Fund's assets as of March 31, 2020, is as follows:

	Total value at March 31, 2020 (\$)	Level 1 Quoted Price (\$)	Level 2 Significant Observable Inputs (\$)	Level 3 Significant Unobservable Inputs (\$)
<b>Assets</b>				
U.S. Equity				
Communication Services	52,459,673	—	—	52,459,673
Consumer Discretionary	1,074,360	1,074,360	—	—
Healthcare	3,837,281	3,837,281	—	—
Materials	3,652,420	—	3,652,420	—
Real Estate	7,337,238	4,279,729	—	3,057,509
Non-U.S. Equity				
Communication Services	2,147,885	2,147,885	—	—
Consumer Discretionary	4,857,484	2,345,184	2,512,300	—
Energy	9,286,859	9,286,859	—	—
Financial	710,392	710,392	—	—
Industrials	1,426,016	1,426,016	—	—
Information Technology	3,392,675	3,392,675	—	—
Utilities	24,552,795	24,552,795	—	—
U.S. Senior Loans				
Communication Services	15,042,206	—	—	15,042,206
Energy	2,421,830	—	2,421,830	—
Retail	1,072,244	—	1,072,244	—
Service	1,821,875	—	1,821,875	—
Utilities	164,864	—	164,864	—
Non-U.S. Registered Investment Companies	17,072,872	14,153,083	—	2,919,789
Non-U.S. Government Bonds				
Sovereign	14,150,183	—	14,150,183	—
U.S. Master Limited Partnerships				
Energy	12,697,616	12,697,616	—	—
U.S. LLC Interest	9,585,441	1,197,044	—	8,388,397
U.S. Rights				
Utilities	9,027,673	—	9,027,673	—
Non-U.S. Asset-Backed Securities	7,413,960	—	7,320,400	93,560
U.S. Preferred Stock				
Energy	400,334	400,334	—	—
Financials	1,622,557	—	1,622,557	—
Real Estate	2,058,872	—	2,058,872	—
Non-U.S. Corporate Bonds & Notes				
Energy	2,558,727	—	—	2,558,727



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

	Total value at March 31, 2020 (\$)	Level 1 Quoted Price (\$)	Level 2 Significant Observable Inputs (\$)	Level 3 Significant Unobservable Inputs (\$)
Non-U.S. Master Limited Partnerships				
Energy	924,223	924,223	—	—
U.S. Corporate Bonds & Notes				
Communication Services	812,579	—	812,579	—
Energy	42	—	42	—
Real Estate	76,787	—	76,787	—
Utilities	7,500	—	7,500	—
U.S. Exchange Traded Funds	319,463	319,463	—	—
U.S. Warrants				
Healthcare	242,105	—	—	242,105
Non-U.S. Warrants				
Communication Services	7,507	—	7,507	—
Industrials	176,450	—	176,450	—
Information Technology	3,486	—	3,486	—
<b>Total Assets</b>	<b>214,416,474</b>	<b>82,744,939</b>	<b>46,909,569</b>	<b>84,761,966</b>
<b>Liabilities</b>				
Securities Sold Short				
U.S. Equity				
Communication Services	(10,664,200)	(10,664,200)	—	—
<b>Total Liabilities</b>	<b>(10,664,200)</b>	<b>(10,664,200)</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>203,752,274</b>	<b>72,080,739</b>	<b>46,909,569</b>	<b>84,761,966</b>

The table below sets forth a summary of changes in the Fund's assets measured at fair value using significant unobservable inputs (Level 3) for the six months ended March 31, 2020.

	Balance as of September 30, 2019 \$	Transfers Into Level 3 \$	Transfers Out of Level 3 \$	Accrued Discounts (Premiums) \$	Realized Gain (Loss) \$	Net Unrealized Appreciation (Depreciation) \$	Net Purchases \$	Net Sales \$	Balance as of March 31, 2020 \$	Change in Unrealized Appreciation (Depreciation) from Investments held at March 31, 2020 \$
<b>U.S. Equity</b>										
Chemicals	731,871	—	—	—	480,567	—	—	(1,212,438)	—	—
Communication Services	47,134,704	—	—	—	—	5,324,969	—	—	52,459,673	5,324,969
Real Estate	—	—	—	—	—	57,509	3,000,000	—	3,057,509	57,509
<b>U.S. Senior Loans</b>										
Chemicals	1,088,107	—	—	(66,185)	(46,461)	—	—	(975,461)	—	—
Communication Services	14,336,849	—	—	—	—	705,357	—	—	15,042,206	705,357
<b>Non-U.S. Registered Investment Companies</b>	3,483,081	—	—	—	—	(563,292)	—	—	2,919,789	(563,292)
<b>U.S. LLC Interest</b>	15,207,664	—	—	—	—	(6,819,267)	—	—	8,388,397	(6,819,267)
<b>Non-U.S. Asset- Backed Securities</b>	136,722	—	—	—	—	(43,162)	—	—	93,560	(43,162)

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

	Balance as of September 30, 2019 \$	Transfers Into Level 3 \$	Transfers Out of Level 3 \$	Accrued Discounts (Premiums) \$	Realized Gain (Loss) \$	Net Unrealized Appreciation (Depreciation) \$	Net Purchases \$	Net Sales \$	Balance as of March 31, 2020 \$	Change in Unrealized Appreciation (Depreciation) from Investments held at March 31, 2020 \$
<b>Non-U.S. Corporate Bonds &amp; Notes</b>										
Energy	2,558,727	—	—	—	—	—	—	—	2,558,727	—
<b>U.S. Warrants</b>										
Healthcare	187,883	—	—	—	—	54,222	—	—	242,105	54,222
<b>Total</b>	<b>84,865,608</b>	<b>—</b>	<b>—</b>	<b>(66,185)</b>	<b>434,106</b>	<b>(1,283,664)</b>	<b>3,000,000</b>	<b>(2,187,899)</b>	<b>84,761,966</b>	<b>(1,283,664)</b>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments for the six months ended March 31, 2020, there were no transfers between in or out of Level 3.

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Market Value at 3/31/2020 \$	Valuation Technique	Unobservable Inputs	Input Values
<b>U.S. Equity</b>	55,517,182	Multiples Analysis	Unadjusted Price/MHz-PoP	\$0.12 - \$0.95
			Risk Discount	29.4% - 31.9%
		Discounted Cash Flow	Discount Rate	14.0%
		Transaction Indication of Value	Enterprise Value (\$mm)	\$761.0 - \$771.0
		Net Asset Value		N/A N/A
<b>U.S. Senior Loans</b>	15,042,206	Discounted Cash Flow	Discount Rate	11.35%
			Spread Adjustment	0.35%
<b>Non-U.S. Registered Investment Companies</b>	2,919,789	Net Asset Value		N/A N/A
<b>U.S. LLC Interest</b>	8,388,397	Discounted Cash Flow	Discount Rate	2.47% - 8.93%
<b>Non-U.S. Asset-Backed Securities</b>	93,560	Discounted Cash Flow	Discount Rate	20.9%
<b>Non-U.S. Corporate Bonds &amp; Notes</b>	2,558,727	Liquidation Analysis	Claim Amount: Percent of Par	6.9%
<b>U.S. Warrants</b>	242,105	Black-Scholes Model	Annualized Volatility	92.2%
	84,761,966			

In addition to the unobservable inputs utilized for various valuation methodologies, the Investment Adviser frequently uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Investment Adviser assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 5% to as high as 85% as of March 31, 2020. The selection of weightings is an inherently subjective process, dependent on professional judgment. These selections may have a material impact to the concluded fair value for such holdings.

The significant unobservable inputs used in the fair value measurement of the Fund's bank loan securities are: discount rate and spread adjustment. Significant increases

(decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Fund's common equity securities & LLC interests are: price/MHz-PoP multiple, risk discount, and discount rate. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement. Generally, a change in the assumption used for the risk discount is accompanied by a directionally opposite change in the assumption for the adjusted price/MHz-PoP multiple.

The significant unobservable input used in the fair value measurement of the Fund's LLC interests is the discount rate.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement.

### Security Transactions

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both consolidated financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

### Income Recognition

Corporate actions (including cash dividends) are recorded on the ex-dividend date, net of applicable withholding taxes, except for certain foreign corporate actions, which are recorded as soon after ex-dividend date as such information becomes available and is verified. Interest income is recorded on the accrual basis.

Accretion of discount on taxable bonds and loans is computed to the call date, while amortization of premium on taxable bonds and loans is computed to the call or maturity date, whichever is shorter, both using the effective yield method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

### U.S. Federal Income Tax Status

The Fund is treated as a separate taxpayer for U.S. federal income tax purposes. The Fund intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and will distribute substantially all of its taxable income and gains, if any, for the tax year, and as such will not be subject to U.S. federal income taxes. In addition, the Fund intends to distribute, in each calendar year, all of its net investment income, capital gains and certain other amounts, if any, such that the Fund should not be subject to U.S. federal excise tax. Therefore, no U.S. federal income or excise tax provisions are recorded.

The Investment Adviser has analyzed the Fund's tax positions taken on U.S. federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for U.S. federal income tax is required in the Fund's consolidated financial statements. The Fund's U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. Furthermore, the Investment Adviser of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

### Distributions to Shareholders

The Fund declares and pays investment income distributions quarterly. The Fund typically declares and pays distributions from net realized capital gains in excess of capital loss carryforwards annually.

### Cash & Cash Equivalents

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of the Consolidated Statement of Assets and Liabilities.

### Foreign Currency

Accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates using the current 4:00 PM London Time Spot Rate. Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates, between trade and settlement dates on securities transactions and between the accrual and payment dates on dividends, interest income and foreign withholding taxes, are recorded as unrealized foreign currency gains/(losses). Realized gains/(losses) and unrealized appreciation/(depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Consolidated Statement of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

### Securities Sold Short

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. A Fund may have to pay a fee to borrow particular securities and is often obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances, a Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Securities and cash held







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

as collateral for securities sold short are shown on the Consolidated Investment Portfolio. Cash held as collateral for securities sold short is classified as restricted cash on the Consolidated Statement of Assets and Liabilities, as applicable. Restricted cash in the amount of \$2,490,000 was held with the broker for the Fund. Additionally, securities valued at \$67,795,886 were posted in the Fund's segregated account for collateral for short sales, written option contracts, and secured credit facility.

### Other Fee Income

Fee income may consist of origination/closing fees, amendment fees, administrative agent fees, transaction breakup fees and other miscellaneous fees. Origination fees, amendment fees, and other similar fees are non-recurring fee sources. Such fees are received on a transaction by transaction basis and do not constitute a regular stream of income and are recognized when incurred.

### Note 3. Derivative Transactions

The Fund is subject to equity securities risk, interest rate risk and currency risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments.

### Futures Contracts

A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. The Fund may invest in interest rate, financial and stock or bond index futures contracts subject to certain limitations. The Fund invests in futures contracts to manage its exposure to the stock and bond markets and fluctuations in currency values. Buying futures tends to increase the Fund's exposure to the underlying instrument while selling futures tends to decrease the Fund's exposure to the underlying instrument, or economically hedge other Fund investments. With futures contracts, there is minimal counterparty credit risk to the Fund since futures contracts are exchange-traded and the exchange's clearinghouse, as counterparty to all traded futures, guarantees the futures against default. A Fund's risks in using these contracts include changes in the value of the underlying instruments, non-performance of the counterparties under the contracts' terms and changes in the liquidity of the secondary market for the contracts. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they principally trade.

Upon entering into a financial futures contract, the Fund is required to pledge to the broker an amount of cash and/or

other assets equal to a certain percentage of the contract amount, known as initial margin deposit. Subsequent payments, known as variation margins, are made or can be received by the Fund each day, depending on the daily fluctuation in the fair value of the underlying security. The Fund records an unrealized gain/(loss) equal to the daily variation margin. Should market conditions move unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may incur a loss. The Fund recognizes a realized gain/(loss) on the expiration or closing of a futures contract.

During the six months ended March 31, 2020, the Fund entered into futures transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, and to gain market exposure for residual and accumulating cash positions. Cash held as collateral for futures contracts is shown on the Consolidated Statement of Assets and Liabilities as "Restricted Cash — Futures, if applicable."

### Options

The Fund may utilize options on securities or indices to varying degrees as part of its principal investment strategy. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by a Fund expires unexercised, a Fund realizes on the expiration date a capital gain equal to the premium received by a Fund at the time the option was written. If an option purchased by a Fund expires unexercised, a Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when a Fund desires. A Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. A Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

During the six months ended March 31, 2020, the Fund had written options to provide leveraged short exposure, and purchased options to provide leveraged long exposure, to the underlying equity, which is consistent with the investment strategies of the Fund.

### Additional Derivative Information

The Fund follows adopted amendments to authoritative guidance on disclosures about derivative instruments and hedging activities which require that the Fund discloses a) how and why an entity uses derivative instruments; b) how derivative instruments and related hedged items are accounted for; c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows; and d) how the netting of derivatives subject to master netting arrangements (if applicable) affects the net exposure of the Fund related to the derivatives.

To reduce counterparty credit risk with respect to over-the-counter ("OTC") transactions, the Fund has entered into master netting arrangements, established within the Fund's International Swap and Derivatives Association, Inc. ("ISDA") master agreements, which allows the Fund to make (or to have an entitlement to receive) a single net payment in the event of default (close-out netting) for outstanding payables and receivables with respect to certain OTC derivative positions in forward currency exchange contracts for each individual counterparty. In addition, the Fund may require that certain counterparties post cash and/or securities in collateral accounts to cover its net payment obligations for those derivative contracts subject to ISDA master agreements. If the counterparty fails to perform under these contracts and agreements, the cash and/or securities will be made available to the Fund.

Certain ISDA master agreements include credit related contingent features which allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Fund's net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA master agreements, which would cause the Fund to accelerate payment of any net liability owed to the counterparty.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Consolidated Statement of Assets and Liabilities. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

Collateral terms are contract specific for OTC derivatives. For derivatives traded under an ISDA master agreement, the

collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that to the value of any collateral currently pledged by the Fund or the Counterparty.

For financial reporting purposes, cash collateral that has been pledged to cover obligations of the Fund, if any, is reported in restricted cash on the Consolidated Statement of Assets and Liabilities. Generally, the amount of collateral due from or to a party must exceed a minimum transfer amount threshold before a transfer has to be made. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance.

The effect of derivative instruments on the Consolidated Statement of Operations for the six months ended March 31, 2020, is as follows:

	Net Realized Gain (Loss) on Derivatives	Net Change in Unrealized Appreciation/ (Depreciation) on Derivatives
Interest Rate Risk	\$ —	\$ 160,650 <sup>(5)</sup>
Equity Price Risk	6,007,979 <sup>(1)(2)(3)</sup>	91,259 <sup>(4)(5)(6)</sup>
Commodity Risk	—	25,786 <sup>(5)(6)</sup>

- (1) Consolidated Statement of Operations location: Realized gain (loss) on investments from unaffiliated issuers. Purchased options only.
- (2) Consolidated Statement of Operations location: Realized gain (loss) on written options contracts.
- (3) Consolidated Statement of Operations location: Realized gain (loss) on futures contracts.
- (4) Consolidated Statement of Operations location: Change in unrealized appreciation (depreciation) on futures contracts.
- (5) Consolidated Statement of Operations location: Change in unrealized appreciation (depreciation) on investments. Purchased options only.
- (6) Consolidated Statement of Operations location: Change in unrealized appreciation (depreciation) on written options.

The average monthly volume of derivative activity for the six months ended March 31, 2020, is as follows:

	Units/ Contracts	Appreciation/ (Depreciation)
Futures Contracts <sup>(1)</sup>	(320)	\$ (457,135)
Purchased Options Contracts	7,648	—
Written Options Contracts	3,878	—

- (1) Futures Contracts average monthly volume is calculated using Appreciation/(Depreciation).

### Note 4. Securities Lending

Effective April 4, 2019, HCMFA entered into a custody agreement with Bank of New York Mellon ("BNY"). Prior to April 4, 2019, State Street Bank and Trust Company ("State Street") served as the custodian to the Fund.

As of March 31, 2020, the Fund did not participate in securities lending transactions with BNY.







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

The Fund would receive collateral consisting of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, sovereign debt, convertible bonds, irrevocable bank letters of credit or such other collateral as may be agreed on by the parties to a securities lending arrangement, initially with a value of 102% or 105% of the market value of the loaned securities and thereafter maintained at a value of 100% of the market value of the loaned securities. If the collateral consists of non-cash collateral, the borrower would pay the Fund a loan premium fee. If the collateral consists of cash, BNY would reinvest the cash. Although voting rights, or rights to consent, with respect to the loaned securities pass to the borrower, the Fund would recall the loaned securities upon reasonable notice in order that the securities could be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Fund also could call such loans in order to sell the securities involved.

Securities lending transactions were entered into pursuant to Securities Loan Agreements ("SLA"), which would provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaulted, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an SLA counterparty's bankruptcy or insolvency. Under the SLA, the Fund can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when

required or may not return the securities when due. To mitigate this risk, each Fund benefits from a borrower default indemnity provided by BNY. BNY's indemnity generally provides for replacement of securities lent or the approximate value thereof.

### Note 5. U.S. Federal Income Tax Information

The character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from U.S. GAAP. These differences include (but are not limited to) investments organized as partnerships for tax purposes, foreign taxes, investments in futures, losses deferred to off-setting positions, tax treatment of organizational start-up costs, losses deferred due to wash sale transactions, tax treatment of net investment loss and distributions in excess of net investment income, dividends deemed paid upon shareholder redemption of Fund shares and tax attributes from Fund reorganizations. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. These reclassifications have no impact on net investment income, realized gains or losses, or NAV of the Fund. The calculation of net investment income per share in the Consolidated Financial Highlights table excludes these adjustments.

As of September 30, 2019, permanent differences chiefly resulting from foreign currency gains and losses, return of capital distributions from real estate investment trusts, capital gain distributions from other RICs, paydown gains and losses, partnership basis adjustments, defaulted bonds, elimination of subsidiary transactions, tax treatment of reorganization expense and capitalized dividends on short sales were identified and reclassified among the components of the Fund's net assets as follows:

Distributable Earnings (Loss)	Paid-in-Capital
\$4,862,699	\$ (4,862,699)

At September 30, 2019, the most recent tax year-end, components of distributable earnings on a tax basis is as follows:

Undistributed Income	Undistributed Long-Term Capital Gains	Undistributed Tax-Exempt Income	Other Temporary Differences	Accumulated Capital and Other Losses	Net Tax Appreciation/ (Depreciation)
\$ —	\$ —	\$ —	\$ —	\$(229,922,340)	\$(240,363,003)

Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. As of September 30, 2019, the most recent tax year end, the Fund has capital loss carryovers as indicated below.

No Expiration Short-Term	No Expiration Long-Term	Total
\$106,122,225	\$123,800,115	\$229,922,340







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

The tax character of distributions paid during the years ended September 30, 2019 and September 30, 2018 were as follows:

	Exempt Interest	Distributions Paid From: Ordinary Income <sup>(1)</sup>	Long-Term Capital Gains	Return of Capital <sup>(2)</sup>
2019	\$ —	\$ 4,579,807	\$ —	\$ 12,388,348
2018	—	16,267,341	—	7,482,946

(1) For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

(2) Additional Information will be distributed on Form 1099 at the end of the calendar year.

Unrealized appreciation and depreciation at March 31, 2020, based on cost of investments for U.S. federal income tax purposes was:

Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation)	Cost
\$9,801,424	\$ (231,083,666)	\$ (221,282,242)	\$ 435,698,716

For Federal income tax purposes, the cost of investments owned at March 31, 2020 were different from amounts reported for financial reporting purposes primarily due to investments in partnership, REIT, securities sold short, options, futures, defaulted bonds, other securities and deferred wash sale losses.

Under current laws, certain capital losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. Late-Year Losses represent ordinary losses realized on investment transactions from January 1, 2019 through September 30, 2019. For the fiscal year ended September 30, 2019, the Funds elected to defer the following losses:

Realized Capital Losses	Ordinary Losses
\$ —	\$ —

### Note 6. Credit Agreement

On January 10, 2018, the Fund entered into a financing arrangement (the "Financing Arrangement") with BNP Paribas Prime Brokerage International, Ltd., BNP Prime Brokerage, Inc., acting through its New York Branch, and BNP Paribas (together, the "BNPP Entities"). Under the Financing Agreement, the BNPP Entities may make margin loans to the Fund at rates ranging from 1 month LIBOR + 0.50% to 1 month LIBOR + 0.80%. The Financing Arrangement may be terminated by either the Fund or the BNPP Entities with 30 days' notice. At March 31, 2020, the Fund's average daily balance was \$84,813,667 at a weighted average interest rate of 2.86% for the days outstanding.

On March 25, 2019, the Fund entered into an agreement with Mizuho Securities USA, LLC ("Mizuho Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase

Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to Mizuho Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from Mizuho Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities.

At March 31, 2020, the Fund's outstanding balance on the Mizuho Securities was \$5,619,000. The Fund's average daily balance was \$10,952,954 at a weighted average interest rate of 3.29% for the days outstanding.

### Note 7. Advisory, Administration, Service and Distribution, Trustee, and Other Fees

#### Investment Advisory Fees and Administration Fees

For its investment advisory services, the Fund pays the Investment Adviser a monthly fee, computed and accrued daily, based on an annual rate of the Fund's Average Daily Managed Assets. Average Daily Managed Assets of the Fund means the average daily value of the total assets of the Fund less all accrued liabilities of a Fund (other than the aggregate amount of any outstanding borrowings constituting financial leverage). The Fund's contractual advisory fee with Highland for the six months ended March 31, 2020 was 0.40%.

The Fund has entered into an administration agreement with SEI Investments Global Funds Services ("SEI"), a wholly owned subsidiary of SEI Investments Company, and pays SEI a fee for administration services. The Investment Adviser generally assists in all aspects of the Fund's administration







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

and operations and furnishes offices, necessary facilities, equipment and personnel.

### Expense Limits and Fee Reimbursements

The Investment Adviser has contractually agreed to limit the total annual operating expenses (exclusive of fees paid by the Fund pursuant to their distribution plans under Rule 12b-1 under the 1940 Act, as amended, taxes, such as deferred tax expenses, dividend expenses on short sales, interest payments, brokerage commissions and other transaction costs, acquired fund fees and expenses and extraordinary expenses (collectively, the "Excluded Expenses")) of the Fund to 0.90% of average daily net assets attributable to any class of the Fund the "Expense Cap". The Expense Cap expired on January 31, 2019.

Under the expense limitation agreement, the Investment Adviser may recoup waived and/or reimbursed amounts with respect to the Fund within thirty-six months of the date such amounts were waived or reimbursed, provided the Fund's total annual operating expenses, including such recoupment, do not exceed the Expense Cap in effect at the time of such waiver/reimbursement.

Additionally, the Funds may invest in securities issued by other investment companies, including investment companies that are advised by the Adviser or its affiliates, to the extent permitted by applicable law and/or pursuant to exemptive relief from the SEC, and exchange-traded funds ("ETFs"). Fees and expenses of such investments will be borne by shareholders of the investing Fund, and the Adviser voluntarily waives the higher of the two fees for the portion of the Fund's investment advisory fee attributable to its investment in the affiliated investment company.

On March 31, 2020, the amounts subject to possible future recoupment under the Fund's expense limitations were as follows:

Expiring during Fiscal Years Ending September 30,		
2021	2022	2023
\$	\$	\$
—	417,999	137,263

During the six months ended March 31, 2020, the Investment Adviser did not recoup any fees previously waived or reimbursed. No other amounts expired or were recouped from the Funds during the six months ended March 31, 2020.

### Other Transactions with the Investment Adviser

Various transactions occurred related to the valuation correction of the Fund's investment in equity issued by TerreStar Corporation. Subsequent to September 30, 2018, a valuation correction was made, affecting the value of the individual position between March 2018 through January

that occurred during that period. The Fund's former Transfer Agent was engaged to assess the extent and impact of the errors and process the payments owed to shareholders for subscription overpayments. As of September 30, 2019, the Fund has received payments of approximately \$7.7 million from the Adviser for: overpayments made by the Fund on redemption payments to shareholders resulting from the valuation correction; amounts owed to certain shareholders for subscription overpayments resulting from the valuation correction; and interest on these amounts. Prior to year-end, the Fund paid approximately \$1.6 million of the amount received from the Adviser to the Fund's former Transfer Agent to process and distribute amounts owed to affected shareholders. During the period ended September 30, 2018, the net increase in net assets of the Fund as a result of the amount received from the Adviser, less the amount distributed to the Fund's former Transfer Agent was \$4.0 million. This amount is reflected as a reduction to redemptions paid on the Statement of Changes in Net Assets for the year ended September 30, 2018. The net increase in the Fund's net assets for the period ended September 30, 2019 is \$2.1 million and is reflected as a net reduction to redemptions paid on the Consolidated Statement of Changes in Net Assets. The Adviser has paid any fees resulting from the services (e.g. tax reporting, FATCA documentation, etc.) performed by the former Transfer Agent. Additionally, advisory fees that were previously paid to the Adviser and attributable to the overstated net assets relating to this matter were returned to the Fund. As of September 30, 2019, no additional amounts are owed to the Fund relating to this matter.

### Fees Paid to Officers and Trustees

Each Trustee receives an annual retainer of \$150,000 payable in quarterly installments and allocated among each portfolio in the Highland Fund Complex overseen by such Trustee based on relative net assets. The "Highland Fund Complex" consists of all of the registered investment companies advised by the Investment Adviser or its affiliated advisers and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act as of the date of this report.

Trustees are reimbursed for actual out-of-pocket expenses relating to attendance at meetings, however, the Chairman of the Board and the Chairman of the Audit and Qualified Legal Compliance Committee each receive an additional payment of \$10,000 payable in quarterly installments and allocated among each portfolio in the Funds Complex based on relative net assets. The Trustees do not receive any separate compensation in connection with service on Committees or for attending Board or Committee Meetings. The Trustees do not have any pension or retirement plan.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

The Fund pays no compensation to its officers, all of whom are employees of the Investment Adviser or one of its affiliates.

### Distribution and Shareholder Service Fees

Prior to the Conversion Date, the Fund has a distribution and shareholder service plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. The Plan required the payment of a monthly service fee to NexPoint Securities, Inc. (formerly, Highland Capital Funds Distributor, Inc.) (the "Underwriter") at an annual rate of 0.25% of the average daily net assets attributable to Class A, and Class C shares of the Fund. The Plan also required the payment of a monthly distribution fee to the Underwriter at an annual rate of 0.75% of the average daily net assets attributable to Class C shares. Class Y shares were not subject to a 12b-1 fee.

After the Conversion Date, the Fund was no longer subject to 12b-1 fees.

### Indemnification

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

### Note 8. Disclosure of Significant Risks and Contingencies

The primary risks of investing in the Fund are described below in alphabetical order:

#### Counterparty Risk

Counterparty risk is the potential loss the Fund may incur as a result of the failure of a counterparty or an issuer to make payments according to the terms of a contract. Counterparty risk is measured as the loss the Fund would record if its counterparties failed to perform pursuant to the terms of their obligations to the Fund. Because the Fund may enter into over-the-counter forwards, options, swaps and other derivative financial instruments, the Fund may be exposed to the credit risk of its counterparties. To limit the counterparty risk associated with such transactions, the Fund conducts business only with financial institutions judged by the Investment Adviser to present acceptable credit risk.

#### Credit Risk

Investments rated below investment grade are commonly referred to as high-yield, high risk or "junk debt." They are

or interest payments. Investments in high yield debt and high yield Senior Loans may result in greater NAV fluctuation than if the Fund did not make such investments.

Corporate debt obligations, including Senior Loans, are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the Fund, a reduction in the value of the corporate debt obligation experiencing non-payment and a potential decrease in the NAV of the Fund.

#### Currency Risk

A portion of the Fund's assets may be quoted or denominated in non-U.S. currencies. These securities may be adversely affected by fluctuations in relative currency exchange rates and by exchange control regulations. The Fund's investment performance may be negatively affected by a devaluation of a currency in which the Fund's investments are quoted or denominated. Further, the Fund's investment performance may be significantly affected, either positively or negatively, by currency exchange rates because the U.S. dollar value of securities quoted or denominated in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar.

#### Derivatives Risk

Derivatives risk is a combination of several risks, including the risks that: (1) an investment in a derivative instrument may not correlate well with the performance of the securities or asset class to which the Fund seeks exposure, (2) derivative contracts, including options, may expire worthless and the use of derivatives may result in losses to the Fund, (3) a derivative instrument entailing leverage may result in a loss greater than the principal amount invested, (4) derivatives not traded on an exchange may be subject to credit risk, for example, if the counterparty does not meet its obligations (see also "Counterparty Risk"), and (5) derivatives not traded on an exchange may be subject to liquidity risk and the related risk that the instrument is difficult or impossible to value accurately. As a general matter, when the Fund establishes certain derivative instrument positions, such as certain futures, options and forward contract positions, it will segregate liquid assets (such as cash, U.S. Treasury bonds or commercial paper) equivalent to the Fund's outstanding obligations under the contract or in connection with the position. In addition, changes in laws or regulations may make the use of derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the use, value or performance of derivatives. A Fund's ability to pursue its investment strategy, including its strategy of investing in certain derivative instruments, may be limited to or adversely affected by the Fund's intention to qualify as a regulated investment company, and its strategy may bear adversely on its ability to so qualify.







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

### Illiquid and Restricted Securities Risk

Certain investments made by the Fund are, and others may be, illiquid, and consequently the Fund 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 Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Fund's investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

Restricted securities (i.e., securities acquired in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Fund, however, may not be able to sell these securities when the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, if in order to permit resale the securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased. A high percentage of illiquid securities in a Fund creates a risk that such a Fund may not be able to redeem its shares without causing significant dilution to remaining shareholders.

### Master Limited Partnership ("MLP") Risk

Master Limited Partnership Risk is the risk of investing in MLP units, which involves some risks that differ from an investment in the equity securities of a company. The Fund may hold a significant investment in MLP units. Holders of MLP units have limited control and voting rights on matters affecting the partnership. Holders of units issued by an MLP are exposed to a remote possibility of liability for all of the obligations of that MLP in the event that a court determines that the rights of the holders of MLP units to vote to remove or replace the general partner of that MLP, to approve amendments to that MLP's partnership agreement, or to take other action under the partnership agreement of that MLP would constitute "control" of the business of that MLP, or a court or governmental agency determines that the MLP is conducting business in a state without complying with the partnership statute of that state. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. Additionally, a sustained reduced demand for crude oil, natural gas and refined petroleum products could adversely affect MLP revenues and cash flows, and changes in the regulatory environment could adversely affect the profitability of MLPs.

### Interest Rate Risk

The risk that fixed income securities will decline in value because of changes in interest rates. When interest rates decline, the value of fixed rate securities already held by the Fund can be expected to rise. Conversely, when interest rates rise, the value of existing fixed rate portfolio securities can be expected to decline. A fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a Fund with a shorter average portfolio duration. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Due to this announcement, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Fund or the financial instruments in which the Company invests cannot yet be determined.

### Leverage Risk

The Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged.

### Non-U.S. Securities Risk

The Fund may invest in non-U.S. securities. Investing in non-U.S. securities involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in foreign exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower trading volume; much greater price volatility and illiquidity of certain non-U.S. securities markets; different trading and settlement practices; less governmental supervision; changes in currency exchange rates; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

### Pandemics and Associated Economic Disruption

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread internationally. This coronavirus has resulted in the closing of borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general anxiety and economic uncertainty. The impact of this coronavirus may be short term or may last for an extended period of time and result in a substantial economic downturn. Health crises caused by outbreaks of disease, such as the coronavirus, may exacerbate other pre-existing political, social and economic risks. This outbreak, and other epidemics and pandemics that may arise in the future, could negatively affect the global economy, as well as the economies of individual countries, individual companies and the market in general in significant and unforeseen ways. For example, a widespread health crisis such as a global pandemic could cause substantial market volatility, exchange trading suspensions and closures, impact a Funds' ability to complete repurchase requests, and affect Fund performance. Any such impact could adversely affect a Fund's performance, the performance of the securities in which a Fund invests, lines of credit available to a Fund and may lead to losses on your investment in a Fund. In addition, the increasing interconnectedness of markets around the world may result in many markets being affected by events or conditions in a single country or region or events affecting a single or small number of issuers.

### Senior Loans Risk

The risk that the issuer of a senior may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of the senior loan or reduce the Fund's returns. The risks associated with senior loans are similar to the risks of high yield debt securities. Senior loans and other debt securities are also subject to the risk of price declines and to increases in interest rates, particularly long-term rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may increase the risk of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. Therefore, senior loans may not mitigate price declines in a long-term interest rate environment. The Fund's investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers.

### Short Sales Risk

Short sales by the Fund that are not made where there is an offsetting long position in the asset that it is being sold short

costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet margin calls on its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

### Valuation Risk

Certain of the Fund's assets are fair valued, including the Fund's primary illiquid asset, TerreStar. TerreStar does not currently generate revenue and primarily derives its value from holding licenses of two wireless spectrum assets. The license with respect to one such spectrum asset was previously terminated by the FCC and subsequently restored on April 30, 2020 on a limited conditional basis. The restoration of such license requires TerreStar to meet certain deployment milestones for wireless medical telemetry service ("WMTS") during a 39-month period. Upon satisfaction of the deployment milestones, TerreStar will be able use such spectrum for other services besides WMTS as long as those services do not interfere with WMTS and TerreStar continues to provide WMTS.

If TerreStar is unsuccessful in satisfying such deployment milestones, or if other services cannot be implemented in a manner that does not interfere with WMTS, the value of the TerreStar equity would likely be materially negatively impacted. In determining the fair value of TerreStar, the Investment Adviser has assigned a high probability of success on both conditions based on consultation with the company and its consultants.

## Note 9. Investment Transactions

### Purchases & Sales of Securities

The cost of purchases and the proceeds from sales of investments, other than short-term securities and short-term options, for the six months ended March 31, 2020, were as follows:

U.S. Government Securities		Other Securities	
Purchases	Sales	Purchases	Sales
\$—	\$ —	\$32,220,839	\$157,303,799



theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

### Note 10. Affiliated Issuers

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as “affiliated” if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund as of March 31, 2020:

Issuer	Shares at September 30, 2019	Beginning Value as of September 30, 2019 \$	Purchases at Cost \$	Proceeds from Sales \$	Net Amortization (Accretion) of Premium/ (Discount) \$	Net Realized Gain/ (Loss) on Sales of Affiliated Issuers \$	Change in Unrealized Appreciation/ (Depreciation) \$	Ending Value as of March 31, 2020 \$	Shares at March 31, 2020	Affiliated Income \$
<b>Other Affiliates</b>										
Terrestar Corporation (U.S. Equity)	169,531	47,134,704	—	—	—	—	5,324,969	52,459,673	169,531	—
GAF REIT (U.S. Equity)	100	1,000	3,000,000	—	—	—	56,509	3,057,509	300,100	—
NexPoint Residential Trust (U.S. Equity)	61,912	2,895,005	36,508	(27,594)	—	—	(1,323,000)	1,580,919	62,710	11,502
Terrestar Corporation (U.S. Senior Loan)	14,336,849	14,336,849	811,366	—	—	—	(106,009)	15,042,206	15,148,244	823,222
NREF OP I, L.P. (U.S. LLC Interest)	—	—	2,480,920	—	—	—	(1,283,876)	1,197,044	124,046	27,265
SFR WLIF I, LLC (U.S. LLC Interest)	6,773,494	6,918,447	—	—	—	—	(3,697,109)	3,221,338	6,773,494	487,013
SFR WLIF II, LLC (U.S. LLC Interest)	4,437,497	4,537,341	—	—	—	—	(2,414,220)	2,123,121	4,437,497	292,795
SFR WLIF III, LLC (U.S. LLC Interest)	3,789,008	3,751,876	—	—	—	—	(707,938)	3,043,938	3,789,008	155,254
Highland Energy MLP Fund (Non-U.S. Master Limited Partnership)	5,166,913	14,415,686	409,406	(13,498,796)	—	(29,073,181)	27,746,885	—	—	409,405
BB Votorantim Highland Infrastructure LLC (Non-U.S. Registered Investment Company)	10,000	3,483,081	—	—	—	—	(563,292)	2,919,789	10,000	—
Highland Global Allocation Fund (Non-U.S. Registered Investment Company)	—	—	3,015,737	(3,527,960)	—	512,223	—	—	—	10,350
Highland Merger Arbitrage Fund (Non-U.S. Registered Investment Company)	544,599	10,445,409	34,630	—	—	—	70,602	10,550,641	546,382	34,631



NexPoint  
Strategic  
Opportunities  
Fund  
(Non-U.S.  
Registered  
Investment  
Company)

	436,131	7,819,829	—	—	—	—	(4,217,387)	3,602,442	436,131	479,744
Total	<u>35,726,034</u>	<u>115,739,227</u>	<u>9,788,567</u>	<u>(17,054,350)</u>	<u>—</u>	<u>(28,560,958)</u>	<u>18,886,134</u>	<u>98,798,620</u>	<u>31,797,143</u>	<u>2,731,181</u>

### Note 11. Regulatory Matters

On August 17, 2018, the SEC adopted amendments to Regulation S-X. These changes are effective for periods after November 5, 2018. The updates to Registered Investment Companies were mainly focused on simplifying the presentation of distributable earnings by eliminating the need to present the components of distributable earnings on a

book basis in the Consolidated Statement of Assets and Liabilities. The update also impacted the presentation of undistributed net investment income and distribution to shareholders on the Consolidated Statements of Changes in Net Assets. The amounts presented in the current Consolidated Statements of Changes in Net Assets represent the aggregated total distributions of net investment income



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2020

Highland Global Allocation Fund

and realized capital gains, except for distributions classified as return of capital which are still presented separately.

### Note 12. New Accounting Pronouncements

In November 2016, the FASB issued Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this update require the statement of cash flows to explain the change during the period in the total of cash, restricted cash and cash equivalents. Amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For public entities this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and effective April 1, 2018, the Fund no longer reports the change in restricted cash and cash equivalents in the operating and investing sections in our Consolidated Statement of Cash Flows. Restricted cash and cash equivalents are now included in the beginning and end of the period cash and cash equivalents on the Consolidated Statement of Cash Flows. These changes have been applied using a retrospective transition method to each period presented.

In December 2016, the FASB issued Accounting Standards Update 2016-19, Technical Corrections and Improvements. The amendments in this update include an amendment to FASB ASC Topic 820, Fair Value Measurement and Disclosures to clarify the difference between a valuation approach and a valuation technique. The amendment also requires an entity to disclose when there has been a change in either or both a valuation approach and/or a valuation technique. For public entities, this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

In March 2017, the FASB issued Accounting Standards Update 2017-08, Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20). The amendments in this update shorten the amortization period for certain callable debt securities held at premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. For public entities this update will be effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. The Investment Adviser is currently

Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update provide a variety of technical corrections and improvements to how entities should account for financial instruments. For public entities this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years beginning after June 15, 2018. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820). The new guidance includes additions and modifications to disclosures requirements for fair value measurements. For public entities, the amendments are effective for consolidated financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. At this time, management is currently evaluating the impact of this new guidance on the consolidated financial statements and disclosures.

### Note 13. Legal Matters

The Fund received a shareholder demand letter dated March 1, 2018, from an individual purporting to be a shareholder of the Fund (the "Demand Letter"). The Demand Letter alleges that the current and former Board breached their fiduciary duties, and the Investment Adviser breached its advisory agreement, in relation to the Fund's investment in shares of an affiliated mutual fund, the Highland Energy MLP Fund (previously a series of the Trust). The Fund held \$15.5 million (or 61.5%) of the Highland Energy MLP Fund, which has now been liquidated. Upon receipt of the Demand Letter, the Board formed a Demand Review Committee ("DRC") comprised entirely of independent trustees to investigate these claims and to make a recommendation to the Board regarding whether pursuit of these claims is in the best interests of the Fund. Aided by independent counsel to the committee, the DRC engaged in a thorough and detailed review of the allegations contained in the Demand Letter. Upon completion of its evaluation, the DRC recommended that the Fund's independent trustees, who represent a majority of the Board, reject the demand specified in the shareholder Demand Letter.

After considering the report of the DRC, the independent trustees unanimously agreed and rejected the demand, noting that the Demand Letter contained material factual errors and incorrect assumptions, and the proposed suit was meritless and should not be pursued. A copy of the report was provided to the purported shareholder and her counsel.

Notwithstanding the foregoing, the purported shareholder (the "Plaintiff") filed a shareholder derivative suit against the Fund,



In February 2018, the FASB issued Accounting Standards Update 2018-03, Technical Corrections and Improvements to



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (concluded)

March 31, 2020

Highland Global Allocation Fund

2020, the Court granted a motion to dismiss for all defendants on all claims. The Court stated “Given that the contract and fiduciary duty claims are barred by the Boards independent and good-faith investigation of those claims, it is Ordered that this action is Dismissed with Prejudice. The case is Lanotte v. Highland Global Allocation Fund et al, 3:18-cv-02360, U.S. District Court for the Northern District of Texas (Dallas). The Demand Letter and the Shareholder Litigation are not related to the Proposals and do not alter the intention of the Fund and the Investment Adviser to redomicile the Fund and convert the Fund into a closed-end fund.

The Investment Adviser (HCMFA) is affiliated through common control with Highland Capital Management, L.P. (“HCMLP”), an SEC-registered investment adviser. On October 16, 2019, HCMLP filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the United States Bankruptcy Court for the Northern District of Texas. On January 9, 2020, the bankruptcy court approved a change of control of HCMLP, which involved the resignation of James Dondero as the sole director of, and the appointment of an independent board to, HCMLP’s general partner. Mr. Dondero remains an employee of HCMLP and as portfolio manager for all funds and vehicles for which he currently holds such titles. Nevertheless, given Mr. Dondero’s historic role with HCMLP and his continued ownership interest and roles with respect to the investment platform as a whole, as well as the shared services agreements between HCMLP and the Investment Adviser, we treat HCMLP and its affiliates as our affiliates for purposes hereof. The Investment Adviser (HCMFA) is not a party to HCMLP’s bankruptcy filing. Investment Adviser (HCMFA) is a party to a shared services arrangement with HCMLP. Under this arrangement, the Investment Adviser (HCMFA) may utilize employees from HCMLP in connection with various services such as human resources, accounting, tax, valuation, information technology services, office space, employees, compliance and legal. The Investment Adviser (HCMFA) does not expect HCMLP’s bankruptcy filings to impact its provision of services to the Fund at this time.

### Note 14. Asset Coverage

The Fund is required to maintain 300% asset coverage with respect to amounts outstanding (excluding short-term borrowings). Asset coverage is calculated by subtracting the Fund’s total liabilities, not including any amount representing bank loans and senior securities, from the Fund’s total assets and dividing the result by the principal amount of the

borrowings outstanding. As of the dates indicated below, the Fund’s debt outstanding and asset coverage was as follows:

Date	Total Amount Outstanding (\$)	% of Asset Coverage of Indebtedness
3/31/2020	5,619,000	3,371.1
9/30/2019	120,295,348	346.2
9/30/2018	138,725,439	395.2
9/30/2017	—	—
9/30/2016	40,000,000	2,414.9
9/30/2015	—	—
9/30/2014	—	—
9/30/2013	—	—
9/30/2012	—	—
9/30/2011	—	—
9/30/2010	—	—

### Note 15. Subsequent Event

Management has evaluated the impact of all subsequent events on the Fund through the date the consolidated financial statements were issued, and has determined that there were no subsequent events to report which have not already been recorded or disclosed in these consolidated financial statements and accompanying notes, except as described below.

As a result of the decreases in market value of the Fund’s assets pledged at derivative counterparties, the Fund has been required to post additional collateral relating to its margin requirements. The Fund has posted all required collateral; however, the Fund’s ability to meet future margin calls may be impacted by continued unfavorable market conditions.



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## ADDITIONAL INFORMATION (unaudited)

March 31, 2020

Highland Global Allocation Fund

### Additional Portfolio Information

The Investment Adviser and its affiliates manage other accounts, including registered and private funds and individual accounts. Although investment decisions for the Fund are made independently from those of such other accounts, the Investment Adviser may, consistent with applicable law, make investment recommendations to other clients or accounts that may be the same or different from those made to the Fund, including investments in different levels of the capital structure of a company, such as equity versus senior loans, or that involve taking contradictory positions in multiple levels of the capital structure. The Investment Adviser has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, this may create situations where a client could be disadvantaged because of the investment activities conducted by the Investment Adviser for other client accounts. When the Fund and one or more of such other accounts is prepared to invest in, or desire to dispose of, the same security, available investments or opportunities for each will be allocated in a manner believed by the Investment Adviser to be equitable to the Fund and such other accounts. The Investment Adviser also may aggregate orders to purchase and sell securities for the Fund and such other accounts. Although the Investment Adviser believes that, over time, the potential benefits of participating in volume transactions and negotiating lower transaction costs should benefit all accounts including the Fund, in some cases these activities may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

### Disclosure of Fund Expenses

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases and redemption fees; and (2) ongoing costs, including management fees; distribution (12b-1) and service fees; and other Fund expenses. This example is intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the six-month period October 1, 2019 through March 31, 2020, unless otherwise indicated. This table illustrates your Fund's costs in two ways:

**Actual Expenses:** The first part of the table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that

you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes:** The second part of the table provides information about hypothetical account values and hypothetical expenses based on your Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not your Fund's actual return. The actual expense ratio includes voluntary fee waivers or expense reimbursements by the Fund's investment adviser. The expense ratio would be higher had the fee waivers or expense reimbursements not been in effect. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) or redemption fees. Therefore, the second part of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 10/01/19	Ending Account Value 03/31/20	Annualized Expense Ratios	Expenses Paid During Period <sup>(1)</sup>
<i>Actual Fund Return</i>	\$1,000.00	\$ 657.10	2.45%	\$ 10.15
<i>Hypothetical 5% Return (before expenses)</i>	\$1,000.00	\$1,012.75	2.45%	\$ 12.33

(1) Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, divided by the number of days in the full fiscal year (183/366).







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## IMPORTANT INFORMATION ABOUT THIS REPORT

### Investment Adviser

Highland Capital Management Fund Advisors,  
L.P. 300 Crescent Court, Suite 700  
Dallas, TX 75201

### Transfer Agent

American Stock Transfer & Trust Company,  
LLC240  
6201 15th Avenue  
Brooklyn, NY 11219

### Underwriter

NexPoint Securities, Inc.  
200 Crescent Court, Suite 700  
Dallas, TX 75201

### Custodian

Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
2121 N. Pearl Street, Suite 2000  
Dallas, TX 75201

### Fund Counsel

K&L Gates LLP  
1 Lincoln Street  
Boston, MA 02111

This report has been prepared for shareholders of Highland Global Allocation Fund (the "Fund"). The Fund mails one shareholder report to each shareholder address. If you would like more than one report, please call shareholder services at 1-877-665-1287 to request that additional reports be sent to you.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to their portfolio securities, and the Fund's proxy voting records for the most recent 12-month period ended September 30, are available (i) without charge, upon request, by calling 1-877-665-1287 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Fund files its complete schedules of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year as an exhibit to its report on Form N-PORT. The Fund's Form N-PORT are available on the Commission's website at <http://www.sec.gov> and also may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the Public Reference Room may be obtained by calling 1-800-SEC-0330. Shareholders may also obtain the Form N-PORT by visiting the Fund's website at [www.highlandfunds.com](http://www.highlandfunds.com).

The Statements of Additional Information include additional information about the Funds' Trustees and are available upon request without charge by calling 1-877-665-1287.



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**American Stock Transfer & Trust Company, LLC**  
**6201 15th Avenue**  
**Brooklyn, NY 11219**

## **Highland Global Allocation Fund**

Semi-Annual Report, March 31, 2020

[www.highlandfunds.com](http://www.highlandfunds.com)

HFII-GAF-SAR-03/20



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**Item 2. Code of Ethics.**

Not applicable.

**Item 3. Audit Committee Financial Expert.**

Not applicable.

**Item 4. Principal Accountant Fees and Services.**

Not applicable.

**Item 5. Audit Committee of Listed Registrants.**

Not applicable.

**Item 6. Investments.**

(a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the Semi-Annual Report to Shareholders filed under Item 1 of this form.

(b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Not applicable.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

Not applicable.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

Purchases were made by the Registrant during the period covered by this report:

**AFFILIATED PURCHASES OF EQUITY SECURITIES**

<u>Period</u>	<u>Total Number of Shares (or Units) Purchased</u>	<u>Average Price Paid per Share (or Unit)</u>	<u>Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs</u>
October 1, 2019 through March 31, 2020 <sup>1</sup>	329,476	9.15	329,476	\$ 16,447,843

<sup>1</sup> Purchases by Closed-End Management Investment Company as a part of the Registrant's Repurchase Program



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**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the Registrant's Board of Trustees.

**Item 11. Controls and Procedures.**

- (a) The Registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the 1940 Act (17 CFR 270.30a-3(c)) are effective, as of a date within 90 days of the filing date of the report that includes the disclosure required by this paragraph, based on their evaluation of such controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

**Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

Not applicable.

**Item 13. Exhibits.**

- (a)(1) Not applicable.
- (a)(2) [Certification pursuant to Rule 30a-2\(a\) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 is attached hereto.](#)
- (a)(3) Not applicable.
- (a)(4)(i) Not applicable.
- (b) [Certification pursuant to Rule 30a-2\(b\) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 is attached hereto.](#)



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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**HIGHLAND GLOBAL ALLOCATION FUND**

By (Signature and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Accounting Officer,  
Principal Financial Officer, and Principal  
Executive Officer

Date: June 9, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Accounting Officer,  
Principal Financial Officer, and Principal  
Executive Officer

Date: June 9, 2020



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM N-CSR**

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**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-23369

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**HIGHLAND GLOBAL ALLOCATION FUND**

(Exact name of registrant as specified in charter)

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**300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Address of principal executive offices)(Zip code)

---

**Highland Capital Management Fund Advisors, L.P.  
300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Name and Address of Agent for Service)

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**Registrant's telephone number, including area code: (800) 357-9167**

**Date of fiscal year end: September 30**

**Date of reporting period: March 31, 2019**

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**Item 1. Reports to Stockholders.**

A copy of the Semi-Annual Report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the “1940 Act”), is attached herewith.



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# Highland Global Allocation Fund

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## Semi-Annual Report March 31, 2019

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Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Funds' annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website (highlandfunds.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from a Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by contacting the Funds' transfer agent at 1-877-665-1287.

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with a Fund, you can call 1-877-665-1287 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with a Fund.



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# **Highland Global Allocation Fund**

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Economic and market conditions change frequently.  
There is no assurance that the trends described in this report will continue or commence.

**A prospectus must precede or accompany this report. Please read the prospectus carefully before you invest.**



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## FUND PROFILE (unaudited)

### Highland Global Allocation Fund

#### Objective

Highland Global Allocation Fund seeks to provide long-term growth of capital and future income (future income means the ability to pay dividends in the future.)

#### Net Assets as of March 31, 2019

\$351.8 million

#### Portfolio Data as of March 31, 2019

The information below provides a snapshot of Highland Global Allocation Fund at the end of the reporting period. Highland Global Allocation Fund is actively managed and the composition of its portfolio will change over time. Current and future holdings are subject to risk.

Sector Classifications as of 03/31/19	Percentage (based on Total Investments)*
U.S. Equity	51.0%
U.S. Master Limited Partnership	14.1%
U.S. Senior Loan	8.6%
Non-U.S. Government Bonds	7.0%
Non-U.S. Equity	6.5%
U.S. Registered Investment Companies	3.3%
Non-U.S. Asset-Backed Securities	2.4%
U.S. Agency Collateralized Mortgage Obligation	1.9%
U.S. Preferred Stock	1.4%
U.S. Rights	1.1%
Non-U.S. Corporate Bonds & Notes	0.5%
Purchased Call Options	0.4%
U.S. Corporate Bonds & Notes	0.2%
Non-U.S. Preferred Stock	0.2%
U.S. Warrant	0.1%
Non-U.S. Warrant	0.0%
Non-U.S. Registered Investment Companies	0.7%
U.S. Cash Equivalent	0.6%
	100.0%

Top 10 Holdings as of 3/31/2019 (%) <sup>(1)</sup>	
Vistra Energy Corp. (U.S. Equity)	30.1
TerreStar Corporation (U.S. Equity)	13.7
Argentine Republic Government International Bond 3.75%, 12/31/2038 (Non-U.S. Government Bonds)	10.3
Energy Transfer Equity LP, (U.S. Master Limited Partnerships)	7.2
MPM Holdings, Inc. (U.S. Equity)	6.3
Fieldwood Energy LLC, Closing Date Loan, 2nd Lien 9.75%, 4/11/2023 (U.S. Senior Loans)	5.9
Williams Cos., Inc. (U.S. Equity)	4.8
Highland Energy MLP Fund, (U.S. Master Limited Partnerships)	4.4
TerreStar Corporation Term Loan A 11.00%, 2/27/2020 (U.S. Senior Loans)	3.8
MPLX LP, (U.S. Master Limited Partnerships)	3.8

<sup>(1)</sup> Asset classifications and holdings are calculated as a percentage of total net assets and net of long and short positions.



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## FINANCIAL STATEMENTS

March 31, 2019

Highland Global Allocation Fund

### A guide to understanding the Fund's financial statements

#### Investment Portfolio

The Investment Portfolio details the Fund's holdings and its market value as of the last day of the reporting period. Portfolio holdings are organized by type of asset and industry to demonstrate areas of concentration and diversification.

#### Statement of Assets and Liabilities

This statement details the Fund's assets, liabilities, net assets and share price for each share class as of the last day of the reporting period. Net assets are calculated by subtracting all of the Fund's liabilities (including any unpaid expenses) from the total of the Fund's investment and non-investment assets. The net asset value per share for each class is calculated by dividing net assets allocated to that share class by the number of shares outstanding in that class as of the last day of the reporting period.

#### Statement of Operations

This statement reports income earned by the Fund and the expenses incurred by each Fund during the reporting period. The Statement of Operations also shows any net gain or loss the Fund realized on the sales of its holdings during the period as well as any unrealized gains or losses recognized over the period. The total of these results represents the Fund's net increase or decrease in net assets from operations.

#### Statement of Changes in Net Assets

This statement details how the Fund's net assets were affected by its operating results, distributions to shareholders and shareholder transactions (e.g., subscriptions, redemptions and distribution reinvestments) during the reporting period. The Statement of Changes in Net Assets also details changes in the number of shares outstanding.

#### Statement of Cash Flows

This statement reports net cash and foreign currency provided or used by operating, investing and financing activities and the net effect of those flows on cash and foreign currency during the period.

#### Financial Highlights

The Financial Highlights demonstrate how the Fund's net asset value per share was affected by the Fund's operating results. The Financial Highlights also disclose the classes' performance and certain key ratios (e.g., net expenses and net investment income as a percentage of average net assets).

#### Notes to Financial Statements

These notes disclose the organizational background of the Fund, certain of their significant accounting policies (including those surrounding security valuation, income recognition and distributions to shareholders), federal tax information, fees and compensation paid to affiliates and significant risks and contingencies.



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## INVESTMENT PORTFOLIO (unaudited)

As of March 31, 2019

Highland Global Allocation Fund

Shares		Value (\$)
<b>U.S. Equity - 76.6%</b>		
<b>CHEMICALS - 0.2%</b>		
881,773	Vertellus Specialties Inc. (a)(b)	626,059
<b>COMMUNICATION SERVICES - 15.1%</b>		
129,945	Loral Space & Communications, Inc. (c)(d)	4,684,517
169,531	TerreStar Corporation (a)(b)(e)(f)	48,421,444
		53,105,961
<b>CONSUMER DISCRETIONARY - 2.3%</b>		
233,715	K12, Inc. (d)(g)	7,976,693
698	Lennar Corp., Class B (g)	27,306
		8,003,999
<b>ENERGY - 7.2%</b>		
5,000	Continental Resources, Inc. (c)(d)	223,850
30,000	NextDecade Corp. (c)(d)(g)	165,600
59,200	Plains GP Holdings LP, Class A (c)	1,475,264
60,000	SemGroup Corp., Class A (c)	884,400
12,000	Shell Midstream Partners LP (c)	245,400
125,800	Targa Resources Corp. (c)(g)	5,226,990
121	Transocean (c)(d)	1,054
596,100	Williams Cos., Inc. (c)(g)	17,119,992
		25,342,550
<b>FINANCIAL - 0.5%</b>		
4,500	CIT Group, Inc. (c)	215,865
10,500	Citigroup, Inc.	653,310
19,556	Ditech Holding Corp. (d)	2,836
335,000	Medley Capital	1,041,850
		1,913,861
<b>HEALTHCARE - 6.1%</b>		
15,200	Aerie Pharmaceuticals, Inc. (d)	722,000
65,900	Collegium Pharmaceutical, Inc. (d)	997,726
66,100	Heron Therapeutics, Inc. (d)	1,615,484
269,506	Minerva Neurosciences, Inc. (d)(g)	2,118,317
5,300	Molina Healthcare, Inc. (d)	752,388
345,350	Patterson Cos., Inc.	7,545,897
	Portola Pharmaceuticals, Inc. (d)(g)	2,602,500
75,000	Quorum Health Corp. (d)	78,413
152,800	Surgery Partners, Inc. (d)(g)	1,723,584
387,600	TG Therapeutics, Inc. (d)(g)	3,116,304
2,800	Ultragenyx Pharmaceutical, Inc. (d)	194,208
		21,466,821
<b>INDUSTRIALS - 0.7%</b>		
80,249	American Airlines Group, Inc. (c)(g)	2,548,708
<b>INFORMATION TECHNOLOGY - 2.3%</b>		
342,949	Avaya Holdings Corp. (c)(d)	5,771,832
3,406	Black Knight, Inc. (c)(d)	185,627
21,300	CDK Global, Inc.	1,252,866
6,200	Fortinet, Inc. (c)(d)	520,614
3,800	QUALCOMM, Inc. (c)	216,714
		7,947,653

Shares		Value (\$)
<b>MATERIALS - 7.5%</b>		
730,484	MPM Holdings, Inc. (d)	21,951,044
219,800	United States Steel Corp. (c)(g)	4,283,902
		26,234,946
<b>MEDIA - 0.6%</b>		
16,054,749	Gambier Bay LLC (a)(b)(c)(e)	2,207,528
<b>REAL ESTATE - 2.5%</b>		
61,625	Brookdale Senior Living, Inc. (d)	405,492
114,300	Independence Realty Trust, Inc., REIT	1,233,297
101,918	Jernigan Capital, Inc., REIT (g)	2,144,355
25,380	Macerich Co. (The), REIT (g)	1,100,223
61,076	NexPoint Residential Trust, REIT (e)	2,341,654
44,387	RAIT Financial Trust, REIT (d)	81,672
	United Development Funding IV, REIT (d)	1,495,200
280,000		8,801,893
<b>UTILITIES - 31.6%</b>		
1,150	NRG Energy, Inc. (c)	48,852
294,300	PG&E (d)	5,238,540
4,075,000	Vistra Energy Corp. (c)(g)	106,072,250
		111,359,642
	Total U.S. Equity (Cost \$334,988,171)	269,559,621
<b>U.S. Master Limited Partnerships - 21.1%</b>		
<b>ENERGY - 21.1%</b>		
1,661,400	Energy Transfer Equity LP (c)(g)	25,535,718
	Enterprise Products Partners LP (c)(g)	10,769,910
370,100	Highland Energy MLP Fund, Class Y (c)(e)	15,517,860
4,895,224	MPLX LP (c)	13,412,542
407,800	Western Midstream Partners LP	8,882,877
283,255	Total U.S. Master Limited Partnerships (Cost \$109,901,761)	74,118,907
<b>Principal Amount (\$)</b>		
<b>U.S. Senior Loans (h) - 12.8%</b>		
<b>CHEMICALS - 0.3%</b>		
1,102,216	Vertellus Holdings LLC Second Lien Term Loan, 10/31/21 (a)(b)	1,067,937
<b>COMMUNICATION SERVICES - 4.2%</b>		
1,928,571	iHeartCommunications, Inc. Tranche D Term Loan, 01/22/19 (c)(i)	1,380,857
13,548,395	TerreStar Corporation Term Loan A, cash/0% PIK 02/27/20 (a)(b)(e)	13,534,846
		14,915,703
<b>ENERGY - 5.8%</b>		
23,743,431	Fieldwood Energy LLC, Closing Date Loan, 2nd Lien, VAR LIBOR USD 3 Month + 7.250%, 04/11/23	20,300,633

See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements.



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## INVESTMENT PORTFOLIO (unaudited) (continued)

As of March 31, 2019

Highland Global Allocation Fund

Principal Amount (\$)	Value (\$)	Shares	Value (\$)
<b>U.S. Senior Loans (h) (continued)</b>		<b>ENERGY - 0.2%</b>	
<b>FINANCIAL - 0.4%</b>			
2,067,113 Ditech Holding Corporation, Tranche B Term Loan, VAR LIBOR USD 3 Month + 6.000%, 06/30/22 (i)	1,424,582	48,845 Transportadora de Gas del Sur ADR (c)	642,800
<b>RETAIL - 1.5%</b>		<b>FINANCIAL - 0.9%</b>	
1,971,697 Academy, Ltd., Initial Term Loan, VAR LIBOR USD 3 Month + 4.000%, 07/01/22	1,431,945	45,000 Banco do Brasil (d)	560,577
7,088,378 Toys 'R' Us-Delaware, Inc., Term Loan B-4, 04/24/20 (c)(i)	3,822,280	14,913 Banco Macro SA ADR (c)	682,419
	5,254,225	100,000 FGL Holdings (c)(g)	787,000
<b>SERVICE - 0.5%</b>		188,858 Grupo Supervielle SA ADR (c)	1,148,257
2,500,000 Advantage Sales & Marketing Inc., Term Loan, 2nd Lien, VAR LIBOR USD 3 Month + 6.500%, 07/25/22	1,846,875		3,178,253
<b>UTILITIES - 0.1%</b>		<b>HEALTHCARE - 0.0%</b>	
471,039,553 Texas Competitive Electric Holdings Co., LLC, Extended Escrow Loan, (j)	259,072	5,000 Idorsia, Ltd. (c)(d)(g)	87,961
Total U.S. Senior Loans (Cost \$63,967,542)	45,069,027	<b>INDUSTRIALS - 3.0%</b>	
<b>Non-U.S. Government Bonds (c) - 10.6%</b>		207,200 Air France-KLM (c)(d)	2,332,364
<b>REGIONAL AUTHORITY - 0.3%</b>		445,098 America Airports (c)(d)	3,680,960
40,000,000 Provincia de Buenos AiresArgentina Deposit Rates BADLAR Pvt Banks VAR 30-35d Argentina BADLAR Private Banks + 3.830%, 45.78%, 05/31/22	884,609	200,000 Atento SA (c)(d)(g)	722,000
<b>SOVEREIGN - 10.3%</b>		125,000 GL Events (c)	2,736,950
62,500,000 Argentine Republic Government International Bond 3.75%, 5.25%, 3/31/29, 12/31/38 (k)	36,328,125	160,000 Localiza Rent a Car (d)	1,344,811
Total Non-U.S. Government Bonds (Cost \$32,850,876)	37,212,734		10,817,085
<b>Shares</b>		<b>REAL ESTATE - 0.0%</b>	
<b>Non-U.S. Equity - 9.9%</b>		6,453 IRSA Propiedades Comerciales Sa ADR (c)	132,287
<b>BANKS - 0.1%</b>		<b>UTILITIES - 1.9%</b>	
100,000 Banco del Bajo SA (c)(l)	198,737	202,250 Central Puerto Spon ADR (c)	1,858,678
<b>COMMUNICATION SERVICES - 0.6%</b>		234,500 Cia Energetica de Minas Gerais (c)	1,000,257
131,733 Cablevision Holdings Spon GDR (c)(d)	1,844,262	124,500 Pampa Energia Spon ADR (c)(d)	3,432,465
38,933 Grupo Clarin SA GDR, Class B (c)(d)(g)	81,759	25,000 Voltalia (c)(d)	272,291
	1,926,021		6,563,691
<b>CONSUMER DISCRETIONARY - 2.7%</b>		Total Non-U.S. Equity (Cost \$45,416,292)	34,578,429
18,569 MercadoLibre, Inc. (c)(d)	9,428,038	<b>Principal Amount (\$)</b>	
10,000 Netshoes Cayman, Ltd. (c)(d)(g)	16,500	<b>Non-U.S. Asset-Backed Securities (c)(l) - 3.7%</b>	
	9,444,538	4,000,000 Acis CLO, Ltd., Series 2014-3A, Class E VAR LIBOR USD 3 Month + 4.750%, 7.49%, 2/1/2026 (m)	3,591,800
<b>CONSUMER STAPLES - 0.5%</b>		3,500,000 Acis CLO, Ltd., Series 2014-5A, Class E1 VAR LIBOR USD 3 Month + 6.520%, 9.06%, 11/1/2026 (m)	3,368,750
230,342 Adecoagro SA (c)(d)(g)	1,587,056	4,000,000 Acis CLO, Ltd., Series 2014-4A, Class F VAR ICE LIBOR USD 3 Month + 5.150%, 7.69%, 5/1/2026 (m)	3,180,000
		2,500,000 Acis CLO, Ltd., Series 2014-4A, Class E VAR LIBOR USD 3 Month + 4.800%, 7.54%, 5/1/2026 (m)	2,193,750
		396,370 Highland Park CDO I, Ltd., Series 2006-1A, Class A2 VAR LIBOR USD 3 Month + 0.400%, 3.05%, 11/25/2051 (m)	395,761
		311,866 Pamco Cayman, Ltd., Series 1997-1A, Class B 7.91%, 8/6/2049 (a)(b)	125,651
		Total Non-U.S. Asset-Backed Securities (Cost \$12,973,153)	12,855,712



4 | See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements.



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## INVESTMENT PORTFOLIO (unaudited) (continued)

As of March 31, 2019

Highland Global Allocation Fund

<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>U.S. Agency Collateralized Mortgage Obligation (I) - 2.8%</b>	
10,016,146	
FREMF Mortgage Trust, Series 2019-KF60, Class C VAR LIBOR USD 1 Month + 6.000%, 8.49%, 2/25/2026	10,000,000
Total U.S. Agency Collateralized Mortgage Obligations (Cost \$9,999,990)	10,000,000

<u>Shares</u>	
<b>U.S. Preferred Stock (q) - 2.1%</b>	
<b>REAL ESTATE - 2.1%</b>	
370,968	
Braemar Hotels & Resorts, Inc., REIT	7,385,973
Total U.S. Preferred Stock (Cost \$5,750,000)	7,385,973

<b>U.S. Rights - 1.7%</b>	
<b>UTILITIES - 1.7%</b>	
7,905,143	
Texas Competitive Electric Holdings Co., LLC	5,980,241
Total U.S. Rights (Cost \$22,062,762)	5,980,241

<u>Principal Amount (\$)</u>	
<b>Non-U.S. Corporate Bonds &amp; Notes - 0.7%</b>	
<b>ENERGY - 0.7%</b>	
37,083,000	
Ocean Rig UDW, Inc. 7.25%, 04/01/19 (a)(b)(c)(i)(l)	2,558,727
Total Non-U.S. Corporate Bonds & Notes (Cost \$28,728,908)	2,558,727

<u>Contracts</u>	
<b>Purchased Call Options (d) - 0.6%</b>	
Total Purchased Call Options (Cost \$2,484,261)	2,184,000

<u>Principal Amount (\$)</u>	
<b>U.S. Corporate Bonds &amp; Notes - 0.3%</b>	
<b>ENERGY - 0.0%</b>	
290	
Sable Permian Resources LLC/AEPB Finance Corp. 7.38%, 11/01/21 (c)(l)	113
<b>INFORMATION TECHNOLOGY - 0.0%</b>	
9,500,000	
Avaya, Inc. 10.50%, 03/01/21 (a)(b)(i)	—
<b>UTILITIES - 0.3%</b>	
163,580,000	
Texas Competitive Electric Holdings Co., LLC	808,371
Total U.S. Corporate Bonds & Notes (Cost \$1,754,899)	808,484

<u>Shares</u>	<u>Value (\$)</u>
<b>Non-U.S. Preferred Stock - 0.3%</b>	
<b>FINANCIAL - 0.3%</b>	
115,000	
Itau Unibanco Holding Spon ADR	1,013,150
Total Non-U.S. Preferred Stock (Cost \$995,025)	1,013,150

<b>U.S. Warrants (d) - 0.1%</b>	
<b>FINANCIAL - 0.0%</b>	
59,755	
Ditech Holding Corp., Expires 02/14/2028	322
<b>INDUSTRIALS - 0.1%</b>	
1,260,362	
American Airlines, Expires	220,563
<b>INFORMATION TECHNOLOGY - 0.0%</b>	
38,742	
Avaya, Inc., Expires 12/19/2022 (c)(i)	128,236
Total U.S. Warrants (Cost \$54,380)	349,121

<b>Non-U.S. Warrant - 0.0%</b>	
<b>HEALTHCARE - 0.0%</b>	
42,032	
HLS Therapeutics, Inc., Expires 12/31/2049 (a)(b)(c)(d)	189,985
Total Non-U.S. Warrants (Cost \$—)	189,985

<b>Non-U.S. Registered Investment Companies - 1.0%</b>	
10,000	
BB Votorantim Highland Infrastructure LLC (a)(b)(e)	3,573,037
Total Non-U.S. Registered Investment Companies (Cost \$4,571,783)	3,573,037

<b>U.S. Registered Investment Companies (e) - 5.0%</b>	
544,599	
Highland Merger Arbitrage Fund, Class Z (d)	10,026,067
351,861	
NexPoint Strategic Opportunities Fund	7,660,014
Total U.S. Registered Investment Companies (Cost \$18,739,942)	17,686,081

<u>Principal Amount (\$)</u>	
<b>U.S. Cash Equivalents (n) - 0.9%</b>	
<b>MONEY MARKET FUND - 0.9%</b>	
3,019,885	
State Street Institutional U.S. Government Money Market Fund, Premier Class 2.390%	3,019,885
Total U.S. Cash Equivalents (Cost \$3,019,885)	3,019,885
<b>Total Investments - 150.2%</b>	
(Cost \$698,259,630)	
<b>528,143,114</b>	

See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements. | 5



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## INVESTMENT PORTFOLIO (unaudited) (continued)

As of March 31, 2019

Highland Global Allocation Fund

Principal Amount (\$)		Value (\$)
<b>Securities Sold Short (o) - (27.9)%</b>		
<b>U.S. EXCHANGE-TRADED FUND - (0.9)%</b>		
(50,500)	Direxion Daily Small Capital Bull 3X Shares (d)	(3,086,560)
	Total U.S. Exchange-Traded Funds	(3,086,560)
	(Proceeds \$2,990,935)	
<b>Shares</b>		
<b>Non-U.S. Equity - (0.8)%</b>		
<b>COMMUNICATION SERVICES - (0.8)%</b>		
(80,000)	Nintendo Co, Ltd. Spon ADR (c)	(2,869,600)
	Total Non-U.S. Equity	(2,869,600)
	(Proceeds \$2,689,058)	
<b>U.S. Equity - (26.2)%</b>		
<b>COMMUNICATION SERVICES - (12.8)%</b>		
(97,050)	Netflix, Inc. (c)(p)	(34,604,148)
(302,200)	Zillow Group, Inc., Class C (p)	(10,498,428)
		(45,102,576)
<b>ENERGY - (1.3)%</b>		
(66,250)	Cheniere Energy, Inc. (c)(p)	(4,528,850)
<b>HEALTHCARE - (12.1)%</b>		
(490,150)	Boston Scientific Corp. (p)	(18,811,957)
(68,500)	Stryker Corp.	(13,530,120)
(80,000)	Zimmer Holdings, Inc. (c)	(10,216,000)
		(42,558,077)
	Total U.S. Equity	
	(Proceeds \$40,914,109)	(92,189,503)
	Total Securities Sold Short - (27.9)%	
	(Proceeds \$46,594,102)	(98,145,663)
<b>Other Assets &amp; Liabilities, Net - (22.1)%</b>		<b>(77,532,617)</b>
<b>Net Assets - 100.0%</b>		<b>351,792,834</b>

- (e) Affiliated issuer. Assets with a total aggregate market value of \$103,282,450, or 29.3% of net assets, were affiliated with the Fund as of March 31, 2019.
- (f) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:

Restricted Security	Security Type	Acquisition Date	Cost of Security	Market Value at Period End	Percent of Net Assets
TerreStar Corporation	U.S. Equity	11/14/2014	\$48,015,562	\$48,421,444	13.8

- (g) All or part of this security is pledged as collateral for short sales. The market value of the securities pledged as collateral was \$323,323,827.
- (h) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR") or (iii) the Certificate of Deposit rate. As of March 31, 2019, the LIBOR USD 1 Month and LIBOR USD 3 Month rates were 2.49% and 2.60%, respectively. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity maybe substantially less than the stated maturity shown.
- (i) The issuer is, or is in danger of being, in default of its payment obligation.
- (j) Represents value held in escrow pending future events. No interest is being accrued.
- (k) Step Bonds - Represents the current rate, the step rate, the step date and the final maturity date.
- (l) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transaction exempt from registration to qualified institutional buyers. At March 31, 2019, these securities amounted to \$25,613,289 or 7.3% of net assets.
- (m) Variable or floating rate security. The base lending rates are generally the lending rate offered by one or more European banks such as the LIBOR. The interest rate shown reflects the rate in effect March 31, 2019. LIBOR, otherwise known as London Interbank Offered Rate, is the benchmark interest rate that banks charge each other for short-term loans. Current LIBOR rates include 1 month which is equal to 2.49% and 3 months equal to 2.60%.
- (n) Rate shown is 7 day effective yield.
- (o) As of March 31, 2019, \$52,363,247 in cash was segregated or on deposit with the brokers to cover investments sold short and is included in "Other Assets & Liabilities, Net".
- (p) No dividend payable on security sold short.
- (q) There is no rate available.

6 | See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements.



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## INVESTMENT PORTFOLIO (unaudited) (concluded)

As of March 31, 2019

Highland Global Allocation Fund

Purchased options contracts outstanding as of March 31, 2019 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium	Value
<b>PURCHASED CALL OPTIONS:</b>							
CRUDE OIL FUT OPT Jun19C 60.5	\$ 60.50	Societe Generale	May 2019	1,050	70,927,500	\$2,484,261	\$2,184,000

Written options contracts outstanding as of March 31, 2019 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium	Value
<b>WRITTEN CALL OPTIONS:</b>							
CRUDE OIL FUT OPT Jun19C 64.5	\$ 64.50	Societe Generale	May 2019	(1,050)	70,927,500	\$(844,216)	\$(672,000)

The Fund had the following futures contracts open at March 31, 2019:

Description	Expiration Date	Number of Contracts	Notional Value	Unrealized Appreciation (Depreciation)	Value
<b>Short Futures:</b>					
S&P 500 Index E-MINI	June 2019	(215)	\$30,203,642	\$(302,708)	\$(302,708)

See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements. | 7



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**GLOSSARY: (abbreviations that may be used in the preceding statements)  
(unaudited)**

Other Abbreviations:

ADR	American Depositary Receipt
CLO	Collateralized Loan Obligation
FREMF	Freddie Mac Multi-Family
GDR	Global Depositary Receipt
MLP	Master Limited Partnership
LIBOR	London Interbank Offered Rate
LLC	Limited Liability Company
LP	Limited Partnership
Ltd.	Limited
PIK	Payment-in-Kind
REIT	Real Estate Investment Trust
SPON	Sponsored
USD	United States Dollar
VAR	Variable Rate



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## STATEMENT OF ASSETS AND LIABILITIES

As of March 31, 2019 (unaudited)

Highland Global Allocation Fund

	(\$)
<b>Assets</b>	
Investments, at value	421,840,779
Affiliated investments, at value (Note 10)	103,282,450
Total Investments, at value	525,123,229
Cash equivalents (Note 2)	3,019,885
Cash	274,619
Restricted Cash — Securities Sold Short and Written Options (Notes 2 and 3)	52,363,247
Foreign currency	502,354
Foreign tax reclaim receivable	133,553
Receivable for:	
Investment sold	5,599,614
Dividends and interest	1,665,895
Fund shares sold	2,386,628
Due from broker	505,495
Prepaid expenses and other assets	889,980
Total assets	<u>592,464,499</u>
<b>Liabilities:</b>	
Notes payable (Note 6)	132,533,210
Securities sold short, at value (Notes 2 and 8)	98,145,663
Written options contracts, at value (Note 3)	672,000
Payable for:	
Investments purchased	5,303,502
Fund shares redeemed	1,373,273
Investment advisory and administration fees (Note 6)	105,394
Dividends on securities sold short	104,589
Accounting services fees	117,098
Conversion costs (Note 2)	1,693,048
Trustees fees	32,292
Interest expense and commitment fee payable (Note 6)	36,077
Variation margin	180,600
Transfer agent fees	130,239
Accrued expenses and other liabilities	244,680
Total liabilities	<u>240,671,665</u>
<b>Commitments and Contingencies (Note 6)</b>	
<b>Net Assets</b>	<b><u>351,792,834</u></b>
<b>Net Assets Consist of:</b>	
Paid-in capital	797,736,320
Total distributable loss	(445,943,486)
<b>Net Assets</b>	<b><u>351,792,834</u></b>
Investments, at cost	556,830,996
Affiliated investments, at cost (Note 10)	141,428,634
Cash equivalents, at cost (Note 2)	3,019,885
Foreign currency, at cost	503,248
Proceeds from securities sold short	46,594,102
Written option premiums received	844,216
<b>Common Shares</b>	
Shares outstanding (\$0.001 par value; unlimited shares authorized)	23,285,451
Net asset value, offering and redemption price per share	15.11







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## STATEMENT OF OPERATIONS

For the Six Months Ended March 31, 2019 (unaudited)

Highland Global Allocation Fund

	(\$)
<b>Investment Income:</b>	
<b>Income:</b>	
Dividends from unaffiliated issuers	4,113,279
Dividends from affiliated issuers (Note 10)	2,821,309
Less: Foreign taxes withheld	(2,758)
Interest from unaffiliated issuers	2,898,759
Interest paid in-kind from affiliated issuers	1,200,802
Other income	813,967
Total income	<u>11,845,358</u>
<b>Expenses:</b>	
Investment advisory (Note 7)	950,212
Accounting services fees	118,170
Distribution and shareholder service fees: (Note 7)	
Class A	167,920
Class C	305,447
Transfer agent fees	310,894
Legal fees	74,377
Registration fees	29,017
Audit fees	161,033
Interest expense and commitment fees (Note 6)	2,604,165
Insurance	4,686
Conversion costs	792,420
Trustees fees (Note 7)	51,333
Reports to shareholders	117,053
Custodian/wire agent fees	38,628
Dividends and fees on securities sold short (Note 2)	152,224
Other	245,497
Total operating expenses before waiver and reimbursement	6,123,076
Less: Expenses waived or borne by the adviser and administrator	(252,202)
Net operating expenses	<u>5,870,874</u>
Net investment income	<u>5,974,484</u>
<b>Net Realized and Unrealized Gain (loss) on Investments</b>	
<b>Realized gain (loss) on:</b>	
Investments from unaffiliated issuers	(2,299,567)
Investments from affiliated issuers (Note 10)	4,476,582
Securities sold short (Note 2)	(43,546)
Written options contracts (Note 3)	(106,202)
Foreign currency related transactions	(94,330)
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>	
Investments in unaffiliated issuers	(2,694,866)
Investments in affiliated issuers (Note 10)	(32,075)
Securities sold short (Note 2)	4,528,221
Written options contracts (Note 3)	172,216
Futures contracts (Note 3)	(302,708)
Foreign currency related translations	(31,897)
Net realized and unrealized gain (loss) on investments	<u>3,571,828</u>
Total increase in net assets resulting from operations	<u><u>9,546,312</u></u>

10 | See accompanying Notes to Financial Statements.



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## STATEMENTS OF CHANGES IN NET ASSETS

	Highland Global Allocation Fund	
	Six Months Ended March 31, 2019 (unaudited) (\$)	Year Ended September 30, 2018 (\$)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	5,974,484	17,536,785
Net realized (loss) on investments, securities sold short, written options, futures contracts and foreign currency transactions	1,932,937	(102,577,315)
Net increase in unrealized appreciation on investments, securities sold short, written options and foreign currency transactions	1,638,891	117,503,929
Net Increase from operations	<u>9,546,312</u>	<u>32,463,399</u>
<b>Distributions</b>		
Class A	—	(7,316,208)
Class C	—	(3,731,739)
Class Y†	(2,468,258)	(5,219,394)
<b>Return of capital:</b>		
Class A	—	(3,365,442)
Class C	—	(1,716,593)
Class Y†	—	(2,400,911)
<b>Total distributions</b>	<u>(2,468,258)</u>	<u>(23,750,287)</u>
Increase in net assets from operations and distributions	<u>7,078,054</u>	<u>8,713,112</u>
<b>Share transactions:</b>		
Proceeds from sale of shares		
Class A	833,384	11,238,288
Class C	371,180	12,139,685
Class Y	263,446,405	56,903,923
Value of distributions reinvested		
Class A	—	9,920,585
Class C	—	4,222,201
Class Y	—	6,119,220
Cost of shares redeemed		
Class A	(198,054,309)	(90,127,788)
Class C	(92,686,380)	(80,655,298)
Class Y	(38,761,177)	(193,998,230)
Net decrease from shares transactions	<u>(64,850,897)</u>	<u>(264,237,414)</u>
<b>Total decrease in net assets</b>	<u>(57,772,843)</u>	<u>(255,524,302)</u>
<b>Net Assets</b>		
Beginning of period	<u>409,565,677</u>	<u>665,089,979</u>
End of period	<u>351,792,834</u>	<u>409,565,677</u>

† See Note 1 in Notes to Financial Statements.

See accompanying Notes to Financial Statements. | 11



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## STATEMENTS OF CHANGES IN NET ASSETS (continued)

	Six Months Ended March 31, 2019 (unaudited)	Year Ended September 30, 2018
<b>Highland Global Allocation Fund</b>		
<b>CAPITAL STOCK ACTIVITY - SHARES*</b>		
<b>Class A:</b>		
Shares Sold	(3,180,370)	1,295,700
Issued for distribution reinvested	—	1,188,136
Shares Redeemed	(11,128,492)	(10,712,388)
Net Decrease in fund shares	<u>(14,308,862)</u>	<u>(8,228,552)</u>
<b>Class C:</b>		
Shares Sold	(20,651)	1,590,900
Issued for distribution reinvested	—	581,237
Shares Redeemed	(7,256,346)	(11,034,420)
Net Decrease in fund shares	<u>(7,276,997)</u>	<u>(8,862,133)</u>
<b>Class Y:</b>		
Shares Sold	19,982,077	5,462,086
Issued for distribution reinvested	—	609,362
Shares Redeemed	(6,397,123)	(19,167,635)
Net Increase (Decrease) in fund shares	<u>13,584,954</u>	<u>(13,096,187)</u>

\* Capital stock activity prior to February 15, 2019 has been adjusted to give effect to an approximately 1 to 1.4217 reverse stock split as part of the conversion to a closed-end fund (Note 11). Distribution activity related to the A, C and Y share classes relates to the period from October 1, 2018 through February 15, 2019.

12 | See accompanying Notes to Financial Statements.



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## STATEMENT OF CASH FLOWS

Period Ended March 31, 2019 (unaudited)

Highland Global Allocation Fund

	(\$)
<b>Cash Flows Used in Operating Activities:</b>	
Net increase in net assets resulting from operations	9,546,312
<b>Adjustments to Reconcile Net Investment Gain to Net Cash Used in Operating Activities</b>	
<b>Operating Activities:</b>	
Purchases of investment securities from unaffiliated issuers	(84,305,143)
Purchases of investment securities from affiliated issuers	(5,636,815)
Proceeds from disposition of investment securities from unaffiliated issuers	71,857,346
Proceeds from disposition of investment securities from affiliated issuers	(67,916,850)
Purchases of short-term portfolio investments, net	8,060,403
Purchases of securities sold short	(4,798,806)
Proceeds of securities sold short	2,991,614
Net proceeds received on written options contracts	738,014
Amortization of premiums	(268,637)
Net realized loss on Investments from unaffiliated issuers	2,299,567
Net realized gain on Investments from affiliated issuers	(4,476,582)
Net realized loss on securities sold short, written options contracts and foreign currency transactions	286,358
Net change in unrealized appreciation/ (depreciation) on investments, affiliated investments, securities sold short, written options contracts and translation on assets and liabilities denominated in foreign currency	(1,941,599)
Decrease in restricted cash	9,806,342
Increase in foreign tax reclaim receivable	(133,553)
Decrease in receivable for investments sold	(3,517,444)
Increase in dividends and interest receivable	976,495
Decrease in prepaid expenses and other assets	4,740,345
Increase due from broker	(180,988)
Decrease in due to custodian	(396,467)
Increase in payable for variation margin	180,600
Decrease in payable upon receipt of securities on loan	(155,000)
Increase in payable for investments purchased	4,583,969
Decrease in payables to related parties	(125,705)
Decrease in accrued dividends on short sales	(22,859)
Increase in payable for commitment fees	36,077
Decrease in payable for custody fees	(43)
Increase in payable for conversion costs	184,640
Increase in payable to transfer agent fees	52,562
Decrease in accrued expenses and other liabilities	(1,365,260)
Net cash flow used in operating activities	<u>76,932,593</u>
<b>Cash Flows Used In Financing Activities:</b>	
Decrease in notes payable	(6,192,229)
Payments on shares redeemed	(329,907,221)
Proceeds from shares sold	262,538,315
Distributions paid in cash	(2,468,258)
Net cash flow provided by financing activities	<u>(76,029,393)</u>
Effect of exchange rate changes on cash	<u>(126,227)</u>
Net Decrease in Cash	<u>776,973</u>
<b>Cash and Foreign Currency/Due to Custodian:</b>	
Beginning of year	—
End of year	<u>776,973</u>

**Supplemental disclosure of cash flow information:**



Reinvestment of distributions	<u>—</u>
Cash paid during the year for interest expense and commitment fees	<u>2,604,165</u>
Paid-in-kind interest income	<u>1,200,802</u>

See accompanying Notes to Financial Statements. | 13



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## FINANCIAL HIGHLIGHTS

### Highland Global Allocation Fund

Selected data for a share outstanding throughout each period is as follows:

	For the Six Months Ended March 31, 2019 (unaudited)	2018*‡	2017*‡	2016*‡	2015*‡	2014*‡
<b>Net Asset Value, Beginning of Period</b>	\$ 14.63	\$ 14.16	\$ 14.12	\$ 13.86	\$ 17.36	\$ 14.73
<b>Income from Investment Operations:</b>						
Net investment income <sup>(a)</sup>	0.23	0.54	1.11	1.22	0.55	0.31
Net realized and unrealized loss	0.40	0.55	(0.11)	0.03	(2.87)	3.07
Total from Investment Operations	0.63	1.09	1.00	1.25	(2.32)	3.38
<b>Less Distributions Declared to shareholders:</b>						
From net investment income	(0.15)	(0.43)	(0.92)	(0.94)	(0.65)	(0.27)
From net realized gains	—	—	—	—	(0.53)	(0.48)
From return of capital	—	(0.20)	(0.03)	(0.06)	—	—
Total distributions declared to shareholders	(0.15)	(0.63)	(0.95)	(1.00)	1.18	(0.75)
<b>Net Asset Value, End of period<sup>(b)</sup></b>	\$ 15.11	\$ 14.63	\$ 14.16	\$ 14.12	\$ 13.86	\$ 17.36
Total Return <sup>(b)(c)</sup>	(0.90)% <sup>(f)</sup>	7.95%	7.01%	9.91%	(14.41)%	23.39%
<b>Ratios to Average Net Assets/Supplemental Data:<sup>(d)</sup></b>						
Net Assets, End of Period (000's)	\$ 351,793	\$ 128,353	\$ 254,539	\$ 367,251	\$ 775,238	\$ 246,907
Gross operating expenses <sup>(e)(g)</sup>	3.11%	2.38%	1.20%	1.11%	0.69%	0.69%
Net investment income	3.55%	3.73%	7.59%	9.24%	3.16%	1.79%
Portfolio turnover rate	16% <sup>(f)</sup>	51%	66%	100%	108%	195%

\* Per share data prior to February 15, 2019 has been adjusted to give effect to an approximately 1 to 1.4217 reverse stock split as part of the conversion to a closed-end fund. (Note 1)

‡ Reflects the financial highlights of Class Y of the open-end fund prior to the conversion.

(a) Per share data was calculated using average shares outstanding during the period.

(b) The Net Asset Value per share and total return have been calculated based on net assets which include adjustments made in accordance with U.S. Generally Accepted Accounting Principles required at period end for financial reporting purposes. These figures do not necessarily reflect the Net Asset Value per share or total return experienced by the shareholder at period end.

(c) Total return is based on market value per share for periods after February 15, 2019. Distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan. Prior to February 15, 2019, total return is at net asset value assuming all distributions are reinvested. For periods with waivers/reimbursements, had the Fund's investment adviser not waived or reimbursed a portion of expenses, total return would have been lower.

(d) All ratios for the period have been annualized, unless otherwise indicated.

(e) Includes dividends and fees on securities sold short.

(f) Not annualized.

(g) Supplemental expense ratios are shown below:

	For the Six Months Ended March 31, 2019	2018	2017	2016	2015	2014
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	2.97%	2.38%	1.19%	1.05%	0.69%	0.69%
Interest expense and commitment fees	1.43%	1.02%	0.37%	0.11%	0.01%	—%
Dividends and fees on securities sold short	0.08%	0.16%	0.05%	0.17%	0.03%	—%







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## NOTES TO FINANCIAL STATEMENTS (unaudited)

March 31, 2019

Highland Global Allocation Fund

### Note 1. Organization

Highland Global Allocation Fund (the "Fund") is organized as an unincorporated business trust under the laws of The Commonwealth of Massachusetts. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end management investment company. This report covers information for the six months ended March 31, 2019.

On November 8, 2018, shareholders of the Fund approved a proposal authorizing the Board of Trustees (the "Board") of the Fund to convert the fund from an open-end fund to a closed-end fund at a special meeting of shareholders. The Board took action to convert the Fund to a closed-end fund effective shortly after 4:00 p.m. Eastern Time on February 14, 2019 (the "Conversion Date"). The Fund also effected an approximately 1-for-1.4217 reverse stock split of the Fund's issued and outstanding shares on February 14, 2019, thereby reducing the number of shares outstanding. Shareholders were paid cash for any fractional shares resulting from the reverse stock split. The Fund began listing its shares for trading on the New York Stock Exchange (the "NYSE") on February 19, 2019 under the ticker symbol "HGLB". The Fund may issue an unlimited number of common shares, par value \$0.001 per share ("Common Shares"). Prior to the Conversion Date, the Fund issued Class A, Class C, and Class Y shares. The Fund incurred \$2,258,408 in Conversion costs related to the fund conversion to a closed-end fund.

### Note 2. Significant Accounting Policies

The following summarizes the significant accounting policies consistently followed by the Funds in the preparation of their financial statements.

#### Use of Estimates

The Fund is an investment company that applies the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The Fund's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which require Highland Capital Management Fund Advisors, L.P. (the "Investment Adviser") to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

#### Valuation of Investments

In computing the Fund's net assets attributable to shares, securities with readily available market quotations on the

New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotation ("NASDAQ") or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund's Board of Trustees (the "Board"). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund's loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is "stale" or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund's net asset value ("NAV"), will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund's consolidated financial statements may vary from the NAV published by the Fund as of its period end because portfolio securities transactions are accounted for on the trade date







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2019

Highland Global Allocation Fund

(rather than the day following the trade date) for financial statement purposes.

### Fair Value Measurements

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1* — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;
- Level 2* — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and
- Level 3* — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial

instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of March 31, 2019, the Fund's investments consisted of senior loans, asset-backed securities, bonds and notes, common stocks, master limited partnerships, registered investment companies, cash equivalents, exchange-traded funds, rights, warrants, securities sold short, and collateralized loan obligations. The fair value of the Fund's loans, bonds and asset-backed securities are generally based on quotes received from brokers or independent pricing services. Loans, bonds and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Senior loans, bonds and asset-backed securities that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, registered investment companies, rights and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2019

Highland Global Allocation Fund

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of the levels are recognized at the value at the end of the period. A summary of the inputs used to value the Fund's assets as of March 31, 2019 is as follows:

	Total value at March 31, 2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>Assets</b>				
U.S. Equity				
Chemicals	\$ 626,059	\$ —	\$ —	\$ 626,059
Communication Services	53,105,961	4,684,517	—	48,421,444
Consumer Discretionary	8,003,999	8,003,999	—	—
Energy	25,342,550	25,342,550	—	—
Financial	1,913,861	1,913,861	—	—
Healthcare	21,466,821	21,466,821	—	—
Industrials	2,548,708	2,548,708	—	—
Information Technology	7,947,653	7,947,653	—	—
Materials	26,234,946	26,234,946	—	—
Media	2,207,528	—	—	2,207,528
Real Estate	8,801,893	8,801,893	—	—
Utilities	111,359,642	111,359,642	—	—
U.S. Master Limited Partnerships				
Energy	74,118,907	74,118,907	—	—
U.S. Senior Loans				
Chemicals	1,067,937	—	—	1,067,937
Communication Services	14,915,703	—	1,380,857	13,534,846
Energy	20,300,633	—	20,300,633	—
Financial	1,424,582	—	1,424,582	—
Retail	5,254,225	—	5,254,225	—
Service	1,846,875	—	1,846,875	—
Utilities	259,072	259,072	—	—
Non-U.S. Government Bonds				
Sovereign	36,328,125	—	36,328,125	—
Regional Authority	884,609	—	884,609	—
Non-U.S. Equity				
Banks	198,737	198,737	—	—
Communication Services	1,926,021	1,926,021	—	—
Consumer Discretionary	9,444,538	9,444,538	—	—
Consumer Staples	1,587,056	1,587,056	—	—
Energy	642,800	642,800	—	—
Financial	3,178,253	3,178,253	—	—
Healthcare	87,961	87,961	—	—
Industrials	10,817,085	10,817,085	—	—
Real Estate	132,287	132,287	—	—
Utilities	6,563,691	6,563,691	—	—
U.S. Registered Investment Companies	17,686,081	17,686,081	—	—
Non-U.S. Asset-Backed Securities	12,855,712	—	12,730,061	125,651
U.S. Agency Collateralized Mortgage Obligations	10,000,000	—	10,000,000	—
U.S. Preferred Stock				
Real Estate	7,385,973	—	7,385,973	—
U.S. Rights				
Utilities	5,980,241	5,980,241	—	—
Non-U.S. Registered Investment Companies	3,573,037	—	—	3,573,037

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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2019

Highland Global Allocation Fund

	Total value at March 31, 2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Non-U.S. Corporate Bonds & Notes				
Energy	\$ 2,558,727	\$ —	\$ —	\$ 2,558,727
U.S. Purchased Call Options	2,184,000	2,184,000	—	—
Non-U.S. Preferred Stock				
Financial	1,013,150	1,013,150	—	—
U.S. Corporate Bonds & Notes				
Energy	113	—	113	—
Information Technology	—	—	—	—(1)
Utilities	808,371	—	808,371	—
U.S. Warrants				
Financial	322	—	322	—
Industrials	220,563	220,563	—	—
Information Technology	128,236	—	128,236	—
Non-U.S. Warrants				
Healthcare	189,985	—	—	189,985
U.S. Cash Equivalents	3,019,885	3,019,885	—	—
<b>Total Assets</b>	<b>528,143,114</b>	<b>357,364,918</b>	<b>98,472,982</b>	<b>72,305,214</b>
<b>Liabilities</b>				
Securities Sold Short				
Exchange Traded Funds	(3,086,560)	(3,086,560)	—	—
Non-U.S. Equity	(2,869,600)	(2,869,600)	—	—
U.S. Equity				
Communication Services	(45,102,576)	(45,102,576)	—	—
Energy	(4,528,850)	(4,528,850)	—	—
Healthcare	(42,558,077)	(42,558,077)	—	—
Other Financial Instruments				
Written Call Options	(672,000)	(672,000)	—	—
Future	(302,708)	(30,506,350)	—	—
<b>Total Liabilities</b>	<b>(99,120,371)</b>	<b>(99,120,371)</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>\$ 429,022,743</b>	<b>\$258,244,547</b>	<b>\$98,472,982</b>	<b>\$ 72,305,214</b>

(1) This category includes securities with a value of zero.

The table below sets forth a summary of changes in the Fund's assets measured at fair value using significant unobservable inputs (Level 3) for the six months ended March 31, 2019.

	Balance as of September 30, 2018	Transfers into Level 3	Transfers Out of Level 3	Net Amortization (Accretion) of Premium/ (Discount)	Net Realized Gains/ (Losses)	Net Unrealized Gains/ (Losses)	Net Purchase	Net (Sales)	Balance as of March 31, 2019
<b>Highland Global Allocation Fund</b>									
<b>U.S. Equity</b>									
Chemicals	\$ 1,296,206	\$ —	\$ —	\$ —	\$ —	\$ (670,147)	\$ —	\$ —	\$ 626,059
Communication Services	64,277,652	—	—	—	4,155,617	2,945,025	—	(22,956,850)	48,421,444
Media	2,127,254	—	—	—	—	80,274	—	—	2,207,528
<b>U.S. Senior Loans</b>									
Chemicals	1,060,993	—	—	6,905	—	39	—	—	1,067,937
Communication Services	52,268,596	—	—	(1,000)	(48,061)	47,833	1,227,478	(39,960,000)	13,534,846



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Highland Global Allocation Fund

	Balance as of September 30, 2018	Transfers into Level 3	Transfers Out of Level 3	Net Amortization (Accretion) of Premium/ (Discount)	Net Realized Gains/ (Losses)	Net Unrealized Gains/ (Losses)	Net Purchase	Net (Sales)	Balance as of March 31, 2019
<b>Non-U.S. Registered Investment Company</b>	\$ 2,966,972	\$ —	\$ —	\$ —	\$ —	\$ 606,065	\$ —	\$ —	\$ 3,573,037
<b>Non-U.S. Asset-Backed Security</b>	117,574	—	—	84	—	7,993	—	—	125,651
<b>Non-U.S. Corporate Bonds &amp; Notes</b>									
Energy	2,558,727	—	—	—	—	—	—	—	2,558,727
<b>U.S. Warrants</b>									
Healthcare	201,754	—	—	—	—	(11,769)	—	—	189,985
Information Technology	199,521	—	(107,509)	—	—	(92,012)	—	—	—
<b>Total</b>	<u>\$ 127,075,249</u>	<u>\$ —</u>	<u>\$ (107,509)</u>	<u>\$ 5,989</u>	<u>\$ 4,107,556</u>	<u>\$ 2,913,301</u>	<u>\$ 1,227,478</u>	<u>\$ (62,916,850)</u>	<u>\$ 72,305,214</u>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments for the six months ended March 31, 2019, there were no transfers between Levels.

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Market Value at 3/31/2019	Valuation Technique	Unobservable Inputs	Input Value(s)
U.S. Equity	\$51,255,031	Multiples Analysis	Unadjusted Price/MHz-PoP	\$0.12 - \$0.95
			Risk Discount	39.0% - 42.3%
			LTM EBITDA Multiple	7.17x
			Liquidity Discount	10%
			Size Adjustment	10%
		Discounted Cash Flow	Discount Rate	15%
		Net Asset Value	N/A	N/A
U.S. Senior Loans	14,602,783	Discounted Cash Flow	Discount Rate	11.1%
			Spread Adjustment	0.1%
		Debt-Loan Spread	Adjusted Yield	10.23% - 16.10%
			Swap Rate	2.17% - 2.23%
Registered Investment Companies	3,573,037	Net Asset Value	N/A	N/A
Corporate Bonds & Notes	2,558,727	Liquidation Analysis	Claim Amount: Percent of Par	6.9%
		Net Asset Value	N/A	N/A
Warrants	189,985	Black-Scholes Model	Annualized Volatility	50.0%
Asset-Backed Securities	125,651	Discounted Cash Flow	Discount Rate	20.9%
<b>Total</b>	<u>\$72,305,214</u>			

The significant unobservable inputs used in the fair value measurement of the Fund's bank loan securities are: liquidity discount, asset specific discount, multiple of revenue, multiple of EBITDA, discount rate and spread adjustment. Significant increases (decreases) in any of those inputs in

isolation could result in a significantly lower (higher) fair value measurement.

In addition to the unobservable inputs utilized for various valuation methodologies, the Investment Adviser frequently uses a combination of two or more valuation methodologies



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Highland Global Allocation Fund

to determine fair value for a single holding. In such instances, the Investment Adviser assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 20% to as high as 75% as of March 31, 2019. The selection of weightings is an inherently subjective process, dependent on professional judgment. These selections may have a material impact to the concluded fair value for such holdings.

The significant unobservable inputs used in the fair value measurement of the Fund's common equity securities are: multiple of revenue, multiple of EBITDA, price/MHz-PoP multiple, risk discount, scenario probabilities, illiquidity discount, discount rate and terminal multiple. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement. Generally, a change in the assumption used for the risk discount is accompanied by a directionally opposite change in the assumption for the price/MHz-PoP multiple.

### Security Transactions

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

### Income Recognition

Corporate actions (including cash dividends) are recorded on the ex-dividend date, net of applicable withholding taxes, except for certain foreign corporate actions, which are recorded as soon after ex-dividend date as such information becomes available and is verified. Interest income is recorded on the accrual basis.

Accretion of discount on taxable bonds and loans is computed to the call date, while amortization of premium on taxable bonds and loans is computed to the call or maturity date, whichever is shorter, both using the effective yield method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

### U.S. Federal Income Tax Status

The Fund is treated as a separate taxpayer for U.S. federal income tax purposes. The Fund intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and will distribute substantially all of its taxable income and gains, if any, for the tax year, and as such will not be subject to U.S. federal income taxes. In addition, the Fund intends to distribute, in each calendar year, all of its net investment income, capital gains and certain other amounts, if any, such

that the Fund should not be subject to U.S. federal excise tax. Therefore, no U.S. federal income or excise tax provisions are recorded.

The Investment Adviser has analyzed the Fund's tax positions taken on U.S. federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for U.S. federal income tax is required in the Fund's consolidated financial statements. The Fund's U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. Furthermore, the Investment Adviser of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

### Distributions to Shareholders

The Fund declares and pays investment income distributions quarterly. The Fund typically declares and pays distributions from net realized capital gains in excess of capital loss carryforwards annually.

### Cash & Cash Equivalents

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of the Consolidated Statement of Assets and Liabilities.

### Foreign Currency

Accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates using the current 4:00 PM London Time Spot Rate. Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates, between trade and settlement dates on securities transactions and between the accrual and payment dates on dividends, interest income and foreign withholding taxes, are recorded as unrealized foreign currency gains/(losses). Realized gains/(losses) and unrealized appreciation/(depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

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Highland Global Allocation Fund

segregated in the Consolidated Statement of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

### Securities Sold Short

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. A Fund may have to pay a fee to borrow particular securities and is often obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances, a Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Securities and cash held as collateral for securities sold short are shown on the Investments Portfolios. Cash held as collateral for securities sold short is classified as restricted cash on the Statement of Assets and Liabilities, as applicable. Restricted cash in the amount of \$48,085,115 was held with the broker for the Fund. Additionally, securities valued at \$89,119,507 were posted in the Fund's segregated account for collateral for short sales, written option contracts, and secured credit facility.

### Other Fee Income

Fee income may consist of origination/closing fees, amendment fees, administrative agent fees, transaction breakup fees and other miscellaneous fees. Origination fees, amendment fees, and other similar fees are non-recurring fee sources. Such fees are received on a transaction by transaction basis and do not constitute a regular stream of income and are recognized when incurred.

### Conversions Costs

In conjunction with the shareholder proposal to convert the Fund from an open-end fund to a closed-end fund (see Note 14), the Fund has incurred legal fees and other fees in preparation of this conversion. These conversion costs include both actual and estimated fees, and are included in the Statement of Operations as conversion fees.

### Note 3. Derivative Transactions

The Fund is subject to equity securities risk, interest rate risk and currency risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments.

### Futures Contracts

A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. The Fund may invest in interest rate, financial and stock or bond index futures contracts subject to certain limitations. The Fund invests in futures contracts to manage its exposure to the stock and bond markets and fluctuations in currency values. Buying futures tends to increase the Fund's exposure to the underlying instrument while selling futures tends to decrease the Fund's exposure to the underlying instrument, or economically hedge other Fund investments. With futures contracts, there is minimal counterparty credit risk to the Fund since futures contracts are exchange-traded and the exchange's clearinghouse, as counterparty to all traded futures, guarantees the futures against default. A Fund's risks in using these contracts include changes in the value of the underlying instruments, non-performance of the counterparties under the contracts' terms and changes in the liquidity of the secondary market for the contracts. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they principally trade.

Upon entering into a financial futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount, known as initial margin deposit. Subsequent payments, known as variation margins, are made or can be received by the Fund each day, depending on the daily fluctuation in the fair value of the underlying security. The Fund records an unrealized gain/(loss) equal to the daily variation margin. Should market conditions move unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may incur a loss. The Fund recognizes a realized gain/(loss) on the expiration or closing of a futures contract.

At March 31, 2019, the Fund did not hold any futures contracts. During the six months ended March 31, 2019, the Fund entered into futures transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, and to gain market exposure for residual and accumulating cash positions. Cash held as collateral for futures contracts is shown on the Statement of Assets and Liabilities as "Restricted Cash — Futures."

### Options

The Fund may utilize options on securities or indices to varying degrees as part of its principal investment strategy. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

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Highland Global Allocation Fund

exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by a Fund expires unexercised, a Fund realizes on the expiration date a capital gain equal to the premium received by a Fund at the time the option was written. If an option purchased by a Fund expires unexercised, a Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when a Fund desires. A Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. A Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid.

During the six months ended March 31, 2019, the Fund had written options to provide leveraged short exposure, and purchased options to provide leveraged long exposure, to the underlying equity, which is consistent with the investment strategies of the Fund.

### Additional Derivative Information

The Fund follows adopted amendments to authoritative guidance on disclosures about derivative instruments and hedging activities which require that the Fund discloses a) how and why an entity uses derivative instruments; b) how derivative instruments and related hedged items are accounted for; c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows; and d) how the netting of derivatives subject to master netting arrangements (if applicable) affects the net exposure of the Fund related to the derivatives.

The Fund did not have any derivative instruments outstanding as of March 31, 2019.

To reduce counterparty credit risk with respect to over-the-counter ("OTC") transactions, the Fund has entered into master netting arrangements, established within the Fund's International Swap and Derivatives Association, Inc. ("ISDA") master agreements, which allows the Fund to make

(or to have an entitlement to receive) a single net payment in the event of default (close-out netting) for outstanding payables and receivables with respect to certain OTC derivative positions in forward currency exchange contracts for each individual counterparty. In addition, the Fund may require that certain counterparties post cash and/or securities in collateral accounts to cover its net payment obligations for those derivative contracts subject to ISDA master agreements. If the counterparty fails to perform under these contracts and agreements, the cash and/or securities will be made available to the Fund.

Certain ISDA master agreements include credit related contingent features which allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Fund's net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA master agreements, which would cause the Fund to accelerate payment of any net liability owed to the counterparty.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Assets and Liabilities. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

Collateral terms are contract specific for OTC derivatives. For derivatives traded under an ISDA master agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that to the value of any collateral currently pledged by the Fund or the Counterparty.

For financial reporting purposes, cash collateral that has been pledged to cover obligations of the Fund, if any, is reported in restricted cash on the Statement of Assets and Liabilities. Generally, the amount of collateral due from or to a party must exceed a minimum transfer amount threshold before a transfer has to be made. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance.

The effect of derivative instruments on the Statement of Operations for the six months ended March 31, 2019, is as follows:

Fund	Net Realized Gain/(Loss) on Derivatives	Net Change in Unrealized Appreciation/(Depreciation) on Derivatives
Interest Rate Risk	\$ (478,461)(2)(3)(4)	\$ (128,044)(4)(5)
Equity Price Risk	2,483,094(2)(3)	(302,708)(1)

(1) Statement of Operations location: Change in unrealized appreciation (depreciation) on futures contracts.



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- (2) Statement of Operations location: Realized gain (loss) on investments from unaffiliated issuers. Purchased options only.
- (3) Statement of Operations location: Realized gain (loss) on written options contracts.
- (4) Statement of Operations location: Change in unrealized appreciation (depreciation) on investments. Purchased options only.
- (5) Statement of Operations location: Change in unrealized appreciation (depreciation) on written options.

The average monthly volume of derivative activity for the six months ended March 31, 2019, is as follows:

Fund	Units/ Contracts	Appreciation/ (Depreciation)
Futures Contracts <sup>(1)</sup>	36	\$ —
Purchased Options Contracts	749	—
Written Options Contracts	361	—

(1) Futures Contracts average monthly volume is calculated using Appreciation/(Depreciation).

### Note 4. Securities Lending

The Fund may seek additional income by making secured loans of its portfolio securities through its custodian, State Street Bank and Trust Company ("State Street"). Such loans will be in an *amount not greater than one-third of the value of the Fund's total assets*. State Street will charge a Fund fees based on a percentage of the securities lending income.

The Fund will receive collateral consisting of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, sovereign debt, convertible bonds, irrevocable bank letters of credit or such other collateral as may be agreed on by the parties to a securities lending arrangement, initially with a value of 102% or 105% of the market value of the loaned securities and thereafter maintained at a value of 100% of the market value of the loaned securities. If the collateral consists of non-cash collateral, the borrower will pay the Fund a loan premium fee. If the collateral consists of cash, State Street will reinvest the cash. Although voting rights, or rights to consent, with respect to the loaned securities pass to the borrower, the Fund will recall the loaned securities upon reasonable notice in order that the securities may be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Fund also may call such loans in order to sell the securities involved.

Securities lending transactions are entered into pursuant to Securities Loan Agreements ("SLA"), which provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the Funds, as lenders, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is

lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of a SLA counterparty's bankruptcy or insolvency. Under the SLA, the Funds can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate this risk, each Fund benefits from a borrower default indemnity provided by State Street Bank and Trust Company ("State Street"). State Street's indemnity generally provides for replacement of securities lent or the approximate value thereof.

Securities lending transactions are entered into pursuant to Securities Loan Agreements ("SLA"), which provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of a SLA counterparty's bankruptcy or insolvency.

Under the SLA, the Fund can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate this risk, the Fund benefits from a borrower default indemnity provided by State Street Bank and Trust Company ("State Street"). State Street's indemnity generally provides for replacement of securities lent or the approximate value thereof. During the six months ended March 31, 2019, the Fund did not participate in securities lending.

### Note 5. U.S. Federal Income Tax Information

The character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from U.S. GAAP. These differences include (but are not limited to) investments organized as partnerships for tax purposes, foreign taxes, investments in futures, losses deferred to off-setting positions, tax treatment of organizational start-up costs, losses deferred due to wash sale transactions, tax treatment of net investment loss and







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distributions in excess of net investment income, dividends deemed paid upon shareholder redemption of Fund shares and tax attributes from Fund reorganizations. Reclassifications are made to the Funds' capital accounts to reflect income and gains available for distribution (or

available capital loss carryovers) under income tax regulations. These reclassifications have no impact on net investment income, realized gains or losses, or NAV of the Funds. The calculation of net investment income per share in the Financial Highlights table excludes these adjustments.

At September 30, 2018, the Funds' most recent tax year end, components of distributable earnings on a tax basis is as follows:

Undistributed Income	Undistributed Long-Term Capital Gains	Undistributed Tax-Exempt Income	Other Temporary Differences <sup>(1)</sup>	Accumulated Capital and Other Losses	Net Tax Appreciation/ (Depreciation) <sup>(2)</sup>
\$—	\$ —	\$ —	\$ (1,636,678)	\$ (214,030,878)	\$ (237,353,984)

(1) Other temporary differences are comprised of dividends payable, organizational expenses, partnership adjustments and default loan market discounts.

(2) Any differences between book-basis and tax-basis net unrealized appreciation/(depreciation) are primarily due to deferral of losses from wash sales and other adjustments.

As of September 30, 2018, the most recent tax year-end, the Fund has capital loss carryovers as indicated below. The capital loss carryover is available to offset future realized capital gains to the extent provided in the Code and regulations promulgated there- under. To the extent that these carryover losses are used to offset future capital gains, it is probable that the gains so offset will not be distributed to shareholders because they would be taxable as ordinary income.

	No Expiration Short-Term <sup>(1)</sup>	No Expiration Long-Term <sup>(1)</sup>	Total
2019	\$91,902,358	\$ 19,715,350	\$ 111,617,708

(1) Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

The tax composition of distributions paid during the years ended September 30, 2018 and September 30, 2017 (unless otherwise indicated) were as follows:

	Exempt Interest	Ordinary Income <sup>(1)</sup>	Distributions Paid From: Long-Term Capital Gains	Return of Capital <sup>(2)</sup>
2018	\$ —	\$ 16,267,341	\$ —	\$ 7,482,946
2017	—	57,260,233	—	2,173,047

(1) For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

(2) Additional Information will be distributed on Form 1099 at the end of the calendar year.

Unrealized appreciation and depreciation at March 31, 2019, based on cost of investments for U.S. federal income tax purposes was:

Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation)	Cost
\$27,900,168	\$(249,356,278)	\$ (221,456,110)	\$698,259,630

Under current laws, certain capital losses after October 31 may be deferred (and certain ordinary losses after January 1st may be deferred) and treated as occurring on the first day of the following fiscal year. For the fiscal year ended September 30,

2018, the Fund elected to defer the following losses incurred from November 1, 2017 through September 30, 2018:

Realized Capital Losses	Ordinary Losses
\$(102,177,666)	\$(235,504)



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

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### Note 6. Credit Agreement

On January 10, 2018, the Fund entered into a financing arrangement (the "Financing Arrangement") with BNP Paribas Prime Brokerage International, Ltd., BNP Prime Brokerage, Inc., acting through its New York Branch, and BNP Paribas (together, the "BNPP Entities"). Under the Financing Agreement, the BNPP Entities may make margin loans to the Fund at rates ranging from 1 month LIBOR + 0.50% to 1 month LIBOR + 0.80%. The Financing Arrangement may be terminated by either the Fund or the BNPP Entities with 30 days' notice. At March 31, 2019, current outstanding and fair value amounts were \$131,336,963 and \$138,776,751, respectively. The Fund's average daily balance was \$125,040,450 at a weighted average interest rate of 3.27% for the days outstanding.

### Note 7. Advisory, Administration, Service and Distribution, Trustee, and Other Fees

#### Investment Advisory Fees and Administration Fees

For its investment advisory services, the Fund pays the Investment Adviser a monthly fee, computed and accrued daily, based on an annual rate of the Fund's Average Daily Managed Assets. Average Daily Managed Assets of the Fund means the average daily value of the total assets of the Fund less all accrued liabilities of a Fund (other than the aggregate amount of any outstanding borrowings constituting financial leverage). The Fund's contractual advisory fee with Highland for the six months ended March 31, 2019 was 0.40%.

On behalf of the Fund, the Trust has entered into an administration agreement with State Street and pays State Street a fee for administration services. The Investment Adviser generally assists in all aspects of the Fund's administration and operations and furnishes offices, necessary facilities, equipment and personnel.

#### Expense Limits and Fee Reimbursements

The Investment Adviser has contractually agreed to limit the total annual operating expenses (exclusive of fees paid by the Fund pursuant to their distribution plans under Rule 12b-1 under the 1940 Act, as amended, taxes, such as deferred tax expenses, dividend expenses on short sales, interest payments, brokerage commissions and other transaction costs, acquired fund fees and expenses and extraordinary expenses (collectively, the "Excluded Expenses")) of the Fund to 0.90% of average daily net assets attributable to any class of the Fund the "Expense Cap". The Expense Cap expired on January 31, 2019.

Under the expense limitation agreement, the Investment Adviser may recoup waived and/or reimbursed amounts with respect to the Fund within thirty-six months of the date

such amounts were waived or reimbursed, provided the Fund's total annual operating expenses, including such recoupment, do not exceed the Expense Cap in effect at the time of such waiver/reimbursement

The expanded language included here, which was moved from FN 2 on p. 27 of 56, is due to the following comment from PwC on the previous disclosure.

On March 31, 2019, the amounts subject to possible future recoupment under the Fund's expense limitations were as follows:

Expiring during Fiscal Years Ending September 30,		
2019	2020	2021
\$368,843	\$—	\$—

During the six months ended March 31, 2019, the Investment Adviser did not recoup any fees previously waived or reimburse.

#### Receivable for Fund Shares Sold

Subsequent to September 30, 2018, it was determined that the valuation of the Fund's investment in equity issued by TerreStar Corporation was incorrect during the period beginning in March 2018 through January 2019. In February 2019, the Fund received a payment of approximately \$5.2 million from the Adviser for overpayments made by the Fund on redemption payments to certain shareholders resulting from the incorrect valuation. As of March 31, 2019, the Fund had a "Receivable for Fund shares sold" on the Statement of Assets and Liabilities of approximately \$2.4 million that was also due from the Adviser relating to the incorrect valuation. This amount was paid in full, with interest due, on May 2, 2019. A payable of approximately \$1.4 million is reflected in "Payable for Fund shares redeemed" on the Statement of Assets and Liabilities for amounts owed to certain other shareholders for subscription overpayments resulting from the incorrect valuation. The Fund's former Transfer Agent has been engaged to assess the extent and impact of errors related to subscription overpayments. Upon completion of the remaining assessment, the Adviser will process the amounts payable to shareholders under the Fund's NAV error policy. As a part of this process, all NAV's that were materially affected by the incorrect valuation from March 2018 through January 2019 will be restated as soon as possible.

#### Fees Paid to Officers and Trustees

Each Trustee who is not an "interested person" of the Fund as defined in the 1940 Act (the "Independent Trustees") receives an annual retainer of \$150,000 payable in quarterly installments and allocated among each portfolio in the Highland Fund Complex overseen by such Trustee based on relative net assets. The "Highland Fund Complex" consists of all







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2019

Highland Global Allocation Fund

of the registered investment companies advised by the Investment Adviser or its affiliated advisers and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act as of the date of this report. Effective December 4, 2015, Mr. Powell resigned from his position with the Investment Adviser. Prior to December 8, 2017, Mr. Powell was treated as an Interested Trustee of the Trust for all purposes other than compensation and the Trust's code of ethics.

The Fund pays no compensation to its officers, all of whom are employees of the Investment Adviser or one of its affiliates.

### Distribution and Shareholder Service Fees

The Fund has a distribution and shareholder service plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. The Plan requires the payment of a monthly service fee to Highland Capital Funds Distributor, Inc. (the "Underwriter") at an annual rate of 0.25% of the average daily net assets attributable to Class A, and Class C shares of the Fund. The Plan also requires the payment of a monthly distribution fee to the Underwriter at an annual rate of 0.75% of the average daily net assets attributable to Class C shares. Currently Class Y shares are not subject to a 12b-1 fee.

The Underwriter received \$15,556 of front-end sales charges from the sale of Class A shares and \$122,525 in contingent deferred sales charges from the redemption of Class C shares of the Fund during the six months ended March 31, 2019.

### Indemnification

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

### Note 8. Disclosure of Significant Risks and Contingencies

The primary risks of investing in the Fund are described below in alphabetical order:

#### Counterparty Risk

Counterparty risk is the potential loss the Fund may incur as a result of the failure of a counterparty or an issuer to make payments according to the terms of a contract. Counterparty risk is measured as the loss the Fund would record if its

into over-the-counter forwards, options, swaps and other derivative financial instruments, the Fund may be exposed to the credit risk of its counterparties. To limit the counterparty risk associated with such transactions, the Fund conducts business only with financial institutions judged by the Investment Adviser to present acceptable credit risk.

#### 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. Investments in high yield debt and high yield Senior Loans may result in greater NAV fluctuation than if the Fund did not make such investments.

Corporate debt obligations, including Senior Loans, are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the Fund, a reduction in the value of the corporate debt obligation experiencing non-payment and a potential decrease in the NAV of the Fund.

#### Currency Risk

A portion of the Fund's assets may be quoted or denominated in non-U.S. currencies. These securities may be adversely affected by fluctuations in relative currency exchange rates and by exchange control regulations. The Fund's investment performance may be negatively affected by a devaluation of a currency in which the Fund's investments are quoted or denominated. Further, the Fund's investment performance may be significantly affected, either positively or negatively, by currency exchange rates because the U.S. dollar value of securities quoted or denominated in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar.

#### Derivatives Risk

Derivatives risk is a combination of several risks, including the risks that: (1) an investment in a derivative instrument may not correlate well with the performance of the securities or asset class to which the Fund seeks exposure, (2) derivative contracts, including options, may expire worthless and the use of derivatives may result in losses to the Fund, (3) a derivative instrument entailing leverage may result in a loss greater than the principal amount invested, (4) derivatives not traded on an exchange may be subject to credit risk, for example, if the counterparty does not meet its obligations (see also "Counterparty Risk"), and (5) derivatives not traded on an exchange may be subject to liquidity risk and the related risk that the instrument is difficult or impossible to value accurately. As a general matter, when the Fund establishes certain derivative instrument positions, such as



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2019

Highland Global Allocation Fund

certain futures, options and forward contract positions, it will segregate liquid assets (such as cash, U.S. Treasury bonds or commercial paper) equivalent to the Fund's outstanding obligations under the contract or in connection with the position. In addition, changes in laws or regulations may make the use of derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the use, value or performance of derivatives. A Fund's ability to pursue its investment strategy, including its strategy of investing in certain derivative instruments, may be limited to or adversely affected by the Fund's intention to qualify as a regulated investment company, and its strategy may bear adversely on its ability to so qualify.

### Illiquid and Restricted Securities Risk

Certain investments made by the Fund are, and others may be, illiquid, and consequently the Fund 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 Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Fund's investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

Restricted securities (i.e., securities acquired in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Fund, however, may not be able to sell these securities when the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, if in order to permit resale the securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased. A high percentage of illiquid securities in a Fund creates a risk that such a Fund may not be able to redeem its shares without causing significant dilution to remaining shareholders.

### Master Limited Partnership ("MLP") Risk

Master Limited Partnership Risk is the risk of investing in MLP units, which involves some risks that differ from an investment in the equity securities of a company. The Fund may hold a significant investment in MLP units. Holders of MLP units have limited control and voting rights on matters affecting the partnership. Holders of units issued by an MLP are exposed to a remote possibility of liability for all of the obligations of that MLP in the event that a court determines that the rights of the holders of MLP units to vote to remove

or replace the general partner of that MLP, to approve amendments to that MLP's partnership agreement, or to take other action under the partnership agreement of that MLP would constitute "control" of the business of that MLP, or a court or governmental agency determines that the MLP is conducting business in a state without complying with the partnership statute of that state. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. Additionally, a sustained reduced demand for crude oil, natural gas and refined petroleum products could adversely affect MLP revenues and cash flows, and changes in the regulatory environment could adversely affect the profitability of MLPs.

### Interest Rate Risk

The risk that fixed income securities will decline in value because of changes in interest rates. When interest rates decline, the value of fixed rate securities already held by the Fund can be expected to rise. Conversely, when interest rates rise, the value of existing fixed rate portfolio securities can be expected to decline. A fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a Fund with a shorter average portfolio duration. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates.

### Leverage Risk

The Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged.

### Non-U.S. Securities Risk

The Fund may invest in non-U.S. securities. Investing in non-U.S. securities involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in foreign exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2019

Highland Global Allocation Fund

trading volume; much greater price volatility and illiquidity of certain non-U.S. securities markets; different trading and settlement practices; less governmental supervision; changes in currency exchange rates; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements.

### Senior Loans Risk

The risk that the issuer of a senior may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of the senior loan or reduce the Fund's returns. The risks associated with senior loans are similar to the risks of high yield debt securities. Senior loans and other debt securities are also subject to the risk of price declines and to increases in interest rates, particularly long-term rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may increase the risk of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. Therefore, senior loans may not mitigate price declines in a long-term interest rate environment. The Fund's investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers.

### Short Sales Risk

Short sales by the Fund that are not made where there is an offsetting long position in the asset that it is being sold short theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. The Fund may mitigate such losses by

replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet margin calls on its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

### Valuation Risk

Certain of the Fund's assets are fair valued, including the Fund's primary illiquid asset, TerreStar. TerreStar is a non-operating company that does not currently generate revenue and which primarily derives its value from two spectrum frequencies, the license with respect to one of which was terminated by the FCC and is being contested by TerreStar on technical and public policy grounds. TerreStar currently anticipates such contest may take between 12 to 30 months and expects deployment of its other spectrum asset to require a similar period of time. If TerreStar is ultimately unsuccessful in its efforts, the terminated license would not be reinstated and the value of the TerreStar equity would likely be materially negatively impacted. The fair valuation of TerreStar involves uncertainty as it is materially dependent on these estimates.

With regard to the likelihood of TerreStar regaining the terminated license, the Investment Adviser assigned a high probability of success, based in part in consultation with outside experts.

## Note 9. Investment Transactions

### Purchases & Sales of Securities

The cost of purchases and the proceeds from sales of investments, other than short-term securities and short-term options, for the six months ended March 31, 2019, were as follows:

U.S. Government Securities		Other Securities	
Purchases	Sales	Purchases	Sales
\$—	\$—	\$89,941,958	\$139,774,196



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

March 31, 2019

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### Note 10. Affiliated Issuers

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as “affiliated” if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund as of March 31, 2019:

Issuer	Shares at September 30, 2018	Beginning Value as of September 30, 2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain/ (Loss) on Sales of Affiliated Issuers	Change in Unrealized Appreciation/ Depreciation	Ending Value as of December 31, 2018	Shares at December 31, 2018	Affiliated Income
<b>Other Affiliates</b>									
TerreStar Corp. (U.S. Equity)	235,122	\$ 64,277,652	\$ —	\$ (22,956,850)	\$ 4,155,617	\$ 2,945,025	\$ 48,421,444	169,531	\$ —
Gambier Bay LLC (U.S. Equity)	16,054,749	2,127,254	—	—	—	80,274	2,207,528	16,054,749	—
NexPoint Residential Trust (U.S. Equity)	—	—	1,999,998	—	—	341,656	2,341,654	61,076	13,610
TerreStar Corp. (U.S. Senior Loans)	52,320,917	52,268,596	1,227,478	(39,960,000)	(48,061)	46,833	13,534,846	13,548,395	1,200,802
Highland Energy MLP Fund (Master Limited Partnerships)	4,629,572	16,897,938	826,953	—	—	(2,207,031)	15,517,860	4,895,224	826,953
BB Votorantim Highland Infrastructure LLC (Registered Investment Companies)	10,000	2,966,972	—	—	—	606,065	3,573,037	10,000	—
Highland Merger Arbitrage Fund (Registered Investment Companies)	688,774	14,725,982	1,582,386	(5,000,000)	369,026	(1,651,327)	10,026,067	544,599	1,558,513
NextPoint Strategic Opportunities Fund (Registered Investment Companies)	351,861	7,881,686	—	—	—	(221,672)	7,660,014	351,861	422,333
<b>Total</b>	<b>74,290,995</b>	<b>\$ 161,146,080</b>	<b>\$ 5,636,815</b>	<b>\$ (67,916,850)</b>	<b>\$ 4,476,582</b>	<b>\$ (60,177)</b>	<b>\$ 103,282,450</b>	<b>35,635,435</b>	<b>\$ 4,022,111</b>

### Note 11. Reverse Share Split

Effective February 15, 2019, the Fund executed a 1-for-1.4217 reverse share split for shareholders of record after the close of markets on February 15, 2019. The effect of this transaction for the Fund was to divide the number of outstanding shares of the Fund, resulting in a corresponding increase in the net asset value per share. The per share data in the financial highlights for each of the years in the period then ended, have been given retroactive effect to reflect these reverse share splits. There were no changes in net assets, results of operations or total return as a result of these transactions.

### Note 12. New Accounting Pronouncements

In November 2016, the FASB issued Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this update require the statement of cash flows to explain the change during the period in the total of cash, restricted cash and cash equivalents. Amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For public entities this update will be effective for

fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Investment Adviser is currently evaluating the impact of this new guidance on the Fund's financial statements.

In December 2016, the FASB issued Accounting Standards Update 2016-19, Technical Corrections and Improvements. The amendments in this update include an amendment to FASB ASC Topic 820, Fair Value Measurement and Disclosures to clarify the difference between a valuation approach and a valuation technique. The amendment also requires an entity to disclose when there has been a change in either or both a valuation approach and/or a valuation technique. For public entities, this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. For all other entities, this update is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Investment Adviser is currently evaluating the impact of this new guidance on the Fund's financial statements.

In March 2017, the FASB issued Accounting Standards Update 2017-08, Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20). The amendments in this







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update shorten the amortization period for certain callable debt securities held at premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. For public entities this update will be effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. The Investment Adviser is currently evaluating the impact of this new guidance on the Fund's financial statements.

In February 2018, the FASB issued Accounting Standards Update 2018-03, Technical Corrections and Improvements to Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update provide a variety of technical corrections and improvements to how entities should account for financial instruments. For public entities this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years beginning after June 15, 2018. The Investment Adviser is currently evaluating the impact of this new guidance on the Fund's financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework — Changes to the Disclosure Requirements for Fair Value Measurement. The amendments in this update modify a number of disclosure requirements on fair value measurements required to be reported under Topic 820, Fair Value Measurement. The amendments in this update are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Investment Adviser is currently evaluating the impact of this new guidance on the Fund's financial statements.

### Note 13. Legal Matters

The Fund received a shareholder demand letter dated March 1, 2018, from an individual purporting to be a shareholder of the Fund (the "Demand Letter"). The Demand Letter alleges that the current and former Board breached their fiduciary duties, and the Investment Adviser breached its advisory agreement, in relation to the Fund's investment in shares of an affiliated mutual fund, the Highland Energy MLP Fund (also a series of the Trust). The Fund holds \$15.5 million (or 61.5%) of the Highland Energy MLP Fund. Upon receipt of the Demand Letter, the Board formed a Demand Review Committee ("DRC") comprised entirely of independent trustees to investigate these claims and to make a recommendation to the Board regarding whether pursuit of these claims is in the best interests of the Fund. Aided by independent counsel to the committee, the DRC engaged in

a thorough and detailed review of the allegations contained in the Demand Letter. Upon completion of its evaluation, the DRC recommended that the Fund's independent trustees, who represent a majority of the Board, reject the demand specified in the shareholder Demand Letter.

After considering the report of the DRC, the independent trustees unanimously agreed and rejected the demand, noting that the Demand Letter contained material factual errors and incorrect assumptions, and the proposed suit was meritless and should not be pursued. A copy of the report was provided to the purported shareholder and her counsel.

Notwithstanding the foregoing, the purported shareholder (the "Plaintiff") filed a shareholder derivative suit against the Fund, certain members of the Board and the Investment Adviser on September 5, 2018 (the "Shareholder Litigation"). Based on the extensive pre-suit investigation and the resulting report, the Fund, Board and Investment Adviser believe the claims made in the Shareholder Litigation are without merit and intend to vigorously defend against them. The case is *Lanotte v. Highland Global Allocation Fund et al*, 3:18-cv-02360, U.S. District Court for the Northern District of Texas (Dallas). The Demand Letter and the Shareholder Litigation are not related to the Proposals and do not alter the intention of the Fund and the Investment Adviser to redomicile the Fund and convert the Fund into a closed-end fund.

### Note 14. Asset Coverage

The Fund is required to maintain 300% asset coverage with respect to amounts outstanding (excluding short-term borrowings). Asset coverage is calculated by subtracting the Fund's total liabilities, not including any amount representing bank loans and senior securities, from the Fund's total assets and dividing the result by the principal amount of the borrowings outstanding. As of the dates indicated below, the Fund's debt outstanding and asset coverage was as follows:

Date	Total Amount Outstanding	% of Asset Coverage of Indebtedness
3/31/2019	\$131,336,962	367.9%
9/30/2018	138,725,439	395.2
9/30/2017	—	—
9/30/2016	40,000,000	2,414.9
9/30/2015	—	—
9/30/2014	—	—
9/30/2013	—	—
9/30/2012	—	—
9/30/2011	—	—
9/30/2010	—	—
9/30/2009	—	—



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (concluded)

March 31, 2019

Highland Global Allocation Fund

### Note 15. Subsequent Event

Management has evaluated the impact of all subsequent events on the Fund through the date the financial statements were issued, and has determined that there were no subsequent events to report which have not already been recorded or disclosed in these financial statements and accompanying notes.

On April 7, 2019, the Custodian changed from State Street Bank and Trust Company to Bank of New York Mellon.

As disclosed in Note 7, on May 2, 2019 approximately \$2.4 million that was reflected as a receivable for fund shares sold on the Statement of Assets and Liabilities was paid in full, with interest due, by the Adviser.

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## ADDITIONAL INFORMATION (unaudited)

March 31, 2019

Highland Global Allocation Fund

### Additional Portfolio Information

The Investment Adviser and its affiliates manage other accounts, including registered and private funds and individual accounts. Although investment decisions for the Fund are made independently from those of such other accounts, the Investment Adviser may, consistent with applicable law, make investment recommendations to other clients or accounts that may be the same or different from those made to the Fund, including investments in different levels of the capital structure of a company, such as equity versus senior loans, or that involve taking contradictory positions in multiple levels of the capital structure. The Investment Adviser has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, this may create situations where a client could be disadvantaged because of the investment activities conducted by the Investment Adviser for other client accounts. When the Fund and one or more of such other accounts is prepared to invest in, or desire to dispose of, the same security, available investments or opportunities for each will be allocated in a manner believed by the Investment Adviser to be equitable to the Fund and such other accounts. The Investment Adviser also may aggregate orders to purchase and sell securities for the Fund and such other accounts. Although the Investment Adviser believes that, over time, the potential benefits of participating in volume transactions and negotiating lower transaction costs should benefit all accounts including the Fund, in some cases these activities may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

### Disclosure of Fund Expenses

As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchases and redemption fees; and (2) ongoing costs, including management fees; distribution (12b-1) and service fees; and other Fund expenses. This example is intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the six-month period April 1, 2018 through March 31, 2019, unless otherwise indicated. This table illustrates your Fund's costs in two ways:

**Actual Expenses:** The first part of the table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that

you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes:** The second part of the table provides information about hypothetical account values and hypothetical expenses based on your Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not your Fund's actual return. The actual expense ratio includes voluntary fee waivers or expense reimbursements by the Fund's investment adviser. The expense ratio would be higher had the fee waivers or expense reimbursements not been in effect. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) or redemption fees. Therefore, the second part of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 10/1/18	Ending Account Value 3/31/19	Annualized Expense Ratios	Expenses Paid During Period <sup>(1)</sup>
<i>Actual Fund Return</i>				
Class Y	\$1,000.00	\$1,043.70	2.44%	\$ 12.43
<i>Hypothetical 5% Return (before expenses)</i>				
Class Y	\$1,000.00	\$1,012.76	2.44%	\$ 12.24

(1) Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, divided by the number of days in the full fiscal year (182/365).



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## IMPORTANT INFORMATION ABOUT THIS REPORT

### Investment Adviser

Highland Capital Management Fund Advisors,  
L.P.  
200 Crescent Court, Suite 700  
Dallas, TX 75201

### Transfer Agent

American Stock Transfer & Trust Company,  
LLC 6201 15th Avenue  
Brooklyn, NY 11219

### Underwriter

Highland Capital Funds Distributor, Inc.  
200 Crescent Court, Suite 700  
Dallas, TX 75201

### Custodian

State Street Bank and Trust Company  
One Lincoln Street  
Boston, Massachusetts 02111

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
2121 N. Pearl Street, Suite 2000  
Dallas, TX 75201

### Fund Counsel

K&L Gates LLP  
1 Lincoln Street  
Boston, MA 02111

This report has been prepared for shareholders of Highland Global Allocation Fund (the "Fund"). The Fund mails one shareholder report to each shareholder address. If you would like more than one report, please call shareholder services at 1-877-665-1287 to request that additional reports be sent to you.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to their portfolio securities, and the Fund's proxy voting records for the most recent 6-month period ended March 31, are available (i) without charge, upon request, by calling 1-877-665-1287 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Fund files its complete schedules of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year as an exhibit to its reports on Form N-PORT. The Fund's Form N-PORT reports are available on the Commission's website at <http://www.sec.gov> and also may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the Public Reference Room may be obtained by calling 1-800-SEC-0330. Shareholders may also obtain the Form N-Q by visiting the Fund's website at [www.highlandfunds.com](http://www.highlandfunds.com).

The Statements of Additional Information include additional information about the Funds' Trustees and are available upon request without charge by calling 1-877-665-1287.

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Funds' annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website ([highlandfunds.com](http://highlandfunds.com)), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from a Fund electronically by contacting your financial intermediary (such as a broker dealer or bank) or, if you are a direct investor, by contacting the Funds' transfer agent at 1-877-665-1287.

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with a Fund, you can call 1-877-665-1287 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with a Fund.



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**Highland Funds**  
**c/o DST Asset Manager Solutions, Inc.**  
**430 W 7th Street Suite 219424**  
**Kansas City, MO 64105-1407**

## **Highland Global Allocation Fund**

Semi-Annual Report, March 31, 2019

[www.highlandfunds.com](http://www.highlandfunds.com)

HFII-GAF-SAR-03/19



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**Item 2. Code of Ethics.**

Not applicable.

**Item 3. Audit Committee Financial Expert.**

Not applicable.

**Item 4. Principal Accountant Fees and Services.**

Not applicable.

**Item 5. Audit Committee of Listed Registrants.**

Not applicable.

**Item 6. Investments.**

(a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the Semi-Annual Report to Shareholders filed under Item 1 of this form.

(b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Not applicable.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

Not applicable.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

No such purchases were made by or on behalf of the Registrant or any “affiliated purchaser” during the period covered by this report.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the Registrant’s Board of Trustees.



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### **Item 11. Controls and Procedures.**

- (a) The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Investment Company Act of 1940, as amended, is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Prior to the filing date of the 09/30/18 Shareholder Report on Form N-CSR, Management carried out an evaluation of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures. Based on such evaluation, the principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures were not effective due to a material weakness for the Registrant relating to the application of ASC 820 and reasonableness and reliability of assumptions used in the fair value model which are monitored by the Valuation Committee through the operation of a review control. This control was not designed at an appropriate level of precision to ensure the accurate valuation of Level 3 securities. A material weakness (as defined in Rule 12b-2 under the Exchange Act) is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Registrant's annual or interim financial statements will not be prevented or detected on a timely basis. This material weakness resulted in material pricing errors related to a hard-to-value security held by Fund, over a period of time, which resulted in the reprocessing of investor capital activity, as well as material misstatements to the Fund's semi-annual financial statements as of March 31, 2018 and a material error that was corrected in the annual financial statements for the year ended September 30, 2018. Additionally, this material weakness could result in a misstatement to the investment balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected.

Management has developed a plan to remediate the material weakness described above. Management utilizes a Valuation Sub-Committee as part of its existing valuation process. Management has enhanced the review control by adding a new member to the Valuation Sub-Committee to conduct control activities designed to operate at a level of precision which will enable such errors to be detected. Additionally, Management has undertaken enhancements to its Valuation Committee by providing training materials to members of its Valuation Committee with respect to the application of ASC 820 as well as the usage of subject matter expert inputs as inputs to fair value determinations. Finally, management has undertaken enhancements to its review control by designing additional control activities to more precisely assess the application of ASC 820 to fair value models.

We believe the measures already implemented as described above will facilitate the remediation of the control deficiencies we have identified and strengthen our internal control over financial reporting. Based on the steps we have taken to date and the anticipated timing of appropriate test work to ensure adequate design and operating effectiveness of such steps, we expect that the remediation of the material weakness will be completed by June 30, 2019. We cannot assure you, however, that the steps already taken will remediate such weaknesses, nor can we be certain of whether additional actions will be required or the costs of any such actions. The material weakness will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.



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- (b) Changes in Internal Controls. Other than the planned enhancements to controls noted above, there have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Shareholder Report on Form N-CSR

**Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

Not applicable.

**Item 13. Exhibits.**

- (a)(1) Not applicable.
- (a)(2) Certification pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 is attached hereto.
- (a)(3) Not applicable.
- (a)(4)(i) Certification pursuant to Item 4.01 of Form 8-K under the Exchange Act (17 CFR 249.308) is attached hereto.
- (a)(4)(ii) Letter from former accountant pursuant to Item 304(a) under Regulation S-K is attached hereto.
- (b) Certification pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 is attached hereto.



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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**HIGHLAND GLOBAL ALLOCATION FUND**

By (Signature and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Accounting Officer,  
Principal Financial Officer, and  
Principal Executive Officer

Date: June 7, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Accounting Officer,  
Principal Financial Officer, and  
Principal Executive Officer

Date: June 7, 2019



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM N-CSR**

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**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-23369

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**HIGHLAND GLOBAL ALLOCATION FUND**

(Exact name of registrant as specified in charter)

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**200 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Address of principal executive offices)(Zip code)

---

**Highland Capital Management Fund Advisors, L.P.  
200 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Name and Address of Agent for Service)

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Registrant's telephone number, including area code: (877) 665-1287

Date of fiscal year end: September 30

Date of reporting period: September 30, 2019

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**Item 1. Reports to Stockholders.**

A copy of the Annual Report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the “1940 Act”), is attached herewith.



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# Highland Global Allocation Fund

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## Annual Report September 30, 2019

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Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Funds' annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website ([highlandfunds.com](http://highlandfunds.com)), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from a Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by contacting the Funds' transfer agent at 1-877-665-1287.

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with a Fund, you can call 1-877-665-1287 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with a Fund.



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# **Highland Global Allocation Fund**

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Economic and market conditions change frequently.  
There is no assurance that the trends described in this report will continue or commence.

**A prospectus must precede or accompany this report. Please read the prospectus carefully before you invest.**



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## PORTFOLIO MANAGER COMMENTARY (unaudited)

September 30, 2019

Highland Global Allocation Fund

### Performance Overview

For the twelve months ended September 30, 2019, the Highland Global Allocation Fund (the “Fund”) experienced a total market price return of (26.45%) and a total NAV return of (7.04%). The Fund’s benchmark, the FTSE All World index returned 1.86%.

### Manager Discussion

The Fund officially listed as a closed-end fund in February 2019, and began trading on the New York Stock Exchange (ticker: HGLB) on February 19. Shortly after conversion the Fund instituted an 8.5% level distribution policy and changed the distribution frequency from quarterly to monthly. Additionally, the Fund announced plans for its share repurchase program. Through July 10, 2019 the Fund had completed \$10 million in repurchases of the Fund’s shares. On August 20, 2019 the Fund announced an additional \$20 million of share repurchases and an extension of the repurchase program for a period of six months.

Some of the Fund’s top investment themes during the year included Utilities, Telecom, and Energy MLP’s. Vistra Energy, the Fund’s largest single name equity position, was one of the largest contributors to performance as it returned 9.04%. Vistra Energy is an integrated power producer headquartered in Texas. The company arose out of the vestiges of the TXU bankruptcy when its merchant power / retail generation business restructured and later merged with competitor Dynegy. We believe this is an example of a unique and misunderstood business in an overlooked industry. We are attracted to its ample cash flow generation, multiple avenues for value creation, strong leadership team and cheap valuation.

Vistra Energy’s management reaffirmed its 2019 guidance on its recent 2Q call. The company is expected to generate free cash flow before growth investments of \$2.1-\$2.3 billion this year, which represents a 66% conversion of EBITDA to free cash flow. At the company’s market cap of \$13.1 billion at quarter end, free cash flow represents a yield of 16.3%. We find this free cash flow yield to be highly attractive given the company’s size and scale and integrated position within the power value chain. In fact we find it hard to find any energy infrastructure company with a similar free cash flow yield that is not distressed or challenged in some fashion.

The ERCOT power market exhibited significant market tightness during this summer as scarcity events caused prices to spike in August and September. This improvement in real time prices caused forward prices to move higher which in turn should improve Vistra’s earnings outlook for the next several years.

While free cash flow generation is one thing, what a management team does with that cash is another. This management team is focused on creating value for shareholders through a balanced capital allocation strategy. The company has completed over \$1bn of buybacks under its \$1.75bn repurchase program, recently initiated a quarterly dividend of \$0.125 per share which management expects to grow at ~6-8%, and expects to achieve a ~2.5x net debt / EBITDA target by YE 2020. In addition, the company has announced tuck-in acquisitions of Crius Energy and Ambit Energy which expand the company’s retail platform. We believe this approach to allocating the company’s free cash flow will generate shareholder value over time.

The Fund continues to maintain a large allocation to energy MLPs, which detracted from performance during the year. While midstream energy companies generally produced strong earnings during the year, the sector experienced weakened investor sentiment due to a confluence of factors. On top of macro concerns, such as trade war fears and an uncertain commodity price environment, the domestic upstream sector generated poor investment returns. The S&P Oil & Gas Exploration and Production Select Industry Index returned -47.70% during the year. In short, domestic E&P companies underperformed the market and this in turn cast a negative sentiment on their counterparts in the midstream sector. We remain constructive on the long-term outlook for the midstream sector despite near term macro uncertainty and a weaker upstream market environment. The U.S. operates as a low cost producer of hydrocarbons, which means that we expect U.S. production volumes and export opportunities to continue to grow despite headline risks such as commodity price pressure or short-term reductions in upstream production budgets. The sector has undergone a significant transformation over the past several years towards a focus on shareholder returns, corporate simplification, returns on invested capital, and a reduction in leverage. We think this renewed focus on capital discipline combined with an underlying healthy fundamental backdrop should enable the sector to create value over time. Despite these positive factors, midstream MLPs appear cheap relative to history and other yield-oriented asset classes. The median MLP yields 10.1%, which is a 30.5% discount to its five year average of 7.0%, and trades at an estimated 2020 EV/EBITDA multiple of 9.8x, a 20.1% discount to its five year average of 12.2x. Meanwhile, Utilities trade at an 11.7x EV/EBITDA multiple, a 15% premium to its five year average, and REITs trade at a 17.3x multiple, a 5% discount.

The Fund’s investments in Argentine sovereign debt and equity was the primary detractor for the year. In August 2019 Argentina held its primary election featuring president Macri and Alberto Fernandez. Polls predicted a tight race but Macri received just 32% of the vote, lagging 16% behind Fernandez. In Argentina, primaries are used to ensure candidates have ample support to compete in the general election. Both parties will be able to participate in the October 2019 election but the August election results foreshadowed a



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## PORTFOLIO MANAGER COMMENTARY (unaudited)

September 30, 2019

Highland Global Allocation Fund

defeat in October and a possible return to the policies of Cristina Kirchner. The scale of Macri's defeat surprised pollsters and Argentina stocks and bonds traded down on the news. Subsequent to September 30, 2019 Argentina held its election at the end of October and as projected in the August primaries, Alberto Fernandez was elected President. As of September 30, 2019, approximately 12% of the Fund was invested in Argentina debt and equity securities.

The Fund also uses derivatives such as options, futures and foreign currency transactions to protect from and/or to take advantage of quantifiable systematic and issuer-related risks. These derivatives had a negative impact on performance during the period.

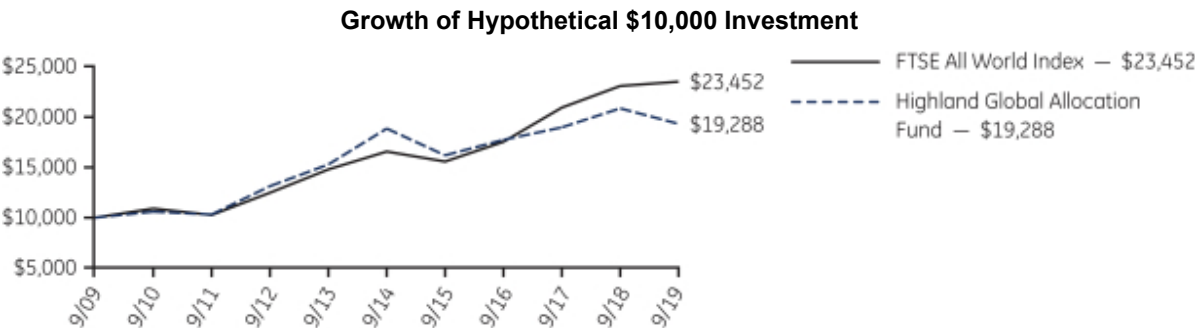
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PORTFOLIO MANAGER COMMENTARY (unaudited)

September 30, 2019 Highland Global Allocation Fund



	Average Annual Total Returns			
	1 Year	5 Year	10 Year	Since Inception
Highland Global Allocation Fund	-7.04	0.55	6.82	5.46
FTSE All World Index	1.86	7.23	8.90	6.49

Returns shown in the chart and table do not reflect taxes that a shareholder would pay on Fund distributions or on the sale of the Fund shares.

Performance results reflect the contractual waivers and/or reimbursements of fund expenses by the Advisor. Absent this limitation, performance results would have been lower. The Expense Cap expired on January 31, 2019.

Effective on February 13, 2019, the Highland Global Allocation Fund converted from an open-end fund to a closed-end fund, and began trading on the NYSE under the symbol HGLB on February 19, 2019. The performance data presented above reflects that of Class Z shares of the Fund when it was an open-end fund, HCOYX. Month-end returns since March 2019 reflect market prices. The closed-end Fund pursues the same investment objective and strategy as it did before its conversion.

**The performance data quoted here represents past performance and is no guarantee of future results. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. For performance data current to the most recent month-end, please visit our website at [www.highlandfunds.com](http://www.highlandfunds.com).**

Stock prices may fall or fail to rise over time for several reasons, including general financial market conditions and factors related to a specific issuer or industry. The Fund invests in growth stocks that may be more volatile because they are more sensitive to market conditions. The Fund invests in mid-cap companies which may entail greater risks and less liquidity due to narrower product lines and more limited resources than larger companies. The Fund may invest in foreign securities which may cause more volatility and less liquidity due to currency changes, political instability and accounting differences. The Fund's investments in derivatives may involve more volatility and less liquidity because of the risk that an investment may not correlate to the performance of the underlying securities.

Mutual fund investing involves risk including the possible loss of principal.



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Highland Global Allocation Fund seeks to provide long-term growth of capital and future income (future income means the ability to pay dividends in the future.)

Net Assets as of September 30, 2019

**\$296.2 million**

Portfolio Data as of September 30, 2019

The information below provides a snapshot of Highland Global Allocation Fund at the end of the reporting period. Highland Global Allocation Fund is actively managed and the composition of its portfolio will change over time. Current and future holdings are subject to risk.

**Sector Classifications as of 09/30/19<sup>(1)</sup>**

Non-U.S. Equity	52.1%
Non-U.S. Master Limited Partnerships	20.4%
U.S. Senior Loans	12.6%
U.S. Equity	9.8%
Non-U.S. Government Bond	8.5%
Non-U.S. Registered Investment Companies	7.3%
U.S. LLC Interest	5.1%
U.S. Preferred Stock	4.0%
Non-U.S. Asset-Backed Securities	3.6%
U.S. Agency Collateralized Mortgage Obligation	3.4%
Non-U.S. Corporate Bonds & Notes	2.6%
Non-U.S. Purchased Options	2.6%
U.S. Rights	2.4%
Other (each less than 1.0%)	0.4%
Other Assets & Liabilities, Net	(34.8)%
	<u>100.0%</u>

**Top 10 Holdings as of 9/30/2019<sup>(1)</sup>**

Vistra Energy Corp. (Non-U.S. Equity)	34.8%
TerreStar Corporation (U.S. Equity)	15.9%
Argentine Republic Government International Bond 3.75%, 12/31/2038 (Non-U.S. Government Bonds)	8.5%
Energy Transfer LP (U.S. Master Limited Partnerships)	6.6%
Fieldwood Energy LLC, Closing Date Loan, 2nd Lien 9.51%, 4/11/2023 (U.S. Senior Loans)	6.1%
Highland Energy MLP Fund (Non-U.S. Master Limited Partnerships)	4.9%
TerreStar Corporation, Term Loan A 11.00%, 2/27/2020 (U.S. Senior Loans)	4.8%
Williams Cos., Inc. (Non-U.S. Equity)	4.4%
Highland Merger Arbitrage Fund (U.S. Registered Investment Companies)	3.5%
MPLX LP (Non-U.S. Master Limited Partnerships)	3.5%

<sup>(1)</sup> Asset classifications and holdings are calculated as a percentage of total net assets and net of long and short positions.



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## CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2019

Highland Global Allocation Fund

### A guide to understanding the Fund's consolidated financial statements

#### Consolidated Investment Portfolio

The Investment Portfolio details the Fund's holdings and its market value as of the last day of the reporting period. Portfolio holdings are organized by type of asset and industry to demonstrate areas of concentration and diversification.

#### Consolidated Statement of Assets and Liabilities

This statement details the Fund's assets, liabilities, net assets and share price for each share class as of the last day of the reporting period. Net assets are calculated by subtracting all of the Fund's liabilities (including any unpaid expenses) from the total of the Fund's investment and non-investment assets. The net asset value per share for each class is calculated by dividing net assets allocated to that share class by the number of shares outstanding in that class as of the last day of the reporting period.

#### Consolidated Statement of Operations

This statement reports income earned by the Fund and the expenses incurred by each Fund during the reporting period. The Statement of Operations also shows any net gain or loss the Fund realized on the sales of its holdings during the period as well as any unrealized gains or losses recognized over the period. The total of these results represents the Fund's net increase or decrease in net assets from operations.

#### Consolidated Statement of Changes in Net Assets

This statement details how the Fund's net assets were affected by its operating results, distributions to shareholders and shareholder transactions (e.g., subscriptions, redemptions and distribution reinvestments) during the reporting period. The Statement of Changes in Net Assets also details changes in the number of shares outstanding.

#### Consolidated Statement of Cash Flows

This statement reports net cash and foreign currency provided or used by operating, investing and financing activities and the net effect of those flows on cash and foreign currency during the period.

#### Consolidated Financial Highlights

The Financial Highlights demonstrate how the Fund's net asset value per share was affected by the Fund's operating results. The Financial Highlights also disclose the classes' performance and certain key ratios (e.g., net expenses and net investment income as a percentage of average net assets).

#### Consolidated Notes to Financial Statements

These notes disclose the organizational background of the Fund, certain of their significant accounting policies (including those surrounding security valuation, income recognition and distributions to shareholders), federal tax information, fees and compensation paid to affiliates and significant risks and contingencies.

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## CONSOLIDATED INVESTMENT PORTFOLIO

As of September 30, 2019

Highland Global Allocation Fund

Shares		Value (\$)	Shares		Value (\$)
<b>Non-U.S. Equity - 58.5%</b>			<b>UTILITIES (continued)</b>		
<b>COMMUNICATION SERVICES - 2.3%</b>			109,400	Pampa Energia ADR (a)(b)(c)	1,899,184
131,733	Cablevision Holding, Class B (a)(b)	397,978	3,851,800	Vistra Energy Corp. (a)(c)	102,958,614
77,866	Grupo Clarin, Class B (a)(b)	41,370	45,830	Volitalia (a)(b)	497,641
71,981	iHeartMedia, Inc. (a)(b)	1,079,715			105,997,617
129,945	Loral Space & Communications, Inc. (a)(b)(c)	5,379,723		Total Non-U.S. Equity	
		6,898,786		(Cost \$235,034,596)	173,358,061
<b>CONSUMER DISCRETIONARY - 4.3%</b>			<b>U.S. Equity - 28.3%</b>		
16,200	MercadoLibre, Inc. (a)(b)(c)	8,929,926	<b>CHEMICALS - 0.2%</b>		
718	Toys 'R' Us (a)(b)	189,327	881,773	Vertellus Specialties Inc. (b)(d)(e)	731,871
718	Tru Kids, Inc. (a)(b)	3,597,154	<b>COMMUNICATION SERVICES - 16.0%</b>		
		12,716,407	48,209	Clear Channel Outdoor Holdings, Inc., Class A (b)	121,487
<b>CONSUMER STAPLES - 0.1%</b>			169,531	TerreStar Corporation (b)(d)(e)(f)(g)	47,134,704
50,000	Adecoagro SA (a)(b)(c)	291,500			47,256,191
<b>ENERGY - 6.7%</b>			<b>CONSUMER DISCRETIONARY - 1.3%</b>		
5,000	Continental Resources, Inc. (a)	153,950	141,215	K12, Inc. (b)(c)	3,728,076
29,751	NextDecade Corp. (a)(b)(c)	171,366	698	Lennar Corp., Class B (a)(c)	30,970
53,200	Plains GP Holdings LP, Class A (a)	1,129,436			3,759,046
56,400	SemGroup Corp., Class A (a)	921,576	<b>FINANCIALS - 0.4%</b>		
113,000	Targa Resources Corp. (a)(c)	4,539,210	4,500	CIT Group, Inc.	203,895
121	Transocean (a)(b)	541	19,556	Ditech Holding Corp. (b)	1,292
537,700	Williams Cos., Inc. (a)	12,937,062	335,000	Medley Capital	867,650
		19,853,141			1,072,837
<b>FINANCIALS - 2.2%</b>			<b>HEALTHCARE - 6.1%</b>		
68,000	Banco do Brasil (a)(c)	744,418	15,200	Aerie Pharmaceuticals, Inc. (b)(c)	292,144
100,000	FGL Holdings (a)(c)	798,000	61,625	Brookdale Senior Living, Inc. (b)	467,117
188,858	Grupo Supervielle SA ADR (a)(c)	606,234	18,900	Collegium Pharmaceutical, Inc. (b)	216,972
280,500	IRB Brasil Resseguros S (a)(c)	2,524,594	232,800	Heron Therapeutics, Inc. (b)(c)	4,306,800
206,000	Itau Unibanco Holding ADR (a)	1,732,460	191,000	Minerva Neurosciences, Inc. (b)(c)	1,480,250
		6,405,706	345,350	Patterson	6,154,137
<b>HEALTHCARE - 0.0%</b>			75,000	Portola Pharmaceuticals, Inc. (b)(c)	2,011,500
5,000	Idorsia, Ltd. (a)(b)(c)	123,051	56,009	Quorum Health Corp. (b)	67,771
<b>INDUSTRIALS - 2.9%</b>			152,800	Surgery Partners, Inc. (b)(c)	1,128,428
405,110	America Airports (a)(b)(c)	1,835,148	321,300	TG Therapeutics, Inc. (b)(c)	1,804,100
80,249	American Airlines Group, Inc. (a)(c)	2,164,316	2,800	Ultragenyx Pharmaceutical, Inc. (b)	119,784
87,855	GL Events (a)	2,198,147			18,049,003
215,000	Localiza Rent a Car (a)(c)	2,346,450	<b>INFORMATION TECHNOLOGY - 0.3%</b>		
		8,544,061	21,300	CDK Global, Inc.	1,024,317
<b>INFORMATION TECHNOLOGY - 3.4%</b>			<b>MATERIALS - 1.2%</b>		
342,949	Avaya Holdings Corp. (a)(b)	3,508,368	730,484	MPM Holdings, Inc. (b)	3,652,420
3,406	Black Knight, Inc. (a)(b)	207,970	<b>REAL ESTATE - 2.8%</b>		
6,200	Fortinet, Inc. (a)(b)	475,912	100	GAF REIT (b)(f)	1,000
166,672	StoneCo, Class A (a)(b)(c)	5,796,852	114,300	Independence Realty Trust, Inc., REIT	1,635,633
		9,989,102	101,918	Jernigan Capital, Inc., REIT (c)	1,961,922
<b>MATERIALS - 0.8%</b>			25,380	Macerich Co. (The), REIT (c)	801,754
219,800	United States Steel Corp. (a)(c)	2,538,690	61,912	NexPoint Residential Trust, REIT (f)	2,895,005
<b>UTILITIES - 35.8%</b>			44,387	RAIT Financial Trust, REIT (b)	2,219
202,250	Central Puerto ADR (a)(b)	596,638	280,000	United Development Funding IV, REIT	1,022,000
1,150	NRG Energy, Inc. (a)	45,540			8,319,533
				Total U.S. Equity	
				(Cost \$101,796,720)	83,865,218

6 | See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED INVESTMENT PORTFOLIO (continued)

As of September 30, 2019

Highland Global Allocation Fund

Shares		Value (\$)
<b>Non-U.S. Master Limited Partnerships - 20.4%</b>		
<b>ENERGY - 20.4%</b>		
1,499,100	Energy Transfer LP (a)(c)	19,608,228
333,900	Enterprise Products Partners LP (a)	9,542,862
5,166,913	Highland Energy MLP Fund, Class Y (a)(f)	14,415,686
367,600	MPLX LP (a)	10,296,476
10,400	Shell Midstream Partners LP (a)	212,680
255,500	Western Midstream Partners LP (a)(c)	6,359,395
	Total Non-U.S. Master Limited Partnerships (Cost \$103,188,166)	60,435,327

### Principal Amount (\$)

#### U.S. Senior Loans (h) - 12.6%

<b>CHEMICALS - 0.4%</b>		
1,102,216	Vertellus Holdings LLC Second Lien Term Loan, 10/31/21 (d)(e)	1,088,107

<b>COMMUNICATION SERVICES - 4.8%</b>		
14,336,849	TerreStar Corporation, Term Loan A, 11.000% PIK, 02/27/20 (d)(e)(f)	14,336,849

<b>ENERGY - 6.1%</b>		
23,743,431	Fieldwood Energy LLC, Closing Date Loan, 2nd Lien, VAR LIBOR USD 3 Month+7.250%, 04/11/23	17,939,468

<b>RETAIL - 0.5%</b>		
1,947,729	Academy, Ltd., Initial Term Loan, VAR LIBOR USD 3 Month+4.000%, 07/01/22	1,370,364

<b>SERVICE - 0.7%</b>		
2,500,000	Advantage Sales & Marketing Inc., Term Loan, 2nd Lien, VAR LIBOR USD 3 Month+6.500%, 07/25/22	2,173,613

<b>UTILITIES - 0.1%</b>		
471,039,553	Texas Competitive Electric Holdings Co., LLC, Extended Escrow Loan	259,072
	Total U.S. Senior Loans (Cost \$54,330,811)	37,167,473

#### Non-U.S. Government Bond - 8.5%

<b>SOVEREIGN - 8.5%</b>		
62,500,000	Argentine Republic Government International Bond 3.75%, 5.25%, 03/31/19, 12/31/38 (a)(i)	25,078,750
	Total Non-U.S. Government Bond (Cost \$30,343,903)	25,078,750

### Shares

#### U.S. LLC Interest - 5.1%

<b>REAL ESTATE - 5.1%</b>		
6,773,494	SFR WLIF I, LLC (d)(e)(f)	6,918,447

<b>REAL ESTATE (continued)</b>		
4,437,497	SFR WLIF II, LLC (d)(e)(f)	4,537,341
3,789,008	SFR WLIF III, LLC (d)(e)(f)	3,751,876
	Total U.S. LLC Interest (Cost \$15,000,000)	15,207,664

#### U.S. Preferred Stock - 4.0%

<b>FINANCIALS - 1.4%</b>		
127,751	Federal Home Loan Mortgage (b)(j)	2,706,758
58,233	Federal National Mortgage Association (b)(j)	1,328,801
		4,035,559

<b>REAL ESTATE - 2.6%</b>		
370,968	Braemar Hotels & Resorts, Inc., REIT (c)	7,738,392
	Total U.S. Preferred Stock (Cost \$9,275,244)	11,773,951

### Principal Amount (\$)

#### Non-U.S. Asset-Backed Securities - 3.6%

4,000,000	Acis CLO, Ltd., Series 2014-3A, Class E VAR LIBOR USD 3 Month+4.750%, 7.00%, 2/1/2026 (a)(k)(l)(n)	3,000,000
2,500,000	Acis CLO, Ltd., Series 2014-4A, Class E VAR LIBOR USD 3 Month+4.800%, 7.05%, 5/1/2026 (a)(k)(l)(n)	1,875,000
4,000,000	Acis CLO, Ltd., Series 2014-4A, Class F VAR LIBOR USD 3 Month+5.150%, 7.40%, 5/1/2026 (a)(k)(l)(n)	2,400,000
3,500,000	Acis CLO, Ltd., Series 2014-5A, Class E1 VAR LIBOR USD 3 Month+6.520%, 8.77%, 11/1/2026 (a)(k)(l)(n)	2,800,000
364,434	Highland Park CDO I, Ltd., Series 2006-1A, Class A2 VAR LIBOR USD 3 Month+0.400%, 3.05%, 11/25/2051 (a)(k)(l)	363,191
311,866	Pamco Cayman, Ltd., Series 1997-1A, Class B 7.91%, 8/6/2013 (a)(d)(e)(l)	136,722
	Total Non-U.S. Asset-Backed Securities (Cost \$13,053,775)	10,574,913

#### U.S. Agency Collateralized Mortgage Obligation - 3.4%

10,009,764	FREMF Mortgage Trust, Series 2019-KF60, Class C VAR LIBOR USD 1 Month+6.000%, 8.09%, 2/25/2026 (k)(l)(n)	9,984,739
	Total U.S. Agency Collateralized Mortgage Obligation (Cost \$9,994,460)	9,984,739

#### Non-U.S. Corporate Bonds & Notes - 2.6%

<b>COMMUNICATION SERVICES - 0.3%</b>		
315,654	iHeartCommunications, Inc. 6.38%, 05/01/26 (a)	342,485
584,493	8.38%, 05/01/27 (a)	634,350
		976,835

See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



[Table of Contents](#)**CONSOLIDATED INVESTMENT PORTFOLIO (continued)**

As of September 30, 2019

Highland Global Allocation Fund

Principal Amount (\$)	Value (\$)	Units	Value (\$)
<b>Non-U.S. Corporate Bonds &amp; Notes (continued)</b>		<b>U.S. Warrants (b) - 0.1%</b>	
<b>ENERGY 0.9%</b>		<b>FINANCIALS - 0.0%</b>	
37,083,000	Ocean Rig UDW, Inc. 7.25%, 04/01/19 (a)(d)(e)(l)(m)	59,755	Ditech Holding Corp., Expires 02/09/2028
	2,558,727		314
290	Sable Permian Resources Land 7.38%, 11/01/21 (a)(l)		
	45	<b>HEALTHCARE - 0.1%</b>	
	2,558,772	42,032	HLS Therapeutics, Inc., Expires 12/31/2049 (d)(e)
			187,883
			Total U.S. Warrants (Cost \$—)
			188,197
<b>UTILITIES - 1.4%</b>		<b>Non-U.S. Warrants (b) - 0.1%</b>	
1,094,000	Pacific Gas & Electric 6.05%, 03/01/34 (a)(m)	<b>COMMUNICATION SERVICES - 0.0%</b>	
1,219,000	6.25%, 03/01/39 (a)(m)	1,109	iHeartCommunications, Inc., Expires 05/01/2039(a)
1,219,000	6.35%, 02/15/38 (a)(m)		16,185
	1,426,230	<b>INDUSTRIALS - 0.1%</b>	
	4,087,430	1,260,362	American Airlines (a)
			289,883
	Total Non-U.S. Corporate Bonds & Notes (Cost \$36,256,725)	<b>INFORMATION TECHNOLOGY - 0.0%</b>	
	7,623,037	38,742	Avaya Holdings, Expires 12/18/2022(a)
<b>Non-U.S. Purchased Options (a)(b) - 2.6%</b>			40,679
	Total Non-U.S. Purchased Options (Cost \$8,810,813)		Total Non-U.S. Warrants (Cost \$77,464)
	7,643,639		346,747
<b>Units</b>		<b>Shares</b>	
<b>U.S. Rights (b) - 2.4%</b>		<b>Non-U.S. Registered Investment Companies - 7.3%</b>	
<b>UTILITIES - 2.4%</b>		10,000	BB Votorantim Highland Infrastructure LLC (a)(d)(e)(f)
7,905,143	Texas Competitive Electric Holdings Co., LLC		3,483,081
	Total U.S. Rights (Cost \$22,062,762)	544,599	Highland Merger Arbitrage Fund, Class Z (a)(f)
	6,996,052		10,445,409
		436,131	NexPoint Strategic Opportunities Fund (a) (f)
			7,819,829
			Total Non-U.S. Registered Investment Companies (Cost \$24,669,806)
			21,748,319
<b>Principal Amount (\$)</b>		<b>U.S. Cash Equivalent - 0.1%</b>	
<b>Non-U.S. Senior Loan (h) - 0.4%</b>		<b>MONEY MARKET FUND(o) - 0.1%</b>	
<b>COMMUNICATION SERVICES - 0.4%</b>		207,028	Dreyfus Treasury & Agency Cash Management, Institutional Class 1.810%
1,112,381	iHeartCommunications Inc., Initial Term Loan, 1st Lien, 05/01/26 (a) (m)		207,028
	1,120,913		Total U.S. Cash Equivalent (Cost \$207,028)
	1,120,913		207,028
<b>U.S. Corporate Bonds &amp; Notes - 0.4%</b>		<b>Total Investments - 160.2%</b>	
<b>INFORMATION TECHNOLOGY - 0.0%</b>			474,427,457
9,500,000	Avaya, Inc. 10.50%, 03/01/21 (d)(e)(m)		(Cost \$670,379,041)
	—	<b>Securities Sold Short(p) - (25.4)%</b>	
<b>REAL ESTATE - 0.1%</b>		<b>U.S. Exchange-Traded Fund - (0.5)%</b>	
400,000	CBL & Associates 5.95%, 12/15/26	(25,500)	Direxion Daily Small Capital Bull 3X Shares
	283,000		(1,419,585)
			Total U.S. Exchange-Traded Fund (Proceeds \$1,510,274)
			(1,419,585)
<b>UTILITIES - 0.3%</b>		<b>U.S. Equity - (18.5)%</b>	
151,234,000	Texas Competitive Electric Holdings Co., LLC (m)	<b>COMMUNICATION SERVICES - (6.3)%</b>	
	763,732	(69,650)	Netflix, Inc. (q)
9,346,000	Texas Competitive Electric Holdings Co., LLC (m)		(18,639,733)
	47,197		
3,000,000	Texas Competitive Electric Holdings Co., LLC (m)		
	13,500		
	824,429		
	Total U.S. Corporate Bonds & Notes (Cost \$2,029,710)		
	1,107,429		

8 | See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED INVESTMENT PORTFOLIO (continued)

As of September 30, 2019

Highland Global Allocation Fund

Shares	Value (\$)
<b>U.S. Equity (continued)</b>	
<b>CONSUMER DISCRETIONARY - (0.5)%</b>	
(43,600) Harley-Davidson	(1,568,292)
<b>HEALTHCARE - (11.7)%</b>	
(490,150) Boston Scientific Corp. (q)	(19,944,204)
(68,500) Stryker Corp.	(14,816,550)
	(34,760,754)
Total U.S. Equity (Proceeds \$22,733,608)	(54,968,779)
<b>Non-U.S. Equity - (6.4)%</b>	
<b>COMMUNICATION SERVICES - (1.3)%</b>	
(80,000) Nintendo Co, Ltd. ADR (a)	(3,728,000)
<b>ENERGY - (1.4)%</b>	
(66,250) Cheniere Energy, Inc. (a)(q)	(4,177,725)
<b>HEALTHCARE - (3.7)%</b>	
(80,000) Zimmer Holdings, Inc. (a)	(10,981,600)
Total Non-U.S. Equity (Proceeds \$12,275,211)	(18,887,325)
Total Securities Sold Short- (25.4)% (Proceeds \$36,519,093)	(75,275,689)
<b>Other Assets &amp; Liabilities, Net - (34.8)%</b>	(102,987,583)
<b>Net Assets - 100.0%</b>	<b>296,164,185</b>

- (a) As described in the Fund's prospectus, a company is considered to be a non-U.S. issuer if the company's securities principally trade on a market outside of the United States, the company derives a majority of its revenues or profits outside of the United States, the company is not organized in the United States, or the company is significantly exposed to the economic fortunes and risks of regions outside the United States.
- (b) Non-income producing security.
- (c) All or part of this security is pledged as collateral for short sales. The market value of the securities pledged as collateral was \$110,028,333.
- (d) Securities with a total aggregate value of \$84,865,608, or 28.7% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Consolidated Financial Statements for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- (e) Represents fair value as determined by the Fund's Board of Trustees (the "Board"), or its designee in good faith, pursuant to the policies and procedures approved by the Board. The Board considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$84,865,608, or 28.7% of net assets, were fair valued under the Fund's valuation procedures as of September 30, 2019. Please see Notes to Consolidated Financial Statements.
- (f) Affiliated issuer. Assets with a total aggregate market value of \$115,739,227, or 39.1% of net assets, were affiliated with the Fund as of September 30, 2019.

- (g) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:

Restricted Security	Security Type	Acquisition Date	Cost of Security	Market Value at Year End	Percent of Net Assets
TerreStar Corporation	U.S. Equity	11/14/2014	\$ 48,015,562	\$ 47,134,704	15.9%
(h)	Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR") or (iii) the Certificate of Deposit rate. As of September 30, 2019, the LIBOR USD 1 Month and LIBOR USD 3 Month rates were 2.02% and 2.09%, respectively. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity maybe substantially less than the stated maturity shown.				
(i)	Step Bonds - Represents the current rate, the step rate, the step date and the final maturity date.				
(j)	Perpetual security with no stated maturity date.				
(k)	Variable or floating rate security. The base lending rates are generally the lending rate offered by one or more European banks such as the LIBOR. The interest rate shown reflects the rate in effect September 30, 2019. LIBOR, otherwise known as London Interbank Offered Rate, is the benchmark interest rate that banks charge each other for short-term loans. Current LIBOR rates include 1 month which is equal to 2.02% and 3 months equal to 2.09%.				
(l)	Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transaction exempt from registration to qualified institutional buyers. At September 30, 2019, these securities amounted to \$23,118,424 or 7.8% of net assets.				
(m)	The issuer is, or is in danger of being, in default of its payment obligation.				
(n)	As of September 30, 2019, investments with a total aggregate value of \$14,863,659 were fully or partially segregated with broker(s)/ custodian as collateral for reverse repurchase agreements.				
(o)	Rate shown is 7 day effective yield.				
(p)	As of September 30, 2019, \$14,732,705 in cash was segregated or on deposit with the brokers to cover investments sold short and is included in "Other Assets & Liabilities, Net".				
(q)	No dividend payable on security sold short.				

See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements. 9



[Table of Contents](#)**CONSOLIDATED INVESTMENT PORTFOLIO (concluded)****As of September 30, 2019****Highland Global Allocation Fund**

Purchased options contracts outstanding as of September 30, 2019 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium \$	Value \$
<b>PURCHASED CALL OPTIONS:</b>							
October 2019 Call on C\$	\$ 75.75	Societe Generale	October 19, 2019	1,000	75,630,000	280,650	120,000
October 2019 Call on VIX	\$ 22.00	Jefferies	October 19, 2019	10,000	16,240,000	892,881	700,000
October 2019 Call on VIX	\$ 19.00	Jefferies	October 19, 2019	10,000	16,240,000	1,642,881	1,070,000
November 2019 Call on VIX	\$ 18.00	Jefferies	November 16, 2019	10,000	16,240,000	2,727,881	2,500,000
December 2019 Call on Gold	\$ 141.00	Jefferies	December 31, 2019	10,000	138,880,000	3,266,520	3,253,639
						<u>8,810,813</u>	<u>7,643,639</u>

Written options contracts outstanding as of September 30, 2019 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium \$	Value \$
<b>WRITTEN CALL OPTIONS:</b>							
October 2019 Call on VIX	\$ 23.00	Jefferies	October 19, 2019	(10,000)	16,240,000	(747,119)	(520,000)
November 2019 Call on VIX	\$ 28.00	Jefferies	November 16, 2019	(10,000)	16,240,000	(832,369)	(790,000)
December 2019 Call on Gold	\$ 151.00	Jefferies	December 31, 2019	(10,000)	138,880,000	(1,146,557)	(1,159,462)
						<u>(2,726,045)</u>	<u>(2,469,462)</u>

The Fund had the following futures contracts open at September 30, 2019:

Description	Expiration Date	Number of Contracts	Notional Value \$	Unrealized Appreciation \$	Value \$
<b>Short Futures:</b>					
S&P 500 Index E-MINI	December 23, 2019	(420)	(63,181,396)	632,896	632,896

The average amount of borrowing by the Fund on reverse repurchase agreements outstanding during the year ended September 30, 2019 was \$6,610,143 at a weighted average interest rate of 3.52%.

Counterparty	Collateral Pledged	Interest Rate	Trade Date	Maturity Date	Repurchase Amount \$	Principal Amount \$	Value \$
Mizuho	Acis CLO, Ltd., Series 2014-3A, Class E, VAR LIBOR USD 3 Month+4.750%, 7.00%, 2/1/2026	3.34	9/16/2019	10/17/2019	2,274,523	4,000,000	2,268,000
Mizuho	Acis CLO, Ltd., Series 2014-4A, Class E, VAR LIBOR USD 3 Month+4.800%, 7.05%, 5/1/2026	3.34	9/16/2019	10/17/2019	1,386,476	2,500,000	1,382,500
Mizuho	Acis CLO, Ltd., Series 2014-4A, Class F, VAR LIBOR USD 3 Month+5.150%, 7.40%, 5/1/2026	3.44	9/16/2019	10/17/2019	1,588,692	4,000,000	1,584,000
Mizuho	Acis CLO, Ltd., Series 2014-5A, Class E1, VAR LIBOR USD 3 Month+6.520%, 8.77%, 11/1/2026	3.34	9/16/2019	10/17/2019	2,137,630	3,500,000	2,131,500
Mizuho	FREMF Mortgage Trust, Series 2019-KF60, Class C, VAR LIBOR USD 1 Month+6.000%, 8.09%, 2/25/2026	3.64	7/10/2019	10/10/2019	7,567,404	10,000,000	7,497,659
<b>Total Reverse Repurchase Agreements</b>						<u>24,000,000</u>	<u>14,863,659</u>

10 | See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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**GLOSSARY: (abbreviations that may be used in the preceding statements)**

Other Abbreviations:

ADR	American Depositary Receipt
CDO	Collateralized Debt Obligation
CLO	Collateralized Loan Obligation
FREMF	Freddie Mac Multi-Family
MLP	Master Limited Partnership
LIBOR	London Interbank Offered Rate
LLC	Limited Liability Company
LP	Limited Partnership
Ltd.	Limited
PIK	Payment-in-Kind
REIT	Real Estate Investment Trust
USD	United States Dollar
VAR	Variable Rate
VIX	Chicago Board Options Exchange Volatility Index



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## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

As of September 30, 2019

Highland Global Allocation Fund

	(\$)
<b>Assets</b>	
Investments, at value	358,481,202
Affiliated investments, at value (Note 10)	115,739,227
Total Investments, at value	474,220,429
Cash equivalents (Note 2)	207,028
Cash	819,346
Restricted Cash — Securities Sold Short and Written Options (Notes 2 and 3)	14,732,705
Restricted Cash — Futures (Note 3)	2,902,800
Foreign currency	2,139
Foreign tax reclaim receivable	133,553
Receivable for:	
Investment sold	2,378,307
Dividends and interest	2,952,428
Fund shares sold	296,768
Variation Margin	341,985
Due from broker	325,226
Prepaid expenses and other assets	21,966
Total assets	499,334,680
<b>Liabilities:</b>	
Notes payable (Note 6).	105,431,689
Securities sold short, at value (Notes 2 and 8)	75,275,689
Reverse repurchase agreements	14,863,659
Written options contracts, at value (Note 3)	2,469,462
Payable for:	
Investments purchased	3,266,520
Investment advisory and administration fees (Note 7)	103,547
Dividends on securities sold short	10,082
Accounting services fees	129,968
Conversion costs (Note 2)	574,324
Custody fees	51,818
Trustees fees	25,142
Interest expense and commitment fee payable (Note 6)	343,632
Transfer agent fees	9,657
Reports to shareholders	106,940
Legal fees	100,000
Audit fees	320,000
Accrued expenses and other liabilities	88,366
Total liabilities	203,170,495
<b>Commitments and Contingencies (Note 6)</b>	
<b>Net Assets</b>	<b>296,164,185</b>
<b>Net Assets Consist of:</b>	
Paid-in capital	766,449,528
Total distributable loss	(470,285,343)
<b>Net Assets</b>	<b>296,164,185</b>
Investments, at cost	523,983,584
Affiliated investments, at cost (Note 10)	146,188,429
Cash equivalents, at cost (Note 2)	207,028
Foreign currency, at cost	3,595
Proceeds from securities sold short	36,519,093
Written option premiums received	2,726,045

### Common Shares



Shares outstanding (\$0.001 par value; unlimited shares authorized)	22,631,046
Net asset value, offering and redemption price per share	13.09

12 | See accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended September 30, 2019

Highland Global Allocation Fund

	(\$)
<b>Investment Income:</b>	
<b>Income:</b>	
Dividends from unaffiliated issuers	8,267,340
Dividends from affiliated issuers (Note 10)	4,025,617
Less: Foreign taxes withheld	(15,565)
Interest from unaffiliated issuers	7,827,423
Interest paid in-kind from affiliated issuers (Note 10)	1,983,791
Total income	<u>22,088,606</u>
<b>Expenses:</b>	
Investment advisory (Note 7)	1,808,028
Accounting services fees	258,240
Distribution and shareholder service fees: (Note 7)	
Class A	167,920
Class C	305,447
Transfer agent fees	310,688
Legal fees	874,799
Registration fees	40,057
Audit fees	457,759
Interest expense and commitment fees (Note 6)	5,463,717
Insurance	51,655
Trustees fees (Note 7)	95,648
Reports to shareholders	181,140
Custodian/wire agent fees	244,583
Dividends and fees on securities sold short (Note 2)	376,155
Conversion costs (Note 2)	440,999
Other	265,883
Total operating expenses before waiver and reimbursement	11,342,718
Less: Expenses waived or borne by the adviser and administrator	(417,999)
Net operating expenses	<u>10,924,719</u>
Net investment income	<u>11,163,887</u>
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>	
<b>Net realized gain (loss) on:</b>	
Investments from unaffiliated issuers	(13,131,432)
Investments from affiliated issuers (Note 10)	4,476,582
Securities sold short (Note 2)	(9,814,480)
Written options contracts (Note 3)	2,278,943
Futures contracts (Note 3)	(3,218,996)
Foreign currency related transactions	(1,950,855)
<b>Change in unrealized appreciation (depreciation) on:</b>	
Investments in unaffiliated issuers	(33,207,031)
Investments in affiliated issuers (Note 10)	7,664,907
Securities sold short (Note 2)	17,323,186
Written options contracts (Note 3)	256,583
Futures contracts (Note 3)	632,896
Foreign currency related translations	(20,885)
Net realized and unrealized gain (loss) on investments	<u>(28,710,582)</u>
Total decrease in net assets resulting from operations	<u>(17,546,695)</u>

See accompanying Notes to Consolidated Financial Statements. | 13



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## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Highland Global Allocation Fund	
	Year Ended September 30, 2019 (\$)	Year Ended September 30, 2018 (\$)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	11,163,887	17,536,785
Net realized (loss) on investments, securities sold short, written options, futures contracts and foreign currency transactions	(21,360,238)	(102,577,315)
Net increase (decrease) in unrealized appreciation (depreciation) on investments, securities sold short, written options and foreign currency transactions	(7,350,344)	117,503,929
Net increase (decrease) from operations	(17,546,695)	32,463,399
<b>Distributions</b>		
Class A	—	(7,316,208)
Class C	—	(3,731,739)
Class Y	—	(5,219,394)
Shares of closed-end fund	(4,579,807)	—
Return of capital:		
Class A	—	(3,365,442)
Class C	—	(1,716,593)
Class Y	—	(2,400,911)
Shares of closed-end fund	(12,388,348)	—
<b>Total distributions</b>	(16,968,155)	(23,750,287)
Increase (decrease) in net assets from operations and distributions	(34,514,850)	8,713,112
<b>Share transactions:</b>		
Proceeds from sale of shares		
Class A	946,370	11,238,288
Class C	234,777	12,139,685
Class Y	4,996,134	56,903,923
Value of distributions reinvested		
Class A	—	9,920,585
Class C	—	4,222,201
Class Y	—	6,119,220
Shares of closed-end fund	2,237,339	—
Cost of shares redeemed		
Class A	(23,498,679)	(90,127,788)
Class C	(16,412,456)	(80,655,298)
Class Y	(37,255,360)	(193,998,230)
Shares repurchased of closed-end fund (Note 1)	(12,190,006)	—
Reduction to redemptions (Note 7)	2,055,239	—
Net decrease from shares transactions	(78,886,642)	(264,237,414)
<b>Total decrease in net assets</b>	(113,401,492)	(255,524,302)
<b>Net Assets</b>		
Beginning of year	409,565,677	665,089,979
End of year	296,164,185	409,565,677

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## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (continued)

	Year Ended September 30, 2019	Year Ended September 30, 2018
<b>Highland Global Allocation Fund</b>		
<b>CAPITAL STOCK ACTIVITY - SHARES*</b>		
<b>Class A:</b>		
Shares sold	111,890	1,295,700
Issued for distribution reinvested	—	1,188,136
Shares redeemed	(2,775,549)	(10,712,388)
Shares converted in conversion (Note 1)	(11,645,203)	—
Net decrease in fund shares	<u>(14,308,862)</u>	<u>(8,228,552)</u>
<b>Class C:</b>		
Shares sold	31,829	1,590,900
Issued for distribution reinvested	—	581,387
Shares redeemed	(2,232,995)	(11,034,420)
Shares converted in conversion (Note 1)	(5,075,831)	—
Net decrease in fund shares	<u>(7,276,997)</u>	<u>(8,862,133)</u>
<b>Class Y:</b>		
Shares sold	485,184	5,462,086
Issued for distribution reinvested	—	609,362
Shares redeemed	(3,617,459)	(19,167,635)
Shares converted in conversion (Note 1)	(6,568,222)	—
Net decrease in fund shares	<u>(9,700,497)</u>	<u>(13,096,187)</u>
<b>Shares of closed-end fund:</b>		
Issued for distribution reinvested	199,465	—
Shares redeemed	(857,675)	—
Shares converted in conversion (Note 1)	23,289,256	—
Net increase in fund shares	<u>22,631,046</u>	<u>—</u>

\* Capital stock activity prior to February 15, 2019 has been adjusted to give effect to an approximately 1 to 1.4217 reverse stock split as part of the conversion to a closed-end fund (Note 1). Distribution activity related to the A, C and Y share classes relates to the period from October 1, 2018 through February 15, 2019.

See accompanying Notes to Consolidated Financial Statements. | 15



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## CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended September 30, 2019

Highland Global Allocation Fund

	(\$)
<b>Cash Flows Provided by Operating Activities:</b>	
Net decrease in net assets derived from investment operations	(17,546,695)
<b>Adjustments to Reconcile Net Decrease in Net Assets to Net Cash Provided by Operating Activities:</b>	
Purchases of investment securities from unaffiliated issuers	(119,807,756)
Purchases of investment securities from affiliated issuers	(23,700,994)
Proceeds from disposition of investment securities from unaffiliated issuers	128,966,230
Proceeds from disposition of investment securities from affiliated issuers	81,249,336
Proceeds from sale of short-term portfolio investments, net	10,873,260
Purchases of securities sold short	(29,096,059)
Proceeds of securities sold short	7,485,204
Net proceeds received on written options contracts	5,004,988
Amortization of premiums	112,537
Net realized loss on investments from unaffiliated issuers	13,131,432
Net realized gain on investments from affiliated issuers	(4,476,582)
Net realized loss on securities sold short, written options contracts and foreign currency transactions	9,486,392
Net change in unrealized appreciation/(depreciation) on investments, affiliated investments, securities sold short, swap contracts, written options contracts and translation on assets and liabilities denominated in foreign currency	7,983,240
Increase in receivable for investments sold	(296,137)
Increase in receivable for dividends and interest	(310,038)
Increase in due from broker	(719)
Increase in receivable for variation margin	(341,985)
Increase in foreign tax reclaim receivable	(133,553)
Decrease in prepaid expenses and other assets	5,608,359
Decrease in due to custodian	(396,467)
Decrease in payable upon receipt of securities on loan	(155,000)
Increase in payable for investments purchased	2,546,987
Decrease in payables to related parties	(251,800)
Decrease in payable for transfer agent fees	(68,020)
Decrease in accrued dividends on short sales	(117,366)
Increase in payable for commitment fees	343,632
Increase in payable for custody fees	51,775
Decrease in payable for conversion costs	(934,084)
Decrease in accrued expenses and other liabilities	(864,666)
Net cash flow provided by operating activities	<u>74,345,451</u>
<b>Cash Flows Received Used in Financing Activities:</b>	
Decrease in notes payable	(33,293,750)
Reverse repurchase agreements	14,863,659
Distributions paid in cash	(14,730,816)
Payments on shares redeemed	(89,079,890)
Proceeds from shares sold	6,154,487
Net cash flow used in financing activities	<u>(116,086,310)</u>
Effect of exchange rate changes on cash	<u>(1,971,740)</u>
Net decrease in cash	<u>(43,712,599)</u>
<b>Cash, Restricted Cash, and Foreign Currency:</b>	
Beginning of year	62,169,589
End of year	<u>18,456,990</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>	
Reinvestment of distributions	<u>2,237,339</u>
Cash paid during the year for interest expense and commitment fees	<u>5,463,717</u>



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Selected data for a share outstanding throughout each period is as follows:

	2019*‡	For the Years Ended September 30, 2018*‡	2017*‡	2016*‡	2015*‡
<b>Net Asset Value, Beginning of Year</b>	\$ 14.63	\$ 14.16	\$ 14.12	\$ 13.86	\$ 17.36
<b>Income from Investment Operations:</b>					
Net investment income <sup>(a)</sup>	0.30	0.54	1.11	1.22	0.55
Net realized and unrealized gain (loss)	(1.10)	0.56	(0.12)	0.03	(2.87)
Total from Investment Operations	(0.80)	1.10	0.99	1.25	(2.32)
<b>Less Distributions Declared to shareholders:</b>					
From net investment income	(0.20)	(0.43)	(0.92)	(0.94)	(0.65)
From net realized gains	—	—	—	—	(0.53)
From return of capital	(0.54)	(0.20)	(0.03)	(0.05)	—
Total distributions declared to shareholders	(0.74)	(0.63)	(0.95)	(0.99)	(1.18)
<b>Net Asset Value, End of Year<sup>(b)</sup></b>	\$ 13.09	\$ 14.63	\$ 14.16	\$ 14.12	\$ 13.86
Total Return <sup>(b)(c)</sup>	(4.40)%	7.95%	7.01%	9.91%	(14.41)%
<b>Ratios to Average Net Assets:<sup>(d)</sup></b>					
Net Assets, End of Year (000's)	\$296,164	\$128,353	\$254,539	\$367,251	\$775,238
Gross operating expenses <sup>(e)(f)</sup>	2.54%	2.38%	1.20%	1.11%	0.69%
Net investment income	2.11%	3.73%	7.59%	9.24%	3.16%
Portfolio turnover rate	28%	51%	66%	100%	108%

‡ Reflects the financial highlights of Class Y of the open-end fund prior to the conversion.

\* Per share data prior to February 15, 2019 has been adjusted to give effect to an approximately 1 to 1.4217 reverse stock split as part of the conversion to a closed-end fund. (Note 1)

(a) Per share data was calculated using average shares outstanding during the period.

(b) The Net Asset Value per share and total return have been calculated based on net assets which include adjustments made in accordance with U.S. Generally Accepted Accounting Principles required at period end for financial reporting purposes. These figures do not necessarily reflect the Net Asset Value per share or total return experienced by the shareholder at period end.

(c) Total return is based on market value per share for periods after February 15, 2019. Distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan. Prior to February 15, 2019, total return is at net asset value assuming all distributions are reinvested. For periods with waivers/reimbursements, had the Fund's investment adviser not waived or reimbursed a portion of expenses, total return would have been lower.

(d) All ratios for the period have been annualized, unless otherwise indicated.

(e) Supplemental expense ratios are shown below:

(f) Includes dividends and fees on securities sold short.

	For the Years Ended September 30,				
	2019	2018	2017	2016	2015
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	2.45%	2.38%	1.19%	1.05%	0.69%
Interest expense and commitment fees	1.60%	1.02%	0.37%	0.11%	0.01%
Dividends and fees on securities sold short	0.11%	0.16%	0.05%	0.17%	0.03%

See accompanying Notes to Consolidated Financial Statements. | 17



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2019

Highland Global Allocation Fund

### Note 1. Organization

Highland Global Allocation Fund (the "Fund") is organized as an unincorporated business trust under the laws of The Commonwealth of Massachusetts. The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, closed-end management investment company. This report covers information for the year ended September 30, 2019.

On November 8, 2018, shareholders of the Fund approved a proposal authorizing the Board of Trustees (the "Board") of the Fund to convert the fund from an open-end fund to a closed-end fund at a special meeting of shareholders. The Board took action to convert the Fund to a closed-end fund effective shortly after 4:00 p.m. Eastern Time on February 14, 2019 (the "Conversion Date"). The Fund also effected an approximately 1-for-1.4217 reverse stock split of the Fund's issued and outstanding shares on February 14, 2019, thereby reducing the number of shares outstanding. Shareholders were paid cash for any fractional shares resulting from the reverse stock split. The Fund began listing its shares for trading on the New York Stock Exchange (the "NYSE") on February 19, 2019 under the ticker symbol "HGLB". The Fund may issue an unlimited number of common shares, par value \$0.001 per share ("Common Shares"). Prior to the Conversion Date, the Fund issued Class A, Class C, and Class Y shares. The Fund incurred \$1,949,407 in Conversion costs related to the fund conversion to a closed-end fund.

On August 3, 2018, the Board of the Fund authorized the repurchase of up to the lesser of \$20 million or 5% of the Fund's shares over a six-month period following conversion of the Fund from an open-end Fund to a closed-end fund. The Fund converted into a closed-end fund on February 13, 2019. Under this program, the Fund repurchased 853,870 shares through July, 2019, at an average price of \$11.72, for a total investment of \$10.0 million.

On August 20, 2019, the Board of the Fund approved an extension of the repurchase program for a period of six months up to an additional \$20 million of the Fund's shares.

### Note 2. Significant Accounting Policies

The following summarizes the significant accounting policies consistently followed by the Fund in the preparation of its consolidated financial statements.

#### Use of Estimates

The Fund is an investment company that applies the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The Fund's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which require Highland Capital Management Fund Advisors, L.P.

("HCMFA" or the "Investment Adviser") to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

#### Basis of Consolidation

The Fund consolidates Highland GAF Chemical Holdings, LLC ("GAF Chemical Holdings"), a Delaware wholly owned subsidiary, for financial reporting. GAF Chemical Holdings is used for commodity investment trading and its investments are included within the consolidated financial statements of the Fund. All inter-company accounts and transactions have been eliminated in the consolidation.

#### Valuation of Investments

In computing the Fund's net assets attributable to shares, securities with readily available market quotations on the New York Stock Exchange (NYSE), National Association of Securities Dealers Automated Quotation ("NASDAQ") or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund's Board of Trustees (the "Board"). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund's loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is "stale" or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund's net asset value ("NAV")), will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant,







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund's consolidated financial statements may vary from the NAV published by the Fund as of its period end because portfolio securities transactions are accounted for on the trade date (rather than the day following the trade date) for consolidated financial statement purposes.

### Fair Value Measurements

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

**Level 1** — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;

**Level 2** — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and

**Level 3** — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for

which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of September 30, 2019, the Fund's investments consisted of senior loans, asset-backed securities, bonds and notes, common stocks, master limited partnerships, registered investment companies, cash equivalents, exchange-traded funds, rights, warrants, securities sold short, and collateralized loan obligations. The fair value of the Fund's loans, bonds and asset-backed securities are generally based on quotes received from brokers or independent pricing services. Loans, bonds and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Senior loans, bonds and asset-backed securities that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, registered investment companies, rights and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes







[Table of Contents](#)**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)****September 30, 2019****Highland Global Allocation Fund**

in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market

value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of the levels are recognized at the value at the end of the period. A summary of the inputs used to value the Fund's assets as of September 30, 2019 is as follows:

	Total value at September 30, 2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>Assets</b>				
Non-U.S. Equity				
Communication Services	\$ 6,898,786	\$ 6,898,786	\$ —	\$ —
Consumer Discretionary	12,716,407	8,929,926	3,786,481	—
Consumer Staples	291,500	291,500	—	—
Energy	19,853,141	19,853,141	—	—
Financials	6,405,706	6,405,706	—	—
Healthcare	123,051	123,051	—	—
Industrials	8,544,061	8,544,061	—	—
Information Technology	9,989,102	9,989,102	—	—
Materials	2,538,690	2,538,690	—	—
Utilities	105,997,617	105,997,617	—	—
U.S. Equity				
Chemicals	731,871	—	—	731,871
Communication Services	47,256,191	121,487	—	47,134,704
Consumer Discretionary	3,759,046	3,759,046	—	—
Financials	1,072,837	1,072,837	—	—
Healthcare	18,049,003	18,049,003	—	—
Information Technology	1,024,317	1,024,317	—	—
Materials	3,652,420	—	3,652,420	—
Real Estate	8,319,533	8,319,533	—	—
Non-U.S. Master Limited Partnerships				
Energy	60,435,327	60,435,327	—	—
U.S. Senior Loans				
Chemicals	1,088,107	—	—	1,088,107
Communication Services	14,336,849	—	—	14,336,849
Energy	17,939,468	—	17,939,468	—
Retail	1,370,364	—	1,370,364	—
Service	2,173,613	—	2,173,613	—
Utilities	259,072	—	259,072	—
Non-U.S. Government Bond				
Sovereign	25,078,750	—	25,078,750	—
U.S. LLC Interest	15,207,664	—	—	15,207,664
U.S. Preferred Stock				
Financials	4,035,559	—	4,035,559	—
Real Estate	7,738,392	—	7,738,392	—



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

	Total value at September 30, 2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Non-U.S. Asset-Backed Securities	\$ 10,574,913	\$ —	\$ 10,438,191	\$ 136,722
U.S. Agency Collateralized Mortgage Obligation	9,984,739	—	9,984,739	—
Non-U.S. Corporate Bonds & Notes				
Communication Services	976,835	—	976,835	—
Energy	2,558,772	—	45	2,558,727
Utilities	4,087,430	—	4,087,430	—
Non-U.S. Purchased Options	7,643,639	7,643,639	—	—
U.S. Rights				
Utilities	6,996,052	—	6,996,052	—
Non-U.S. Senior Loan				
Communication Services	1,120,913	—	1,120,913	—
U.S. Corporate Bonds & Notes				
Information Technology <sup>(1)</sup>	—	—	—	—
Real Estate	283,000	—	283,000	—
Utilities	824,429	—	824,429	—
U.S. Warrants				
Financials	314	314	—	—
Healthcare	187,883	—	—	187,883
Non-U.S. Warrants				
Communication Services	16,185	16,185	—	—
Industrials	289,883	—	289,883	—
Information Technology	40,679	40,679	—	—
Non-U.S. Registered Investment Companies	21,748,319	18,265,238	—	3,483,081
U.S. Cash Equivalent	207,028	207,028	—	—
Other Financial Instruments				
Short Futures	632,896	632,896	—	—
<b>Total Assets</b>	<b>475,060,353</b>	<b>289,159,109</b>	<b>101,035,636</b>	<b>84,865,608</b>
<b>Liabilities</b>				
Securities Sold Short				
U.S. Exchange-Traded Fund	(1,419,585)	(1,419,585)	—	—
U.S. Equity				
Communication Services	(18,639,733)	(18,639,733)	—	—
Consumer Discretionary	(1,568,292)	(1,568,292)	—	—
Healthcare	(34,760,754)	(34,760,754)	—	—
Non-U.S. Equity				
Communication Services	(3,728,000)	(3,728,000)	—	—
Energy	(4,177,725)	(4,177,725)	—	—
Healthcare	(10,981,600)	(10,981,600)	—	—
Other Financial Instruments				
Written Options	(2,469,462)	(2,469,462)	—	—
<b>Total Liabilities</b>	<b>(77,745,151)</b>	<b>(77,745,151)</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>\$ 397,315,202</b>	<b>\$ 211,413,958</b>	<b>\$ 101,035,636</b>	<b>\$ 84,865,608</b>

(1) This category includes securities with a value of zero.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

The table below sets forth a summary of changes in the Fund's assets measured at fair value using significant unobservable inputs (Level 3) for the year ended September 30, 2019.

	Balance as of September 30, 2018	Transfers Into Level 3	Transfers Out of Level 3	Accrued Discounts (Premiums)	Realized Gains/ (Losses)	Net Unrealized Appreciation (Depreciation)	Net Purchases	Net Sales	Balance as of September 30, 2019	Change in Unrealized Appreciation (Depreciation) from Investments held at September 30, 2019
<b>U.S. Equity</b>										
Chemicals	\$ 1,296,206	\$ —	\$ —	\$ —	\$ —	\$ (564,335)	\$ —	\$ —	\$ 731,871	\$ (564,335)
Communication Services	64,277,652	—	—	—	4,155,617	1,658,285	—	(22,956,850)	47,134,704	1,658,285
Media	2,127,254	—	—	—	—	11,041,979	—	(13,169,233)	—	—
<b>U.S. Senior Loans</b>										
Chemicals	1,060,993	—	—	27,904	—	(790)	—	—	1,088,107	(790)
Communication Services	52,268,596	—	—	22,837	(48,061)	37,701	2,015,776	(39,960,000)	14,336,849	37,701
<b>U.S. LLC Interest</b>	—	—	—	—	—	207,664	15,000,000	—	15,207,664	207,664
<b>Non-U.S. Asset-Backed Security</b>	117,574	—	—	(715)	—	19,863	—	—	136,722	19,863
<b>Non-U.S. Corporate Bonds &amp; Notes</b>										
Energy	2,558,727	—	—	—	—	—	—	—	2,558,727	—
<b>U.S. Warrants</b>										
Healthcare	201,754	—	—	—	—	(13,871)	—	—	187,883	(13,871)
<b>Non-U.S. Warrants</b>										
Information Technology	199,521	—	(107,509)	—	—	(92,012)	—	—	—	—
<b>Non-U.S. Registered Investment Company</b>	2,966,972	—	—	—	—	516,109	—	—	3,483,081	516,109
<b>Total</b>	<u>\$ 127,075,249</u>	<u>\$ —</u>	<u>\$ (107,509)</u>	<u>\$ 50,026</u>	<u>\$ 4,107,556</u>	<u>\$ 12,810,593</u>	<u>\$ 17,015,776</u>	<u>\$ (76,086,083)</u>	<u>\$ 84,865,608</u>	<u>1,860,626</u>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments for the year ended September 30, 2019, there were no transfers between Levels.

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Market Value at 9/30/2019	Valuation Technique	Unobservable Inputs	Input Value(s)
U.S. Equity	\$ 47,866,575	Multiples Analysis	Unadjusted Price/MHz-PoP	\$0.12 - \$0.95
			Risk Discount	55.2% - 59.8%
			LTM EBITDA Multiple	6.83x
			Liquidity Discount	10%
			Size Adjustment	10%
			Discount Rate	15%
		Discounted Cash Flow	Enterprise Value (\$mm)	\$365.00 - \$771.00
		Transaction Indication Of Value		



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

Category	Market Value at 9/30/2019	Valuation Technique	Unobservable Inputs	Input Value(s)
U.S. Senior Loans	15,424,956	Discounted Cash Flow	Discount Rate	11.1%
		Debt-Loan Spread	Spread Adjustment	0.1%
			Adjusted Yield	9.56% - 14.83%
			Swap Rate	1.50% -1.64%
LLC Interest	15,207,664	Discounted Cash Flow	Discount Rate	2.46% -4.54%
Registered Investment Companies	3,483,081	Net Asset Value		N/A N/A
Corporate Bonds & Notes	2,558,727	Liquidation Analysis	Claim Amount: Percent of Par	6.9%
Warrants	187,883	Black-Scholes Model	Annualized Volatility	64.4%
Asset-Backed Securities	136,722	Discounted Cash Flow	Discount Rate	20.9%
<b>Total</b>	<b>\$ 84,865,608</b>			

In addition to the unobservable inputs utilized for various valuation methodologies, the Adviser frequently uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Adviser assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 10% to as high as 55% as of September 30, 2019. The selection of weightings is an inherently subjective process, dependent on professional judgment. These selections may have a material impact to the concluded fair value for such holdings.

The significant unobservable inputs used in the fair value measurement of the Fund's bank loan securities are: adjusted yield, swap rate, discount rate and spread adjustment. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Fund's common equity securities are: multiple of EBITDA, price/MHz-PoP multiple, risk discount, illiquidity discount, discount rate and size adjustment. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement. Generally, a change in the assumption used for the risk discount is accompanied by a directionally opposite change in the assumption for the price/MHz-PoP multiple.

### Security Transactions

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both consolidated financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

### Income Recognition

Corporate actions (including cash dividends) are recorded on the ex-dividend date, net of applicable withholding taxes,

except for certain foreign corporate actions, which are recorded as soon after ex-dividend date as such information becomes available and is verified. Interest income is recorded on the accrual basis.

Accretion of discount on taxable bonds and loans is computed to the call date, while amortization of premium on taxable bonds and loans is computed to the call or maturity date, whichever is shorter, both using the effective yield method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

### U.S. Federal Income Tax Status

The Fund is treated as a separate taxpayer for U.S. federal income tax purposes. The Fund intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and will distribute substantially all of its taxable income and gains, if any, for the tax year, and as such will not be subject to U.S. federal income taxes. In addition, the Fund intends to distribute, in each calendar year, all of its net investment income, capital gains and certain other amounts, if any, such that the Fund should not be subject to U.S. federal excise tax. Therefore, no U.S. federal income or excise tax provisions are recorded.

The Investment Adviser has analyzed the Fund's tax positions taken on U.S. federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for U.S. federal income tax is required in the Fund's consolidated financial statements. The Fund's U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. Furthermore, the Investment Adviser of the Fund is also not aware of any tax positions for which it is reasonably possible



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

### Distributions to Shareholders

The Fund declares and pays investment income distributions quarterly. The Fund typically declares and pays distributions from net realized capital gains in excess of capital loss carryforwards annually.

### Cash & Cash Equivalents

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of the Consolidated Statement of Assets and Liabilities.

### Foreign Currency

Accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates using the current 4:00 PM London Time Spot Rate. Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates, between trade and settlement dates on securities transactions and between the accrual and payment dates on dividends, interest income and foreign withholding taxes, are recorded as unrealized foreign currency gains/(losses). Realized gains/(losses) and unrealized appreciation/(depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Consolidated Statement of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

### Securities Sold Short

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. A Fund may have to pay a fee to borrow particular securities and is often obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances,

a Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Securities and cash held as collateral for securities sold short are shown on the Consolidated Investment Portfolio. Cash held as collateral for securities sold short is classified as restricted cash on the Consolidated Statement of Assets and Liabilities, as applicable. Restricted cash in the amount of \$17,668,451 was held with the broker for the Fund. Additionally, securities valued at \$110,028,333 were posted in the Fund's segregated account for collateral for short sales, written option contracts, and secured credit facility.

### Other Fee Income

Fee income may consist of origination/closing fees, amendment fees, administrative agent fees, transaction break-up fees and other miscellaneous fees. Origination fees, amendment fees, and other similar fees are non-recurring fee sources. Such fees are received on a transaction by transaction basis and do not constitute a regular stream of income and are recognized when incurred.

### Conversion Costs

In conjunction with the shareholder proposal to convert the Fund from an open-end fund to a closed-end fund (see Note 14), the Fund has incurred legal fees and other fees in preparation of this conversion. These conversion costs include both actual and estimated fees, and are included in the Consolidated Statement of Operations as conversion fees.

### Note 3. Derivative Transactions

The Fund is subject to equity securities risk, interest rate risk and currency risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments.

### Futures Contracts

A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. The Fund may invest in interest rate, financial and stock or bond index futures contracts subject to certain limitations. The Fund invests in futures contracts to manage its exposure to the stock and bond markets and fluctuations in currency values. Buying futures tends to increase the Fund's exposure to the underlying instrument while selling futures tends to decrease the Fund's exposure to the underlying instrument, or economically hedge other Fund investments. With futures contracts, there is minimal counterparty credit risk to the Fund since futures contracts are exchange-traded and the exchange's clearinghouse, as counterparty to all



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

traded futures, guarantees the futures against default. A Fund's risks in using these contracts include changes in the value of the underlying instruments, non-performance of the counterparties under the contracts' terms and changes in the liquidity of the secondary market for the contracts. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they principally trade.

Upon entering into a financial futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount, known as initial margin deposit. Subsequent payments, known as variation margins, are made or can be received by the Fund each day, depending on the daily fluctuation in the fair value of the underlying security. The Fund records an unrealized gain/(loss) equal to the daily variation margin. Should market conditions move unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may incur a loss. The Fund recognizes a realized gain/(loss) on the expiration or closing of a futures contract.

During the year ended September 30, 2019, the Fund entered into futures transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, and to gain market exposure for residual and accumulating cash positions. Cash held as collateral for futures contracts is shown on the Consolidated Statement of Assets and Liabilities as "Restricted Cash — Futures."

### Options

The Fund may utilize options on securities or indices to varying degrees as part of its principal investment strategy. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by a Fund expires unexercised, a Fund realizes on the expiration date a capital gain equal to the premium received by a Fund at the time the option was written. If an option purchased by a Fund expires unexercised, a Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security,

exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when a Fund desires. A Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. A Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid.

During the year ended September 30, 2019, the Fund had written options to provide leveraged short exposure, and purchased options to provide leveraged long exposure, to the underlying equity, which is consistent with the investment strategies of the Fund.

### Additional Derivative Information

The Fund follows adopted amendments to authoritative guidance on disclosures about derivative instruments and hedging activities which require that the Fund discloses a) how and why an entity uses derivative instruments; b) how derivative instruments and related hedged items are accounted for; c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows; and d) how the netting of derivatives subject to master netting arrangements (if applicable) affects the net exposure of the Fund related to the derivatives.

To reduce counterparty credit risk with respect to over-the-counter ("OTC") transactions, the Fund has entered into master netting arrangements, established within the Fund's International Swap and Derivatives Association, Inc. ("ISDA") master agreements, which allows the Fund to make (or to have an entitlement to receive) a single net payment in the event of default (close-out netting) for outstanding payables and receivables with respect to certain OTC derivative positions in forward currency exchange contracts for each individual counterparty. In addition, the Fund may require that certain counterparties post cash and/or securities in collateral accounts to cover its net payment obligations for those derivative contracts subject to ISDA master agreements. If the counterparty fails to perform under these contracts and agreements, the cash and/or securities will be made available to the Fund.

Certain ISDA master agreements include credit related contingent features which allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Fund's net assets decline by a



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

stated percentage or the Fund fails to meet the terms of its ISDA master agreements, which would cause the Fund to accelerate payment of any net liability owed to the counterparty.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Consolidated Statement of Assets and Liabilities. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

Collateral terms are contract specific for OTC derivatives. For derivatives traded under an ISDA master agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that to the value of any collateral currently pledged by the Fund or the Counterparty.

For financial reporting purposes, cash collateral that has been pledged to cover obligations of the Fund, if any, is reported in restricted cash on the Consolidated Statement of Assets and Liabilities. Generally, the amount of collateral due from or to a party must exceed a minimum transfer amount threshold before a transfer has to be made. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance.

The effect of derivative instruments on the Consolidated Statement of Operations for the year ended September 30, 2019, is as follows:

	Net Realized Gain (Loss) on Derivatives	Net Change in Unrealized Appreciation/ (Depreciation) on Derivatives
Interest Rate Risk	447,653 <sup>(1)</sup>	(160,650) <sup>(4)</sup>
Equity Price Risk	(2,149,803) <sup>(1)(2)(3)</sup>	(91,259) <sup>(4)(5)(6)</sup>
Commodity Risk	—	(25,786) <sup>(4)(6)</sup>

(1) Consolidated Statement of Operations location: Realized gain (loss) on written options contracts.

(2) Consolidated Statement of Operations location: Realized gain (loss) on investments from unaffiliated issuers. Purchased options only.

(3) Consolidated Statement of Operations location: Realized gain (loss) on futures contracts.

(4) Consolidated Statement of Operations location: Change in unrealized appreciation (depreciation) on investments. Purchased options only.

(5) Consolidated Statement of Operations location: Change in unrealized appreciation (depreciation) on futures contracts.

(6) Consolidated Statement of Operations location: Change in unrealized appreciation (depreciation) on written options.

The average monthly volume of derivative activity for the year ended September 30, 2019, is as follows:

	Units/ Contracts	Appreciation/ (Depreciation)
Futures Contracts <sup>(1)</sup>	194	\$ (379,631)
Purchased Options Contracts	17,662	—
Written Options Contracts	7,597	—

(1) Futures Contracts average monthly volume is calculated using Appreciation/(Depreciation).

### Note 4. Securities Lending

Effective April 4, 2019, HCMFA entered into a custody agreement with Bank of New York Mellon ("BNY"). Prior to April 4, 2019, State Street Bank and Trust Company ("State Street") served as the custodian to the Fund.

As of September 30, 2019, the Fund did not participate in securities lending transactions with BNY.

Prior to April 4, 2019, the Fund could seek additional income by making secured loans of its portfolio securities through its prior custodian, State Street. Such loans would be in an amount not greater than one-third of the value of the Fund's total assets. State Street would charge a fund fees based on a percentage of the securities lending income.

The Fund would receive collateral consisting of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, sovereign debt, convertible bonds, irrevocable bank letters of credit or such other collateral as may be agreed on by the parties to a securities lending arrangement, initially with a value of 102% or 105% of the market value of the loaned securities and thereafter maintained at a value of 100% of the market value of the loaned securities. If the collateral consists of non-cash collateral, the borrower would pay the Fund a loan premium fee. If the collateral consists of cash, State Street would reinvest the cash. Although voting rights, or rights to consent, with respect to the loaned securities pass to the borrower, the Fund would recall the loaned securities upon reasonable notice in order that the securities could be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Fund also could call such loans in order to sell the securities involved.

Securities lending transactions were entered into pursuant to Securities Loan Agreements ("SLA"), which would provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaulted, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an SLA counterparty's bankruptcy or insolvency. Under the SLA, the Fund can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate this risk, each Fund benefits from a borrower default indemnity provided by State Street. State Street's indemnity generally provides for replacement of securities lent or the approximate value thereof.

### Note 5. U.S. Federal Income Tax Information

The character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from U.S. GAAP. These differences include (but are not limited to) investments organized as partnerships for tax purposes, investments in futures, losses deferred to off-setting positions, tax treatment of organizational start-up costs, losses deferred due to wash sale transactions, tax

treatment of net investment loss and distributions in excess of net investment income, and tax attributes from Fund reorganizations. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. These reclassifications have no impact on net investment income, realized gains or losses, or NAV of the Fund. The calculation of net investment income per share in the Consolidated Financial Highlights table excludes these adjustments.

As of September 30, 2019, permanent differences chiefly resulting from foreign currency gains and losses, return of capital distributions from real estate investment trusts, capital gain distributions from other RICs, paydown gains and losses, partnership basis adjustments, defaulted bonds, elimination of subsidiary transactions, tax treatment of reorganization expense and capitalized dividends on short sales were identified and reclassified among the components of the Fund's net assets as follows:

Distributable Earnings (Loss)	Paid-in-Capital
\$4,862,699	\$(4,862,699)

At September 30, 2019, the most recent tax year-end, components of distributable earnings on a tax basis is as follows:

Undistributed Income	Undistributed Long-Term Capital Gains	Undistributed Tax-Exempt Income	Other Temporary Differences	Accumulated Capital and Other Losses	Net Tax Appreciation/ (Depreciation)
\$ —	\$ —	\$ —	\$ —	\$(229,922,340)	\$(240,363,003)

Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. As of September 30, 2019, the most recent tax year end, the Fund has capital loss carryovers as indicated below.

No Expiration Short-Term	No Expiration Long-Term	Total
\$106,122,225	\$123,800,115	\$229,922,340

The tax character of distributions paid during the years ended September 30, 2019 and September 30, 2018 were as follows:

	Exempt Interest	Ordinary Income <sup>(1)</sup>	Distributions Paid From: Long-Term Capital Gains	Return of Capital <sup>(2)</sup>
2019	\$ —	\$ 4,579,807	\$ —	\$ 12,388,348
2018	—	16,267,341	—	7,482,946

(1) For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

(2) Additional Information will be distributed on Form 1099 at the end of the calendar year.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

Unrealized appreciation and depreciation at September 30, 2019, based on cost of investments for U.S. federal income tax purposes was:

Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation)	Cost
\$ 18,545,175	\$ (258,908,178)	\$ (240,363,003)	\$ 677,197,027

For Federal income tax purposes, the cost of investments owned at September 30, 2019 were different from amounts reported for financial reporting purposes primarily due to investments in partnership, REIT, securities sold short, options, futures, defaulted bonds, other securities and deferred wash sale losses.

Under current laws, certain capital losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. Late-Year Losses represent ordinary losses realized on investment transactions from January 1, 2019 through September 30, 2019. For the fiscal year ended September 30, 2019, the Funds elected to defer the following losses:

Realized Capital Losses	Ordinary Losses
\$ —	\$ —

### Note 6. Credit Agreement

On January 10, 2018, the Fund entered into a financing arrangement (the "Financing Arrangement") with BNP Paribas Prime Brokerage International, Ltd., BNP Prime Brokerage, Inc., acting through its New York Branch, and BNP Paribas (together, the "BNPP Entities"). Under the Financing Agreement, the BNPP Entities may make margin loans to the Fund at rates ranging from 1 month LIBOR + 0.50% to 1 month LIBOR + 0.80%. The Financing Arrangement may be terminated by either the Fund or the BNPP Entities with 30 days' notice. At September 30, 2019, current outstanding and fair value amounts were \$105,431,689 and \$105,484,360, respectively. The fair value was estimated based off discounting cash flows owed using a discount rate of 0.50% over the five month risk-free rate. The Fund's average daily balance was \$120,248,041 at a weighted average interest rate of 3.15% for the days outstanding.

On March 25, 2019, the Fund entered into an agreement with Mizuho Securities USA, LLC ("Mizuho Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to Mizuho Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to

repurchase such securities or other assets from Mizuho Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities.

### Note 7. Advisory, Administration, Service and Distribution, Trustee, and Other Fees

#### Investment Advisory Fees and Administration Fees

For its investment advisory services, the Fund pays the Investment Adviser a monthly fee, computed and accrued daily, based on an annual rate of the Fund's Average Daily Managed Assets. Average Daily Managed Assets of the Fund means the average daily value of the total assets of the Fund less all accrued liabilities of a Fund (other than the aggregate amount of any outstanding borrowings constituting financial leverage). The Fund's contractual advisory fee with Highland for the year ended September 30, 2019 was 0.40%.

On behalf of the Fund, the Trust has entered into an administration agreement with SEI Investments Global Funds Services ("SEI"), a wholly owned subsidiary of SEI Investments Company, and pays SEI a fee for administration services. The Investment Adviser generally assists in all aspects of the Fund's administration and operations and furnishes offices, necessary facilities, equipment and personnel.

#### Expense Limits and Fee Reimbursements

The Investment Adviser has contractually agreed to limit the total annual operating expenses (exclusive of fees paid by the Fund pursuant to their distribution plans under Rule 12b-1 under the 1940 Act, as amended, taxes, such as deferred tax expenses, dividend expenses on short sales, interest payments, brokerage commissions and other transaction costs, acquired fund fees and expenses and extraordinary expenses (collectively, the "Excluded Expenses")) of the Fund to 0.90% of average daily net assets attributable to any class of the Fund the "Expense Cap". The Expense Cap expired on January 31, 2019.

Under the expense limitation agreement, the Investment Adviser may recoup waived and/or reimbursed amounts with respect to the Fund within thirty-six months of the date such amounts were waived or reimbursed, provided the Fund's total annual operating expenses, including such recoupment, do not exceed the Expense Cap in effect at the time of such waiver/reimbursement



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

### September 30, 2019

### Highland Global Allocation Fund

Additionally, the Funds may invest in securities issued by other investment companies, including investment companies that are advised by the Adviser or its affiliates, to the extent permitted by applicable law and/or pursuant to exemptive relief from the SEC, and exchange-traded funds ("ETFs"). Fees and expenses of such investments will be borne by shareholders of the investing Fund, and the Adviser voluntarily waives the higher of the two fees for the portion of the Fund's investment advisory fee attributable to its investment in the affiliated investment company.

On September 30, 2019, the amounts subject to possible future recoupment under the Fund's expense limitations were as follows:

Expiring during Fiscal Years Ending September 30,		
2020	2021	2022
\$ —	\$ —	\$417,999

During the year ended September 30, 2019, the Investment Adviser did not recoup any fees previously waived or reimbursed, and \$660,281 of fees previously waived and or reimbursed by the Investment Adviser that were eligible for recoupment expired. No other amounts expired or were recouped from the Funds during the year ended year ended September 30, 2019.

### Other Transactions with the Investment Adviser

Various transactions occurred related to the valuation correction of the Fund's investment in equity issued by TerreStar Corporation. Subsequent to September 30, 2018, a valuation correction was made, affecting the value of the individual position between March 2018 through January 2019 and, as a result, other Fund calculations and shareholder payments that occurred during that period. The Fund's former Transfer Agent was engaged to assess the extent and impact of the errors and process the payments owed to shareholders for subscription overpayments. As of September 30, 2019, the Fund has received payments of approximately \$7.7 million from the Adviser for: overpayments made by the Fund on redemption payments to shareholders resulting from the valuation correction; amounts owed to certain shareholders for subscription overpayments resulting from the valuation correction; and interest on these amounts. Prior to year-end, the Fund wired approximately \$1.6 million of the amount received from the Adviser to the Fund's former Transfer Agent to process and distribute amounts owed to affected shareholders. During the period ended September 30, 2018, the net increase in net assets of the Fund as a result of the amount received from the Adviser, less the amount distributed to the Fund's former Transfer Agent was \$4.0 million. This amount is reflected as a reduction to redemptions paid on the Statement of Changes in Net Assets for the year ended September 30, 2018. The net

increase in the Fund's net assets for the period ended September 30, 2019 is \$2.1 million and is reflected as a net reduction to redemptions paid on the Consolidated Statement of Changes in Net Assets. The Adviser will continue to pay any fees resulting from the services (e.g. tax reporting, FATCA documentation, etc.) performed by the former Transfer Agent. Additionally, advisory fees that were previously paid to the Adviser and attributable to the overstated net assets relating to this matter were returned to the Fund. As of September 30, 2019, no additional amounts are owed to the Fund relating to this matter. All daily NAVs published between March 2018 and January 2019 that were materially affected by the valuation correction will be restated after the completion of the Fund's annual audit.

### Fees Paid to Officers and Trustees

Each Trustee who is not an "interested person" of the Fund as defined in the 1940 Act (the "Independent Trustees") receives an annual retainer of \$150,000 payable in quarterly installments and allocated among each portfolio in the Highland Fund Complex overseen by such Trustee based on relative net assets. The "Highland Fund Complex" consists of all of the registered investment companies advised by the Investment Adviser or its affiliated advisers and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act as of the date of this report. Effective December 4, 2015, Mr. Powell resigned from his position with the Investment Adviser. Prior to December 8, 2017, Mr. Powell was treated as an Interested Trustee of the Trust for all purposes other than compensation and the Trust's code of ethics.

The Fund pays no compensation to its officers, all of whom are employees of the Investment Adviser or one of its affiliates.

### Distribution and Shareholder Service Fees

Prior to the Conversion Date, the Fund has a distribution and shareholder service plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. The Plan required the payment of a monthly service fee to NexPoint Securities, Inc. (formerly, Highland Capital Funds Distributor, Inc.) (the "Underwriter") at an annual rate of 0.25% of the average daily net assets attributable to Class A, and Class C shares of the Fund. The Plan also required the payment of a monthly distribution fee to the Underwriter at an annual rate of 0.75% of the average daily net assets attributable to Class C shares. Class Y shares were not subject to a 12b-1 fee.

The Underwriter received \$1,512 of front-end sales charges from the sale of Class A shares of the Fund during the year ended September 30, 2019.

After the Conversion Date, the Fund was no longer subject to 12b-1 fees.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

### Indemnification

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

### Note 8. Disclosure of Significant Risks and Contingencies

The primary risks of investing in the Fund are described below in alphabetical order:

#### Counterparty Risk

Counterparty risk is the potential loss the Fund may incur as a result of the failure of a counterparty or an issuer to make payments according to the terms of a contract. Counterparty risk is measured as the loss the Fund would record if its counterparties failed to perform pursuant to the terms of their obligations to the Fund. Because the Fund may enter into over-the-counter forwards, options, swaps and other derivative financial instruments, the Fund may be exposed to the credit risk of its counterparties. To limit the counterparty risk associated with such transactions, the Fund conducts business only with financial institutions judged by the Investment Adviser to present acceptable credit risk.

#### 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. Investments in high yield debt and high yield Senior Loans may result in greater NAV fluctuation than if the Fund did not make such investments.

Corporate debt obligations, including Senior Loans, are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the Fund, a reduction in the value of the corporate debt obligation experiencing non-payment and a potential decrease in the NAV of the Fund.

#### Currency Risk

A portion of the Fund's assets may be quoted or denominated in non-U.S. currencies. These securities may be adversely affected by fluctuations in relative currency exchange rates and by exchange control regulations. The Fund's investment performance may be negatively affected by a devaluation of a currency in which the Fund's investments are quoted or denominated. Further, the Fund's investment performance may be significantly affected, either positively or negatively, by currency exchange rates because the U.S. dollar value of

securities quoted or denominated in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar.

#### Derivatives Risk

Derivatives risk is a combination of several risks, including the risks that: (1) an investment in a derivative instrument may not correlate well with the performance of the securities or asset class to which the Fund seeks exposure, (2) derivative contracts, including options, may expire worthless and the use of derivatives may result in losses to the Fund, (3) a derivative instrument entailing leverage may result in a loss greater than the principal amount invested, (4) derivatives not traded on an exchange may be subject to credit risk, for example, if the counterparty does not meet its obligations (see also "Counterparty Risk"), and (5) derivatives not traded on an exchange may be subject to liquidity risk and the related risk that the instrument is difficult or impossible to value accurately. As a general matter, when the Fund establishes certain derivative instrument positions, such as certain futures, options and forward contract positions, it will segregate liquid assets (such as cash, U.S. Treasury bonds or commercial paper) equivalent to the Fund's outstanding obligations under the contract or in connection with the position. In addition, changes in laws or regulations may make the use of derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the use, value or performance of derivatives. A Fund's ability to pursue its investment strategy, including its strategy of investing in certain derivative instruments, may be limited to or adversely affected by the Fund's intention to qualify as a regulated investment company, and its strategy may bear adversely on its ability to so qualify.

#### Illiquid and Restricted Securities Risk

Certain investments made by the Fund are, and others may be, illiquid, and consequently the Fund 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 Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Fund's investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

Restricted securities (i.e., securities acquired in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Fund, however, may not be able to sell these securities when the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, if in order to permit resale the







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased. A high percentage of illiquid securities in a Fund creates a risk that such a Fund may not be able to redeem its shares without causing significant dilution to remaining shareholders.

### Master Limited Partnership ("MLP") Risk

Master Limited Partnership Risk is the risk of investing in MLP units, which involves some risks that differ from an investment in the equity securities of a company. The Fund may hold a significant investment in MLP units. Holders of MLP units have limited control and voting rights on matters affecting the partnership. Holders of units issued by an MLP are exposed to a remote possibility of liability for all of the obligations of that MLP in the event that a court determines that the rights of the holders of MLP units to vote to remove or replace the general partner of that MLP, to approve amendments to that MLP's partnership agreement, or to take other action under the partnership agreement of that MLP would constitute "control" of the business of that MLP, or a court or governmental agency determines that the MLP is conducting business in a state without complying with the partnership statute of that state. Holders of MLP units are also exposed to the risk that they will be required to repay amounts to the MLP that are wrongfully distributed to them. Additionally, a sustained reduced demand for crude oil, natural gas and refined petroleum products could adversely affect MLP revenues and cash flows, and changes in the regulatory environment could adversely affect the profitability of MLPs.

### Interest Rate Risk

The risk that fixed income securities will decline in value because of changes in interest rates. When interest rates decline, the value of fixed rate securities already held by the Fund can be expected to rise. Conversely, when interest rates rise, the value of existing fixed rate portfolio securities can be expected to decline. A fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a Fund with a shorter average portfolio duration. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Due to this announcement, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Fund or the financial instruments in which the Company invests cannot yet be determined.

### Leverage Risk

The Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants,

securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged.

### Non-U.S. Securities Risk

The Fund may invest in non-U.S. securities. Investing in non-U.S. securities involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in foreign exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower trading volume; much greater price volatility and illiquidity of certain non-U.S. securities markets; different trading and settlement practices; less governmental supervision; changes in currency exchange rates; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements.

### Senior Loans Risk

The risk that the issuer of a senior may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of the senior loan or reduce the Fund's returns. The risks associated with senior loans are similar to the risks of high yield debt securities. Senior loans and other debt securities are also subject to the risk of price declines and to increases in interest rates, particularly long-term rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may increase the risk of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. Therefore, senior loans may not mitigate price declines in a long-term interest rate environment. The Fund's investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers.

### Short Sales Risk

Short sales by the Fund that are not made where there is an offsetting long position in the asset that it is being sold short theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any







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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet margin calls on its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

### Valuation Risk

Certain of the Fund's assets are fair valued, including the Fund's primary illiquid asset, TerreStar. TerreStar is a non-operating company that does not currently generate revenue and which primarily derives its value from two spectrum frequencies, the license with respect to one of which was terminated by the FCC and is being contested by TerreStar on technical and public policy grounds. TerreStar currently anticipates such contest may take between 12 to 30

months and expects deployment of its other spectrum asset to require a similar period of time. If TerreStar is ultimately unsuccessful in its efforts, the terminated license would not be reinstated and the value of the TerreStar equity would likely be materially negatively impacted. The fair valuation of TerreStar involves uncertainty as it is materially dependent on these estimates.

With regard to the likelihood of TerreStar regaining the terminated license, the Investment Adviser assigned a high probability of success, based in part in consultation with outside experts.

### Note 9. Investment Transactions

#### Purchases & Sales of Securities

The cost of purchases and the proceeds from sales of investments, other than short-term securities and short-term options, for the year ended September 30, 2019, were as follows:

U.S. Government Securities		Other Securities	
Purchases	Sales	Purchases	Sales
\$—	\$ —	\$142,928,822	\$211,519,592

### Note 10. Affiliated Issuers

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as "affiliated" if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund as of September 30, 2019:

Issuer	Shares at September 30, 2018	Beginning Value as of September 30, 2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain/ (Loss) on Sales of Affiliated Issuers	Change in Unrealized Appreciation/ Depreciation	Ending Value as of September 30, 2019	Shares at September 30, 2019	Affiliated Income
<b>Other Affiliates</b>									
TerreStar Corp. (U.S. Equity)	235,122	\$ 64,277,652	\$ —	\$ (22,956,849)	\$4,155,617	\$ 1,658,284	\$ 47,134,704	169,531	\$ —
Gambier Bay LLC (U.S. Equity)	16,054,749	2,127,254	—	(13,169,233)	—	11,041,979	—	—	—
NexPoint Residential Trust (U.S. Equity)	—	—	2,002,735	—	—	892,270	2,895,005	61,912	19,785
TerreStar Corp. (U.S. Senior Loans)	52,320,917	52,268,596	2,014,796	(39,960,000)	(48,061)	61,518	14,336,849	14,336,849	1,983,791
Highland Energy MLP Fund (Master Limited Partnerships)	4,629,572	16,897,938	1,602,618	—	—	(4,084,870)	14,415,686	5,166,913	1,602,618
SFR WLIF I, LLC (U.S. LLC Interest)	—	—	6,773,494	—	—	144,953	6,918,447	6,773,494	—



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

Issuer	Shares at September 30, 2018	Beginning Value as of September 30, 2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain/ (Loss) on Sales of Affiliated Issuers	Change in Unrealized Appreciation/ Depreciation	Ending Value as of September 30, 2019	Shares at September 30, 2019	Affiliated Income
SFR WLIF II, LLC (U.S. LLC Interest)	—	\$ —	\$ 4,437,497	\$ —	\$ —	\$ 99,844	\$ 4,537,341	4,437,497	\$ —
SFR WLIF III, LLC (U.S. LLC Interest)	—	—	3,789,008	—	—	(37,132)	3,751,876	3,789,008	—
BB Votorantim Highland Infrastructure LLC (Registered Investment Companies)	10,000	2,966,972	—	—	—	516,109	3,483,081	10,000	—
Highland Merger Arbitrage Fund (Registered Investment Companies)	688,774	14,725,982	1,582,386	(5,023,875)	369,026	(1,208,110)	10,445,409	544,599	1,558,511
Highland Global Allocation Fund (Registered Investment Companies)	—	—	1,000	—	—	—	1,000	100	72,218
NexPoint Strategic Opportunities Fund (Registered Investment Companies)	351,861	7,881,686	1,497,460	(139,379)	—	(1,419,938)	7,819,829	436,131	772,485
<b>Total</b>	<b>74,290,995</b>	<b>\$ 161,146,080</b>	<b>\$ 23,700,994</b>	<b>\$ (81,249,336)</b>	<b>\$ 4,476,582</b>	<b>\$ 7,664,907</b>	<b>\$ 115,739,227</b>	<b>\$ 35,726,034</b>	<b>\$ 6,009,408</b>

### Note 11. Regulatory Matters

On August 17, 2018, the SEC adopted amendments to Regulation S-X. These changes are effective for periods after November 5, 2018. The updates to Registered Investment Companies were mainly focused on simplifying the presentation of distributable earnings by eliminating the need to present the components of distributable earnings on a book basis in the Statements of Assets and Liabilities. The update also impacted the presentation of undistributed net investment income and distribution to shareholders on the Consolidated Statements of Changes in Net Assets. The amounts presented in the current Consolidated Statements of Changes in Net Assets represent the aggregated total distributions of net investment income and realized capital

gains, except for distributions classified as return of capital which are still presented separately.

### Note 12. New Accounting Pronouncements

In November 2016, the FASB issued Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this update require the statement of cash flows to explain the change during the period in the total of cash, restricted cash and cash equivalents. Amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For public entities this update will be effective for

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

September 30, 2019

Highland Global Allocation Fund

fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and effective April 1, 2018, the Fund no longer reports the change in restricted cash and cash equivalents in the operating and investing sections in our Consolidated Statement of Cash Flows. Restricted cash and cash equivalents are now included in the beginning and end of the period cash and cash equivalents on the Consolidated Statement of Cash Flows. These changes have been applied using a retrospective transition method to each period presented.

In December 2016, the FASB issued Accounting Standards Update 2016-19, Technical Corrections and Improvements. The amendments in this update include an amendment to FASB ASC Topic 820, Fair Value Measurement and Disclosures to clarify the difference between a valuation approach and a valuation technique. The amendment also requires an entity to disclose when there has been a change in either or both a valuation approach and/or a valuation technique. For public entities, this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

In March 2017, the FASB issued Accounting Standards Update 2017-08, Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20). The amendments in this update shorten the amortization period for certain callable debt securities held at premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. For public entities this update will be effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. The Investment Adviser is currently evaluating the impact of this new guidance on the Fund's consolidated financial statements.

In February 2018, the FASB issued Accounting Standards Update 2018-03, Technical Corrections and Improvements to Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update provide a variety of technical corrections and improvements to how entities should account for financial instruments. For public entities this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years beginning after June 15, 2018. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820). The new guidance includes additions and modifications to disclosures requirements for fair value measurements. For public entities, the amendments are effective for consolidated financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. At this time, management is currently evaluating the impact of this new guidance on the consolidated financial statements and disclosures.

### Note 13. Legal Matters

The Fund received a shareholder demand letter dated March 1, 2018, from an individual purporting to be a share-holder of the Fund (the "Demand Letter"). The Demand Letter alleges that the current and former Board breached their fiduciary duties, and the Investment Adviser breached its advisory agreement, in relation to the Fund's investment in shares of an affiliated mutual fund, the Highland Energy MLP Fund (also a series of the Trust). The Fund holds \$15.5 million (or 61.5%) of the Highland Energy MLP Fund. Upon receipt of the Demand Letter, the Board formed a Demand Review Committee ("DRC") comprised entirely of independent trustees to investigate these claims and to make a recommendation to the Board regarding whether pursuit of these claims is in the best interests of the Fund. Aided by independent counsel to the committee, the DRC engaged in a thorough and detailed review of the allegations contained in the Demand Letter. Upon completion of its evaluation, the DRC recommended that the Fund's independent trustees, who represent a majority of the Board, reject the demand specified in the shareholder Demand Letter.

After considering the report of the DRC, the independent trustees unanimously agreed and rejected the demand, noting that the Demand Letter contained material factual errors and incorrect assumptions, and the proposed suit was meritless and should not be pursued. A copy of the report was provided to the purported shareholder and her counsel.

Notwithstanding the foregoing, the purported shareholder (the "Plaintiff") filed a shareholder derivative suit against the Fund, certain members of the Board and the Investment Adviser on September 5, 2018 (the "Shareholder Litigation"). Based on the extensive pre-suit investigation and the resulting report, the Fund, Board and Investment Adviser believe the claims made in the Shareholder Litigation are without merit and intend to vigorously defend against them. The case is *Lanotte v. Highland Global Allocation Fund et al*, 3:18-cv-02360, U.S. District Court for the Northern District of Texas (Dallas). The Demand Letter and the Shareholder Litigation are not related to the Proposals and do not alter the intention of the Fund and the Investment Adviser to redomicile the Fund and convert the Fund into a closed-end fund.



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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (concluded)

September 30, 2019 Highland Global Allocation Fund

The Investment Adviser (HCMFA) is affiliated through common control with Highland Capital Management, L.P. (“HCMLP”), an SEC-registered investment adviser. On October 16, 2019, HCMLP filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. The Investment Adviser (HCMFA) is not a party to HCMLP’s bankruptcy filing. Investment Adviser (HCMFA) is a party to a shared services arrangement with HCMLP. Under this arrangement, the Investment Adviser (HCMFA) may utilize employees from HCMLP in connection with various services such as human resources, accounting, tax, valuation, information technology services, office space, employees, compliance and legal. The Investment Adviser (HCMFA) does not expect HCMLP’s bankruptcy filings to impact its provision of services to the Fund at this time.

Note 14. Asset Coverage

The Fund is required to maintain 300% asset coverage with respect to amounts outstanding (excluding short-term borrowings). Asset coverage is calculated by subtracting the Fund’s total liabilities, not including any amount representing bank loans and senior securities, from the Fund’s total assets and dividing the result by the principal amount of the borrowings outstanding. As of the dates

indicated below, the Fund’s debt outstanding and asset coverage was as follows:

Date	Total Amount Outstanding	% of Asset Coverage of Indebtedness
9/30/2019	120,295,348	346.2
9/30/2018	138,725,439	395.2
9/30/2017	—	—
9/30/2016	40,000,000	2,414.9
9/30/2015	—	—
9/30/2014	—	—
9/30/2013	—	—
9/30/2012	—	—
9/30/2011	—	—
9/30/2010	—	—
9/30/2009	—	—

Note 15. Subsequent Event

Management has evaluated the impact of all subsequent events on the Fund through the date the consolidated financial statements were issued, and has determined that there were no subsequent events to report which have not already been recorded or disclosed in these consolidated financial statements and accompanying notes.



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Board of Trustees and Shareholders of Highland Global Allocation Fund

#### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated statement of assets and liabilities, including the consolidated investment portfolio, of Highland Global Allocation Fund (hereafter referred to as the "Fund"), as of September 30, 2019, the related consolidated statements of operations and cash flows for the year ended September 30, 2019, the consolidated statements of changes in net assets for each of the two years in the period ended September 30, 2019, including the related notes, and the consolidated financial highlights for each of the two years in the period ended September 30, 2019 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2019, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended September 30, 2019 and the financial highlights for each of the two years in the period ended September 30, 2019 in conformity with accounting principles generally accepted in the United States of America.

The financial statements of the Fund as of and for the year ended September 30, 2017 and the financial highlights for each of the periods ended on or prior to September 30, 2017 (not presented herein, other than the financial highlights) were audited by other auditors whose report dated November 28, 2017 expressed an unqualified opinion on those financial statements and financial highlights.

#### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of securities owned as of September 30, 2019 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Dallas, Texas  
November 27, 2019

We have served as the auditor of one or more investment companies of Highland Capital Management Fund Advisors, L.P. and its affiliates since 2004.

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## ADDITIONAL INFORMATION (unaudited)

September 30, 2019

Highland Global Allocation Fund

### Tax Information

For shareholders that do not have a September 30, 2019 tax year end, this notice is for informational purposes only. For shareholders with a September 30, 2019 tax year end, please consult your tax adviser as to the pertinence of this notice. For the fiscal year ended September 30, 2019, the Fund is designating the following items with regard to earnings for the year.

Return of Capital	Long-Term Capital Gain Distribution	Ordinary Income Distribution	Total Distribution	
72.46%	0.00%	27.54%	100.00%	
Dividends Received Deduction <sup>(1)</sup>	Qualified Dividend Income <sup>(2)</sup>	Interest Related Dividends <sup>(3)</sup>	Short-Term Capital Gain Dividends <sup>(4)</sup>	Qualifying Business Income <sup>(5)</sup>
100.00%	100.00%	41.02%	0.00%	0.00%

- (1) Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions).
- (2) The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions). It is the intention of each of the aforementioned Funds to designate the maximum amount permitted by law.
- (3) The percentage in this column represents the amount of "Interest Related Dividends" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of net investment distributions that is exempt from U.S. withholding tax when paid to foreign investors.
- (4) The percentage in this column represents the amount of "Short-Term Capital Gain Dividend" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of short-term capital gain distributions that is exempt from U.S. withholding tax when paid to foreign investors.
- (5) The percentage of this column represents that amount of ordinary dividend income that qualified for 20% Business Income Deduction.

### Additional Portfolio Information

The Investment Adviser and its affiliates manage other accounts, including registered and private funds and individual accounts. Although investment decisions for the Fund are made independently from those of such other accounts, the Investment Adviser may, consistent with applicable law, make investment recommendations to other clients or accounts that may be the same or different from those made to the Fund, including investments in different levels of the capital structure of a company, such as equity versus senior loans, or that involve taking contradictory positions in multiple levels of the capital structure. The Investment Adviser has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, this may create situations where a client could be disadvantaged because of the investment activities conducted by the Investment Adviser

for other client accounts. When the Fund and one or more of such other accounts is prepared to invest in, or desire to dispose of, the same security, available investments or opportunities for each will be allocated in a manner believed by the Investment Adviser to be equitable to the Fund and such other accounts. The Investment Adviser also may aggregate orders to purchase and sell securities for the Fund and such other accounts. Although the Investment Adviser believes that, over time, the potential benefits of participating in volume transactions and negotiating lower transaction costs should benefit all accounts including the Fund, in some cases these activities may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

### Disclosure of Fund Expenses

As a shareholder of a Fund, you incur two types of costs:

(1) transaction costs, including sales charges (loads) on purchases and redemption fees; and (2) ongoing costs, including management fees; distribution (12b-1) and service fees; and other Fund expenses. This example is intended to help you understand the ongoing costs (in dollars) of investing in your Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested at the beginning of the period and held for the six-month period April 1, 2019 through September 30, 2019, unless otherwise indicated. This table illustrates your Fund's costs in two ways:

**Actual Expenses:** The first part of the table provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical Example for Comparison Purposes:** The second part of the table provides information about hypothetical account values and hypothetical expenses based on your Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not your Fund's actual return. The actual expense ratio includes voluntary fee waivers or expense reimbursements by the Fund's investment adviser. The expense ratio would be higher had the fee waivers or expense reimbursements not been in effect. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in your Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports







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## ADDITIONAL INFORMATION (unaudited) (continued)

September 30, 2019

Highland Global Allocation Fund

of the other funds. Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads) or redemption fees. Therefore, the second part of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value 04/01/19	Ending Account Value 09/30/19	Annualized Expense Ratios	Expenses Paid During Period <sup>(1)</sup>
<i>Actual Fund Return</i>				
	\$1,000.00	\$1,022.90	1.84%	\$ 9.28
<i>Hypothetical 5% Return (before expenses)</i>				
	\$1,000.00	\$1,015.80	1.84%	\$ 9.25

(1) Expenses are equal to the Fund's annualized expense ratio multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, divided by the number of days in the full fiscal year (183/365).

### Approval of Highland Funds II Investment Advisory Agreement (Highland Global Allocation Fund)

The Fund has retained the Investment Adviser to manage the assets of the Fund pursuant to an investment advisory agreement between the Investment Adviser and the Fund (the "Advisory Agreement"). The Advisory Agreement has been approved by the Fund's Board of Trustees, including a majority of the Independent Trustees. The Advisory Agreement continues in effect from year-to-year, provided that such continuance is specifically approved at least annually by the vote of holders of at least a majority of the outstanding shares of the Fund or by the Board of Trustees and, in either event, by a majority of the Independent Trustees of the Fund casting votes in person at a meeting called for such purpose.

During a telephonic meeting held on August 15, 2019, the Board of Trustees gave preliminary consideration to information bearing on the continuation of the Agreement for a one-year period commencing November 1, 2019 with respect to the Fund. The primary objective of the meeting was to ensure that the Trustees had the opportunity to consider matters they deemed relevant in evaluating the continuation of the Agreement, and to request any additional information they considered reasonably necessary for their deliberations.

At an in-person meeting held on September 19-20, 2019, the Board of Trustees, including the Independent Trustees, approved the continuance of the Agreement for a one-year period commencing on November 1, 2019. As part of its review process, the Board requested, through its independent legal counsel, and received from the Investment Adviser, various information and written materials,

including: (1) information regarding the financial soundness of the Investment Adviser and on the anticipated profitability of the Advisory Agreement to the Investment Adviser; (2) information on the advisory and compliance personnel of the Investment Adviser, including compensation arrangements for portfolio managers; (3) information on internal compliance procedures of the Investment Adviser, including policies and procedures for personal securities transactions and with respect to cybersecurity, business continuity and disaster recovery; (4) comparative information showing how the Fund's fees and expenses compare to those of other registered investment companies and comparable funds managed by the Investment Adviser that follow investment strategies similar to those of the Fund, if any; (5) information regarding the investment performance of other accounts managed by the Investment Adviser that follow investment strategies similar to the Fund, if any; (6) premium and discount information with respect to the Fund; and (7) information on any legal proceedings or regulatory audits or investigations affecting the Investment Adviser or its affiliates. In addition, the Board of Trustees received an independent report from FUSE Research Network ("FUSE"), an independent source of investment company data, relating to the Fund's performance and expenses compared to the performance and expenses of a group of funds deemed by FUSE to be comparable to the Fund (the "peer group"), and to a larger group of comparable funds (the "peer universe").

The Board of Trustees' evaluation process with respect to the Investment Adviser is an ongoing one. In this regard, the Board of Trustees also took into account discussions with management and information provided to the Board of Trustees at periodic meetings of the Board of Trustees over the course of the year with respect to the services provided by the Investment Adviser to the Fund, including quarterly performance reports prepared by management containing reviews of investment results and prior presentations from the Investment Adviser with respect to the Fund. The information received and considered by the Board of Trustees in connection with the September 19-20, 2019 meeting and throughout the year was both written and oral.

The Board of Trustees reviewed various factors that were discussed in a legal memorandum provided by independent counsel regarding trustee responsibilities in considering the Advisory Agreement, the detailed information provided by the Investment Adviser and other relevant information and factors. The Board of Trustees also considered other factors (including conditions and trends prevailing generally in the economy, the securities markets, and the industry). The Board of Trustees' conclusions as to the approval of the Advisory Agreement were based on a comprehensive consideration of all information provided to the Trustees without any single factor being dispositive in and of itself.



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## ADDITIONAL INFORMATION (unaudited) (continued)

September 30, 2019

Highland Global Allocation Fund

Some of the factors that figured particularly in the Board of Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. In addition, the Board of Trustees' conclusions may be based in part on its consideration of the advisory arrangements in prior years and on the Board's ongoing regular review of fund performance and operations throughout the year.

Throughout the process, the Board of Trustees had the opportunity to ask questions of and request additional information from the Investment Adviser. The Board of Trustees was assisted by legal counsel for the Trust and the Independent Trustees were also separately assisted by independent legal counsel throughout the process. The Independent Trustees were advised by and met in executive sessions with their independent legal counsel at which no representatives of management were present to discuss the proposed continuation of the Advisory Agreement, including prior to the September 19-20, 2019 meeting.

**The nature, extent, and quality of the services to be provided by the Investment Adviser.** The Board considered the portfolio management services to be provided by the Investment Adviser under the Advisory Agreement and the activities related to portfolio management, including use of technology, research capabilities and investment management staff. The Board discussed the relevant experience and qualifications of the personnel who would provide advisory services, including the background and experience of the members of the Fund's portfolio management team. The Trustees reviewed the management structure, assets under management and investment philosophies and processes of the Investment Adviser, including with respect to liquidity management. The Board also reviewed and discussed information regarding the Investment Adviser's compliance policies, procedures and personnel, including compensation arrangements and with respect to valuation, cybersecurity, business continuity and disaster recovery. The Board also considered the Investment Adviser's risk management processes. The Board of Trustees took into account the terms of the Advisory Agreement and considered that, the Investment Adviser, subject to the direction of the Board of Trustees, is responsible for providing advice and guidance with respect to the Fund and for managing the investment of the assets of the Fund. The Board of Trustees also took into account that the scope of services provided by the Investment Adviser and the undertakings required of the Investment Adviser in connection with those services, including maintaining and monitoring its own and the Fund's compliance program, had expanded over time as a result of regulatory, market and other developments. The Board of Trustees also considered the quality of the Investment

Adviser's compliance oversight program with respect to the Fund's service providers. The Board of Trustees also considered both the investment advisory services and the nature, quality and extent of any administrative and other non-advisory services that are provided to the Fund and its shareholders by the Investment Adviser and its affiliates. The Board also considered the significant risks assumed by the Investment Adviser in connection with the services provided to the Fund, including entrepreneurial risk and ongoing risks including investment, operational, enterprise, litigation, regulatory and compliance risks with respect to the Fund. The Board of Trustees also noted various cost-savings initiatives that had been implemented by the Adviser with respect to the Fund and the other funds in the Highland complex over the years.

The Board of Trustees also noted that on a regular basis it receives and reviews information from the Fund's Chief Compliance Officer (CCO) regarding the Fund's compliance policies and procedures established pursuant to Rule 38a-1 under the Investment Company Act of 1940.

In considering the nature, extent, and quality of the services provided by the Investment Adviser, the Board also took into account its knowledge of the Investment Adviser's management and the quality of the performance of its duties, through discussions and reports during the preceding year and in past years.

The Board took into account the Investment Adviser's risk assessment, monitoring process and regulatory history. The Board concluded that the Investment Adviser had the quality and depth of personnel and investment methods essential to performing its duties under the Advisory Agreement, and that the nature and the quality of such advisory services supported the approval of the Advisory Agreement.

**The Investment Adviser's historical performance.** In considering the Fund's performance, the Board of Trustees noted that it reviews at its regularly scheduled meetings information about the Fund's performance results. The Board of Trustees reviewed the historical performance of the Fund over various time periods and reflected on previous discussions regarding matters bearing on the Investment Adviser's performance at its meetings throughout the year. The Board of Trustees discussed the performance of the Fund and considered the relative performance of the Fund and its portfolio management team as compared to that of the Fund's peer group as selected by FUSE, as well as comparable indices. Among other data, the Board of Trustees also received data with respect to the Fund's leverage and distribution rates as compared to its peer group. The Board of Trustees noted that while it found the data provided by FUSE, the independent third-party data provider, generally useful, it recognized its limitations, including in particular







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## ADDITIONAL INFORMATION (unaudited) (continued)

September 30, 2019

Highland Global Allocation Fund

that the data may vary depending on the end date selected and the results of the performance comparisons may vary depending on the selection of the peer group. The Board of Trustees also took into account management's discussion of the Morningstar category in which the Fund was placed for comparative purposes, including any differences between the Fund's investment strategy and the strategy of the funds in the Fund's respective category, as well as compared to the peer group selected by FUSE.

Among other data relating specifically to the Fund's performance, the Board took note of the Fund's conversion from an open-end to a closed-end structure. The Board considered that the Fund trailed its benchmark, the FTSE All World TR USD Index for the one-, three-, five- and ten-year periods ended June 30, 2019. The Board further considered that the Fund had underperformed its peer group median for the three-, five- and ten-year periods ended June 30, 2019 and had outperformed its peer group median for the one-year period ended June 30, 2019. The Board of Trustees also took into account management's discussion of the Fund's underperformance, including a discussion of certain of the Fund's holdings and plans to improve Fund performance. The Board also took into account information about the Fund's discount/premium ranking relative to other peers and actions taken to address the Fund's discount.

The Board of Trustees concluded that the Fund's overall performance and other relevant factors, including the Adviser's actions to address any underperformance, supported the continuation of the Agreement with respect to the Fund for an additional one-year period.

**The costs of the services to be provided by the Investment Adviser and the profits to be realized by the Investment Adviser and its affiliates from the relationship with the Fund.** The Board of Trustees also gave consideration to the fees payable under the Agreement, the expenses the Investment Adviser incur in providing advisory services and the profitability to the Investment Adviser from managing the Fund, including: (1) information regarding the financial condition of the Investment Adviser; (2) information regarding the total fees and payments received by the Investment Adviser for its services and, with respect to the Investment Adviser, whether such fees are appropriate given economies of scale and other considerations; (3) comparative information showing (a) the fees payable under the Agreement versus the investment advisory fees of certain registered investment companies and comparable funds that follow investment strategies similar to those of the Fund and (b) the expense ratios of the Fund versus the expense ratios of certain registered investment companies and comparable funds that follow investment strategies similar to those of the Fund; and (4) information regarding the total fees and payments received and the related amounts waived and/or

reimbursed by the Investment Adviser for providing administrative services with respect to the Fund under separate agreements and whether such fees are appropriate. The Board of Trustees took into account the management fee structure, including that management fees for the Fund were based on the Fund's total managed assets.

Among other data, the Board of Trustees noted that the net management fee (including administrative fees) of the Fund was below the median of its peer group. The Board also noted that the total net expenses as a percentage of average managed assets of the Fund are above the median of its peer group. The Board of Trustees took into account management's discussion of the Fund's expenses and also took into consideration the amounts waived and/or reimbursed by the Investment Adviser in the prior year and in years past with respect to the Fund.

The Board of Trustees also considered the so-called "fall-out benefits" to the Investment Adviser with respect to the Fund, such as the reputational value of serving as Investment Adviser to the Fund, potential fees paid to the Investment Adviser's affiliates by the Fund or portfolio companies for services provided, including administrative services provided to the Fund by the Investment Adviser pursuant to separate agreements, the benefits of scale from investment by the Fund in affiliated funds, and the benefits of research made available to the Investment Adviser by reason of brokerage commissions (if any) generated by the Fund's securities transactions. The Board of Trustees concluded that the benefits received by the Investment Adviser and its affiliates were reasonable in the context of the relationship between the Investment Adviser and the Fund.

After such review, the Board of Trustees determined that the profitability to the Investment Adviser and its affiliates from their relationship with the Fund was not excessive. The Trustees also took into consideration the amounts waived and/or reimbursed, if any, where expense caps or advisory fee waivers had been implemented.

**The extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of shareholders.** The Board considered the effective fee under the Advisory Agreement for the Fund as a percentage of assets at different asset levels and possible economies of scale that may be realized if the assets of the Fund grow. The Board noted that the advisory fee for the Fund did not have breakpoints. The Board considered the Investment Adviser's discussion of the Fund's advisory fee structure. The Board of Trustees also noted that the Investment Adviser had reimbursed and/or waived expenses with respect to the Fund over the years. The Board also noted that the Fund's contractual advisory fee was lower than its peer universe at all asset levels. The



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**ADDITIONAL INFORMATION (unaudited) (continued)**

**September 30, 2019** **Highland Global Allocation Fund**

Board of Trustees concluded that the fee structures are reasonable, and with respect to the Investment Adviser, should result in a sharing of economies of scale in view of the information provided. The Board determined to continue to review ways, and the extent to which, economies of scale might be shared between the Investment Adviser on the one hand and shareholders of the Fund on the other.

**Conclusion.**

Following a further discussion of the factors above, it was noted that in considering the approval of the Advisory

Agreement, no single factor was determinative to the decision of the Board of Trustees. Rather, after weighing all factors and considerations, including those discussed above, the Board of Trustees, including separately, the Independent Trustees, unanimously agreed that the Advisory Agreement, including the advisory fee to be paid to the Investment Adviser, is fair and reasonable to the Fund in light of the services that the Investment Adviser proposes to provide, the expenses that it incurs and the reasonably foreseeable asset levels of the Fund.



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ADDITIONAL INFORMATION (unaudited) (continued)

September 30, 2019 Highland Global Allocation Fund  
Trustees and Officers

The Board is responsible for the overall management of the Fund, including supervision of the duties performed by the Investment Adviser. The names and birth dates of the Trustees and officers of the Fund, the year each was first elected or appointed to office, their principal business occupations during the last five years, the number of funds overseen by each Trustee and other directorships they hold are shown below. The business address for each Trustee and officer of the Fund is c/o Highland Capital Management Fund Advisors, L.P., 300 Crescent Court, Suite 700, Dallas, TX 75201.

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee <sup>2</sup>	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
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Independent Trustees



Dr. Bob Froehlich (4/28/1953)	Trustee	Indefinite Term; Trustee since December 2013.	Retired.	81	23	Trustee of ARC Realty Finance Trust, Inc. (from January 2013 to May 2016); Director of KC Concessions, Inc. (since January 2013); Trustee of Realty Capital Income Funds Trust (from January 2014 to December 2016); Director of American Realty Capital Healthcare Trust II (from January 2013 to June 2016); Director, American Realty Capital Daily Net Asset Value Trust, Inc. (from November 2012 to July 2016); Director of American Sports Enterprise, Inc. (since January 2013); Director of Davidson Investment Advisors (from July 2009 to July 2016); Chairman and owner, Kane County Cougars Baseball Club (since January 2013); Advisory Board of Directors, Internet Connectivity Group, Inc. (from January 2014 to April 2016); Director of AXAR Acquisition Corp. (formerly AR Capital Acquisition Corp.) (from October 2014 to October 2017); Director of The Midwest League of Professional Baseball Clubs, Inc.; Director of Kane County Cougars Foundation, Inc.; Director of Galen Robotics, Inc.; Chairman and Director of FC Global Realty, Inc. (from May 2017 to June 2018); Chairman; Director of First Capital Investment Corp. (from March 2017 to March 2018); and Director and Special Advisor to Vault Data, LLC (since February 2018).	Significant experience in the financial industry; significant managerial and executive experience; significant experience on other boards of directors, including as a member of several audit committees.
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## ADDITIONAL INFORMATION (unaudited) (continued)

September 30, 2019  
Trustees and Officers

Highland Global Allocation Fund

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee <sup>2</sup>	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
<b>Independent Trustees</b>						
John Honis <sup>3</sup> (6/16/1958)	Trustee	Indefinite Term; Trustee since July 2013.	President of Rand Advisors, LLC since August 2013; and Partner of Highland Capital Management, L.P. ("HCM") from February 2007 until his resignation in November 2014.	23	Manager of Turtle Bay Resort, LLC (August 2011 — December 2018); Manager of American Home Patient (November 2011 to February 2016).	Significant experience in the financial industry; significant managerial and executive experience, including experience as president, chief executive officer or chief restructuring officer of five telecommunication firms; experience on other boards of directors.



Ethan Powell <sup>4</sup> (6/20/1975)	Trustee; Chairman of the Board	Indefinite Term; Trustee since December 2013; Chairman of the Board since December 2013; and Executive Vice President and Principal Executive Officer from June 2012 until December 2015.	President and Founder of Impact Shares LLC since December 2015; Trustee/Director of the Highland Funds Complex from June 2012 until July 2013 and since December 2013; Chief Product Strategist of Highland Capital Management Fund Advisors, L.P. ("HCMFA") from 2012 until December 2015; Senior Retail Fund Analyst of HCM from 2007 until December 2015 and HCMFA from its inception until December 2015; President and Principal Executive Officer of NHF from June 2012 until May 2015; Secretary of NHF from May 2015 until December 2015; Executive Vice President and Principal Executive Officer of HFI and HFII from June 2012 until December 2015; and Secretary of HFI and HFII from November 2010 to May 2015.	23	Trustee of Impact Shares Funds I Trust	Significant experience in the financial industry; significant executive experience including past service as an officer of funds in the Highland Funds Complex; significant administrative and managerial experience.
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ADDITIONAL INFORMATION (unaudited) (continued)

September 30, 2019 Trustees and Officers				Highland Global Allocation Fund		
Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee <sup>2</sup>	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
Independent Trustees						
Bryan A. Ward (2/4/1955)	Trustee	Indefinite Term; Trustee since inception in 2006.	Senior Advisor, CrossFirst Bank since April 2019; Private Investor, BW Consulting, LLC since 2014; Senior Manager, Accenture, LLP (a consulting firm) from 1991 until retirement in 2014.	23	Director of Equity Metrix, LLC	Significant experience in the financial industry; significant executive experience including past service as an officer of funds in the Highland Funds Complex; significant administrative and managerial experience.



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ADDITIONAL INFORMATION (unaudited) (continued)

September 30, 2019 Highland Global Allocation Fund  
Trustees and Officers

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee <sup>2</sup>	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
Interested Trustee						



Dustin Norris (1/6/1984)	Trustee	Indefinite Term; Trustee since February 2018; Executive Vice President since April 2019	Head of Distribution and Chief Product Strategist at NexPoint since March 2019; President of NexPoint Securities, Inc. (formerly, Highland Capital Funds Distributor, Inc.) since April 2018; Head of Distribution at HCMFA from November 2017 until March 2019; Secretary of HFRO, GAF, HFI and HFII from October 2017 until April 2019; Assistant Secretary of HFRO and GAF II from August 2017 to October 2017; Chief Product Strategist at HCMFA from September 2015 to March 2019; Director of Product Strategy at HCMFA from May 2014 to September 2015; Assistant Secretary of HFI and HFII from March 2017 to October 2017; Secretary of NHF from December 2015 until April 2019; Assistant Treasurer of NexPoint Real Estate Advisors, L.P. since May 2015; Assistant Treasurer of NexPoint Real Estate Advisors II, L.P. since June 2016; Assistant Treasurer of HFI and HFII from November 2012 to March 2017; Assistant Treasurer of NHF from November 2012 to December 2015; Secretary of the BDC from 2014 until April 2019; and Secretary of the Interval Funds from March 2016 until April 2019.	23	None	Significant experience in the financial industry; significant managerial and executive experience, including experience as an officer of the Highland Funds Complex since 2012.
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## ADDITIONAL INFORMATION (unaudited) (continued)

### September 30, 2019 Trustees and Officers

### Highland Global Allocation Fund

- 1 On an annual basis, as a matter of Board policy, the Governance and Compliance Committee reviews each Trustee's performance and determines whether to extend each such Trustee's service for another year. Effective June 2013, the Board adopted a retirement policy wherein the Governance and Compliance Committee shall not recommend the continued service as a Trustee of a Board member who is older than 80 years of age at the time the Governance and Compliance Committee reports its findings to the Board.
- 2 The "Highland Fund Complex" consists of NHF, each series of HFI, each series of HFII, HFRO, GAF, the Interval Funds, and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act.
- 3 Since May 1, 2015, Mr. Honis has been treated as an Independent Trustee of the Trust. Prior to that date, Mr. Honis was treated as an Interested Trustee because he was a partner of an investment adviser affiliated with the Adviser until his resignation in November 2014. As of September 30, 2019, Mr. Honis was entitled to receive aggregate severance and/or deferred compensation payments of approximately \$230,000 from another affiliate of the Adviser. Mr. Honis also serves as a director of a portfolio company affiliated with the Adviser.  
In addition, Mr. Honis serves as a trustee of a trust that owns substantially all of the economic interest in an investment adviser affiliated with the Adviser. Mr. Honis indirectly receives an asset-based fee in respect of such interest, which is projected to range from \$450,000-\$550,000 annually. Additionally, an investment adviser controlled by Mr. Honis has entered into a shared services arrangement with an affiliate of the Adviser, pursuant to which the affiliate provides back office support in exchange for approximately \$50,000 per quarter. The affiliated adviser was paid \$147,000 and \$208,000 in 2017 and 2018, respectively. In light of these relationships between Mr. Honis and affiliates of the Adviser, it is possible that the SEC might in the future determine Mr. Honis to be an interested person of the Trust.
- 4 Prior to December 8, 2017, Mr. Powell was treated as an Interested Trustee of the Trust for all purposes other than compensation and the Trust's code of ethics.

Name and Date of Birth	Position(s) with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
<b>Officers</b>			
Frank Waterhouse (4/14/1971)	Treasurer, Principal Accounting Officer, Principal Financial Officer and Principal Executive Officer	Indefinite Term; Treasurer since May 2015. Principal Financial Officer and Principal Accounting Officer since October 2017. Principal Executive Officer since February 2018.	Partner and Chief Financial Officer of HCM; Treasurer of the Highland Funds Complex since May 2015.
Clifford Stoops (11/17/1970)	Assistant Treasurer	Indefinite Term; Assistant Treasurer since March 2017.	Chief Accounting Officer at HCM; Assistant Treasurer of the Highland Funds Complex since March 2017.
Jason Post (1/9/1979)	Chief Compliance Officer	Indefinite Term; Chief Compliance Officer since September 2015.	Chief Compliance Officer for HCMFA and NexPoint since September 2015; Chief Compliance Officer and Anti-Money Laundering Officer of the Highland Funds Complex since September 2015. Prior to his current role at HCMFA and NexPoint, Mr. Post served as Deputy Chief Compliance Officer and Director of Compliance for HCM.



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## ADDITIONAL INFORMATION (unaudited) (concluded)

**September 30, 2019**  
**Trustees and Officers**

**Highland Global Allocation Fund**

Name and Date of Birth	Position(s) with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
<b>Officers</b>			
Dustin Norris (1/6/1984)	Executive Vice President; Trustee	Indefinite Term; Executive Vice President since April 2019; Trustee since February 2018	Head of Distribution and Chief Product Strategist at NexPoint since March 2019; President of NexPoint Securities, Inc. since April 2018; Head of Distribution at HCMFA from November 2017 until March 2019; Chief Product Strategist at HCMFA from September 2015 to March 2019; Director of Product Strategy at HCMFA from May 2014 to September 2015; Officer of the Highland Funds Complex since November 2012.
Lauren Thedford (1/7/1989)	Secretary since April 2019	Indefinite Term; Secretary since April 2019	Associate General Counsel at HCM since September 2017; In-House Counsel at HCM from January 2015 until September 2017; Secretary of the Highland Funds Complex since April 2019; member of the AT&T Performance Arts Center, Education and Community Committee since March 2019.

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## IMPORTANT INFORMATION ABOUT THIS REPORT

### Investment Adviser

Highland Capital Management Fund Advisors,  
L.P.  
300 Crescent Court, Suite 700  
Dallas, TX 75201

### Transfer Agent

American Stock Transfer & Trust Company,  
LLC  
6201 15th Avenue  
Brooklyn, NY 11219

### Underwriter

NexPoint Securities, Inc.  
300 Crescent Court, Suite 700  
Dallas, TX 75201

### Custodian

Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
2121 N. Pearl Street, Suite 2000  
Dallas, TX 75201

### Fund Counsel

K&L Gates LLP  
1 Lincoln Street  
Boston, MA 02111

This report has been prepared for shareholders of Highland Global Allocation Fund (the "Fund"). The Fund mails one shareholder report to each shareholder address. If you would like more than one report, please call shareholder services at 1-877-665-1287 to request that additional reports be sent to you.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to their portfolio securities, and the Fund's proxy voting records for the most recent 12-month period ended September 30, are available (i) without charge, upon request, by calling 1-877-665-1287 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Fund files its complete schedules of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year as an exhibit to its report on Form N-PORT. The Fund's Form N-PORT are available on the Commission's website at <http://www.sec.gov> and also may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the Public Reference Room may be obtained by calling 1-800-SEC-0330. Shareholders may also obtain the Form N-PORT by visiting the Fund's website at [www.highlandfunds.com](http://www.highlandfunds.com).

The Statements of Additional Information include additional information about the Fund's Trustees and are available upon request without charge by calling 1-877-665-1287.



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**American Stock Transfer & Trust Company, LLC**  
**6201 15th Avenue**  
**Brooklyn, NY 11219**

## **Highland Global Allocation Fund**

[www.highlandfunds.com](http://www.highlandfunds.com)

Annual Report, September 30, 2019

HFII-GAF-AR-09/19



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**Item 2. Code of Ethics.**

- (a) Highland Global Allocation Fund (the “Registrant”), as of the end of the period covered by this report, has adopted a code of ethics that applies to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party.
- (b) Not applicable.
- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party, and that relates to any element of the code of ethics description.
- (d) The Registrant has not granted any waiver, including any implicit waiver, from a provision of the code of ethics that applies to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this Item’s instructions.
- (e) Not applicable.
- (f) The Registrant’s code of ethics that applies to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions is filed herewith as Exhibit (a)(1).

**Item 3. Audit Committee Financial Expert.**

As of the end of the period covered by the report, the Registrant’s Board of Trustees (the “Board”) has determined that Bryan A. Ward, a member of the Audit & Qualified Legal Compliance Committee of the Board (the “Audit Committee”), is an audit committee financial expert as defined by the U.S. Securities and Exchange Commission (the “SEC”) in Item 3 of Form N-CSR. Mr. Ward is “independent” as defined by the SEC for purposes of this Item 3 of Form N-CSR.

**Item 4. Principal Accountant Fees and Services.**

Audit Fees

- (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Registrant’s annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$320,000 for the fiscal year ended September 30, 2018 and \$370,000 for the fiscal year ended September 30, 2019.

Audit-Related Fees

- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the Registrant’s financial statements and are not reported under paragraph (a) of this Item are \$399,500 for the fiscal year ended September 30, 2018 and \$370,000 for the fiscal year ended September 30, 2019.



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Tax Fees

- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning are \$20,000 for the fiscal year ended September 30, 2018 and \$36,000 for the fiscal year ended September 30, 2019. The nature of the services related to assistance on the Registrant's tax returns and excise tax calculations.

All Other Fees

- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$0 for the fiscal year ended September 30, 2018 and \$0 for the fiscal year ended September 30, 2019.
- (e)(1) Disclose the Audit Committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X:
- The Audit Committee shall:
- (a) have direct responsibility for the appointment, compensation, retention and oversight of the Registrant's independent auditors and, in connection therewith, to review and evaluate matters potentially affecting the independence and capabilities of the auditors; and
  - (b) review and pre-approve (including associated fees) all audit and other services to be provided by the independent auditors to the Registrant and all non-audit services to be provided by the independent auditors to the Registrant's investment adviser or any entity controlling, controlled by or under common control with the investment adviser (an "Adviser Affiliate") that provides ongoing services to the Registrant, if the engagement relates directly to the operations and financial reporting of the Registrant; and
  - (c) establish, to the extent permitted by law and deemed appropriate by the Audit Committee, detailed pre-approval policies and procedures for such services; and
  - (d) review and consider whether the independent auditors' provision of any non-audit services to the Registrant, the Registrant's investment adviser or an Adviser Affiliate not pre-approved by the Audit Committee are compatible with maintaining the independence of the independent auditors.
- (e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X are as follows:
- (b) 100%
  - (c) 100%
  - (d) N/A
- (f) The percentage of hours expended on the principal accountant's engagement to audit the Registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was less than fifty percent.



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- (g) The aggregate non-audit fees billed by the Registrant's principal accountant for services rendered to the Registrant, and rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and an Adviser Affiliate that provides ongoing services to the Registrant for each of the last two fiscal years of the Registrant was \$20,000 for the fiscal year ended September 30, 2018 and \$36,000 for the fiscal year ended September 30, 2019.
- (h) The Registrant's Audit Committee has considered whether the provision of non-audit services that were rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and an Adviser Affiliate that provides ongoing services to the Registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

**Item 5. Audit Committee of Listed Registrants.**

The Registrant has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. It is composed of the following Trustees, each of whom is not an "interested person" as defined in the 1940 Act:

Dr. Bob Froehlich  
Bryan A. Ward  
Ethan Powell

**Item 6. Investments.**

- (a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the Annual Report to Shareholders filed under Item 1 of this form.
- (b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

**HIGHLAND CAPITAL MANAGEMENT FUND ADVISORS, L.P.  
PROXY VOTING POLICY**

**Purpose and Scope**

The purpose of these voting policies and procedures (the "Policy") is to set forth the principles and procedures by which Highland Capital Management Fund Advisors, L.P. (the "Company") votes or gives consents with respect to the securities owned by Clients for which the Company exercises voting authority and discretion.<sup>1</sup> For avoidance of doubt, this includes any proxy and any shareholder vote or consent, including a vote or consent for a private company or other issuer that does not involve a proxy. These policies and procedures have been designed to help ensure that votes are cast in the best interests of Clients in accordance with the Company's fiduciary duties and Rule 206(4)-6 under the Investment Advisers Act of 1940 (the "Advisers Act").

<sup>1</sup> In any case where a Client has instructed the Company to vote in a particular manner on the Client's behalf, those instructions will govern in lieu of parameters set forth in the Policy.



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This Policy applies to securities held in all Client accounts (including Retail Funds and other pooled investment vehicles) as to which the Company has explicit or implicit voting authority. Implicit voting authority exists where the Company's voting authority is implied by a general delegation of investment authority without reservation of proxy voting authority to the Client.

If the Company has delegated voting authority to an investment sub-adviser with respect to any Retail Fund, such sub-adviser will be responsible for voting all proxies for such Retail Funds in accordance with the sub-adviser's proxy voting policies. The Compliance Department, to provide oversight over the proxy voting by sub-advisers and to ensure that votes are executed in the best interests of the Retail Funds, shall (i) review the proxy voting policies and procedures of each Retail Fund sub-adviser to confirm that they comply with Rule 206(4)-6, both upon engagement of the sub-adviser and upon any material change to the sub-adviser's proxy voting policies and procedures, and (ii) require each such sub-adviser to provide quarterly certifications that all proxies were voted pursuant to the sub-adviser's policies and procedures or to describe any inconsistent votes.

## General Principles

The Company and its affiliates engage in a broad range of activities, including investment activities for their own accounts and for the accounts of various Clients and providing investment advisory and other services to Clients. In the ordinary course of conducting the Company's activities, the interests of a Client may conflict with the interests of the Company, other Clients and/or the Company's affiliates and their clients. Any conflicts of interest relating to the voting of proxies, regardless of whether actual or perceived, will be addressed in accordance with these policies and procedures. The guiding principle by which the Company votes all proxies is to vote in the best interests of each Client by maximizing the economic value of the relevant Client's holdings, taking into account the relevant Client's investment horizon, the contractual obligations under the relevant advisory agreements or comparable documents and all other relevant facts and circumstances at the time of the vote. The Company does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

## Voting Procedures

### *Third-Party Proxy Advisors*

The Company may engage a third-party proxy advisor ("Proxy Advisor") to provide proxy voting recommendations with respect to Client proxies. Proxy Advisor voting recommendation guidelines are generally designed to increase investors' potential financial gain. When considering whether to retain or continue retaining any particular Proxy Advisor, the Compliance Department will ascertain, among other things, whether the Proxy Advisor has the capacity and competency to adequately analyze proxy issues. In this regard, the Compliance Department will consider, among other things: the adequacy and quality of the Proxy Advisor's staffing and personnel; the robustness of its policies and procedures regarding its ability to (a) ensure that its proxy voting recommendations are based on current and accurate information and (b) identify and address any conflicts of interest and any other considerations that the Compliance Department determines would be appropriate in considering the nature and quality of the services provided by the Proxy Advisor. To identify and address any conflicts that may arise on the part of the Proxy Advisor, the Compliance Department will ensure that the Proxy Advisor notifies the Compliance Department of any relevant business changes or changes to its policies and procedures regarding conflicts.

### *Third-Party Proxy Voting Services*

The Company may utilize a third-party proxy voting service ("Proxy Voting Service") to monitor holdings in Client accounts for purposes of determining whether there are upcoming shareholder meetings or similar corporate



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actions and to execute Client proxies on behalf of the Company pursuant to the Company's instructions, which shall be given in a manner consistent with this Policy. The Compliance Department will oversee each Proxy Voting Service to ensure that proxies have been voted in a manner consistent with the Company's instructions.

### *Monitoring*

Subject to the procedures regarding Nonstandard Proxy Notices described below, the Compliance Department of the Company shall have responsibility for monitoring Client accounts for proxy notices. Except as detailed below, if proxy notices are received by other employees of the Company, such employees must promptly forward all proxy or other voting materials to the Compliance Department.

### *Portfolio Manager Review and Instruction*

From time to time, the settlement group of the Company may receive nonstandard proxy notices, regarding matters including, but not limited to, proposals regarding corporate actions or amendments ("Nonstandard Proxy Notices") with respect to securities held by Clients. Upon receipt of a Nonstandard Proxy Notice, a member of the settlement group (the "Settlement Designee") shall send an email notification containing all relevant information to the Portfolio Manager(s) with responsibility for the security and *R-Settlement@highlandcapital.com*. Generally, the relevant Portfolio Manager(s) shall deliver voting instructions for Nonstandard Proxy Notices by replying to the email notice sent to the Portfolio Manager(s) and *R-Settlement@highlandcapital.com* by the Settlement Designee or by sending voting instructions to *R-Settlement@highlandcapital.com* and *R-Settlement@highlandcapital.com*. Any conflicts for Nonstandard Proxy Notices should also be disclosed to the Compliance Department. In the event a Portfolio Manager orally conveys voting instructions to the Settlement Designee or any other member of the Company's settlement group, that Settlement Designee or member of the Company's settlement group shall respond to the original notice email sent to *R-Settlement@highlandcapital.com* detailing the Portfolio Manager(s) voting instructions.

With regard to standard proxy notices, on a weekly basis, the Compliance Department will send a notice of upcoming proxy votes related to securities held by Clients and the corresponding voting recommendations of the Proxy Advisor to the relevant Portfolio Manager(s). Upon receipt of a proxy notice from the Compliance Department, the Portfolio Manager(s) will review and evaluate the upcoming votes and recommendations. The Portfolio Managers may rely on any information and/or research available to him or her and may, in his or her discretion, meet with members of an issuer's management to discuss matters of importance to the relevant Clients and their economic interests. Should the Portfolio Manager determine that deviating from the Proxy Advisor's recommendation is in a Client's best interest, the Portfolio Manager shall communicate his or her voting instructions to the Compliance Department.

In the event that more than one Portfolio Manager is responsible for making a particular voting decision and such Portfolio Managers are unable to arrive at an agreement as to how to vote with respect to a particular proposal, they should consult with the applicable Chief Compliance Officer (the "CCO") for guidance.

### *Voting*

Upon receipt of the relevant Portfolio Managers' voting instructions, if any, the Compliance Department will communicate the instructions to the Proxy Voting Service to execute the proxy votes.

### *Non-Votes*

It is the general policy of the Company to vote or give consent on all matters presented to security holders in any vote, and these policies and procedures have been designated with that in mind. However, the Company reserves the right to abstain on any particular vote if, in the judgment of the CCO, or the relevant Portfolio Manager, the effect on the relevant Client's economic interests or the value of the portfolio holding is insignificant in relation to the Client's portfolio, if the costs associated with voting in any particular instance outweigh the benefits to the relevant Clients or if the circumstances make such an abstention or withholding otherwise advisable and in the best



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interests of the relevant Clients not to vote. Such determination may apply in respect of all Client holdings of the securities or only certain specified Clients, as the Company deems appropriate under the circumstances. As examples, a Portfolio Manager may determine: (a) not to recall securities on loan if, in his or her judgment, the matters being voted upon are not material events affecting the securities and the negative consequences to Clients of disrupting the securities lending program would outweigh the benefits of voting in the particular instance or (b) not to vote proxies relating to certain foreign securities if, in his or her judgment, the expense and administrative inconvenience outweighs the benefits to Clients of voting the securities.

### *Conflicts of Interest*

The Company's Compliance Department is responsible for monitoring voting decisions for any conflicts of interest, regardless of whether they are actual or perceived. All voting decisions contrary to the recommendation of a Proxy Advisor require a mandatory conflicts of interest review by the Compliance Department, which will include a consideration of whether the Company or any Portfolio Manager or other person recommending or providing input on how to vote has an interest in the vote that may present a conflict of interest.

In addition, all Company investment professionals are expected to perform their tasks relating to the voting of proxies in accordance with the principles set forth above, according the first priority to the best interest of the relevant Clients. If at any time a Portfolio Manager or any other investment professional becomes aware of a potential or actual conflict of interest regarding any particular voting decision, he or she must contact the Compliance Department promptly and, if in connection with a proxy that has yet to be voted, prior to such vote. If any investment professional is pressured or lobbied, whether from inside or outside the Company, with respect to any particular voting decision, he or she should contact the Compliance Department promptly. The CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the relevant Clients.

In the event of a conflict, the Company may choose to address such conflict by: (i) voting in accordance with the Proxy Advisor's recommendation; (ii) the CCO determining how to vote the proxy (if the CCO approves deviation from the Proxy Advisor's recommendation, then the CCO shall document the rationale for the vote); (iii) "echo voting" or "mirror voting" the proxy in the same proportion as the votes of other proxy holders that are not Clients; or (iv) with respect to Clients other than Retail Funds, notifying the affected Client of the material conflict of interest and seeking a waiver of the conflict or obtaining such Client's voting instructions. Where the Compliance Department deems appropriate, third parties may be used to help resolve conflicts. In this regard, the CCO or his or her delegate shall have the power to retain fiduciaries, consultants or professionals to assist with voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Where a conflict of interest arises with respect to a voting decision for a Retail Fund, the Company shall disclose the conflict and the rationale for the vote taken to the Retail Fund's Board of Directors/Trustees at the next regularly scheduled quarterly meeting. The Compliance Department will maintain a log documenting the basis for the decision and will furnish the log to the Board of Trustees.

### *Material Conflicts of Interest*

The following relationships or circumstances are examples of situations that may give rise to a material conflict of interest for purposes of this Policy. This list is not exclusive or determinative; any potential conflict (including payments of the types described below but less than the specified threshold) should be identified to the Company's Compliance Department:

- (i) The issuer is a Client of the Company, or of an affiliate, accounting for more than 5% of the Company's or affiliate's annual revenues.
- (ii) The issuer is an entity that reasonably could be expected to pay the Company or its affiliates more than \$1 million through the end of the Company's next two full fiscal years.
- (iii) The issuer is an entity in which a "Covered Person" (as defined in the Company's Policies and Procedures Designed to Detect and Prevent Insider Trading and to Comply with Rule 17j-1 of the Investment Company Act of 1940, as amended (the "Code of Ethics")) has a beneficial interest contrary to the position held by the Company on behalf of Clients.



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- (iv) The issuer is an entity in which an officer or partner of the Company or a relative of any such person is or was an officer, director or employee, or such person or relative otherwise has received more than \$150,000 in fees, compensation and other payment from the issuer during the Company's last three fiscal years; provided, however, that the Compliance Department may deem such a relationship not to be a material conflict of interest if the Company representative serves as an officer or director of the issuer at the direction of the Company for purposes of seeking control over the issuer.
- (v) The matter under consideration could reasonably be expected to result in a material financial benefit to the Company or its affiliates through the end of the Company's next two full fiscal years (for example, a vote to increase an investment advisory fee for a Retail Fund advised by the Company or an affiliate).
- (vi) Another Client or prospective Client of the Company, directly or indirectly, conditions future engagement of the Company on voting proxies in respect of any Client's securities on a particular matter in a particular way.
- (vii) The Company holds various classes and types of equity and debt securities of the same issuer contemporaneously in different Client portfolios.
- (viii) Any other circumstance where the Company's duty to serve its Clients' interests, typically referred to as its "duty of loyalty," could be compromised.

Notwithstanding the foregoing, a conflict of interest described above shall not be considered material for the purposes of this Policy in respect of a specific vote or circumstance if:

The securities in respect of which the Company has the power to vote account for less than 1% of the issuer's outstanding voting securities, but only if: (i) such securities do not represent one of the 10 largest holdings of such issuer's outstanding voting securities and (ii) such securities do not represent more than 2% of the Client's holdings with the Company.

The matter to be voted on relates to a restructuring of the terms of existing securities or the issuance of new securities or a similar matter arising out of the holding of securities, other than common equity, in the context of a bankruptcy or threatened bankruptcy of the issuer.

**Recordkeeping**

Following the submission of a proxy vote, the Registrant will maintain a report of the vote and all relevant documentation.

The Registrant shall retain records relating to the voting of proxies and the Company shall conduct due diligence, including on Proxy Voting Services and Proxy Advisors, as applicable, to ensure the following records are adequately maintained by the appropriate party:

- (i) Copies of this Policy and any amendments thereto.
- (ii) A current copy of the Proxy Advisor's voting guidelines, as amended.
- (iii) A copy of each proxy statement that the Company receives regarding Client securities. The Company may rely on a third party to make and retain, on the Company's behalf, a copy of a proxy statement, provided that the Company has obtained an undertaking from the third party to provide a copy of the proxy statement promptly upon request.
- (iv) Records of each vote cast by the Company on behalf of Clients. The Company may satisfy this requirement by relying on a third party to make and retain, on the Company's behalf, a record of the vote cast, provided that the Company has obtained an undertaking from the third party to provide a copy of the record promptly upon request.
- (v) A copy of any documents created by the Company that were material to making a decision how to vote or that memorializes the basis for that decision.
- (vi) A copy of each written request for information on how the Company voted proxies on behalf of the Client, and a copy of any written response by the Company to any (oral or written) request for information on how the Company voted.



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These records shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the Company's fiscal year during which the last entry was made in the records, the first two years in an appropriate office of the Company.<sup>2</sup>

**Enforcement of this Policy**

It shall be the responsibility of the Compliance Department to handle or coordinate the enforcement of this Policy. The Compliance Department will periodically sample proxy voting records to ensure that proxies have been voted in accordance with this Policy, with a particular focus on any proxy votes that require additional analysis (e.g., proxies voted contrary to the recommendations of a Proxy Advisor).

<sup>2</sup> If the Company has essentially immediate access to a book or record (on the Company's proprietary system or otherwise) through a computer located at an appropriate office of the Company, then that book or record will be considered to be maintained at an appropriate office of the Company. "Immediate access" to books and records includes that the Company has the ability to provide promptly to Securities and Exchange Commission (the "SEC") examination staff hard copies of the books and records or access to the storage medium. The party responsible for the applicable books and records as described above shall also be responsible for ensuring that those books and records for the first two years are either physically maintained in an appropriate office of the Company or that the Company otherwise has essentially immediate access to the required books and records for the first two years.

If the Compliance Department determines that a Proxy Advisor or Proxy Voting Service may have committed a material error, the Compliance Department will investigate the error, taking into account the nature of the error, and seek to determine whether the Proxy Advisor or Proxy Voting Service is taking reasonable steps to reduce similar errors in the future.

In addition, no less frequently than annually, the Compliance Department will review the adequacy of this Policy to ensure that it has been implemented effectively and to confirm that this Policy continues to be reasonably designed to ensure that proxies are voted in the best interest of Clients.

**Disclosures to Clients and Investors**

The Company includes a description of its policies and procedures regarding proxy voting in Part 2 of Form ADV, along with a statement that Clients can contact the CCO to obtain a copy of these policies and procedures and information about how the Company voted with respect to a Client's securities. This Policy is, however, subject to change at any time without notice.

As a matter of policy, the Company does not disclose how it expects to vote on upcoming proxies. Additionally, the Company does not disclose the way it voted proxies to unaffiliated third parties without a legitimate need to know such information.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

**(a)(1) Identification of Portfolio Manager(s) or Management Team Members and Description of Role of Portfolio Manager(s) or Management Team Members**



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The Registrant's portfolio manager, who is primarily responsible for the day-to-day management of the Registrant's portfolio, is James Dondero.

*James Dondero* — Mr. Dondero has over 25 years of experience in credit markets. In addition to his role at Highland Capital Management Fund Advisors, L.P. ("HCMFA" or the "Adviser"), Mr. Dondero is the co-founder and President of Highland Capital Management, L.P. and NexPoint Advisors, L.P. Mr. Dondero has over 30 years of experience investing in credit and equity markets and has helped pioneer credit asset classes. Prior to founding Highland Capital Management in 1993, Mr. Dondero served as Chief Investment Officer of Protective Life's GIC subsidiary and helped grow the business from concept to over \$2 billion between 1989 and 1993. His portfolio management experience includes mortgage-backed securities, investment grade corporates, leveraged bank loans, high-yield bonds, emerging market debt, real estate, derivatives, preferred stocks and common stocks. From 1985 to 1989, he managed approximately \$1 billion in fixed income funds for American Express. Mr. Dondero received a BS in Commerce (Accounting and Finance) from the University of Virginia, and is a Certified Managerial Accountant. Mr. Dondero has earned the right to use the Chartered Financial Analyst designation. Mr. Dondero currently serves as Chairman of NexBank SSB and serves on the Board of Directors of Metro-Goldwyn-Mayer, Jernigan Capital, Inc., Cornerstone Healthcare Group, Texmark Timber Treasury, L.P. and SeaOne Holdings, LLC.

### (a)(2) Other Accounts Managed by Portfolio Manager(s) or Management Team Member and Potential Conflicts of Interest

#### Other Accounts Managed by Portfolio Manager(s) or Management Team Member

The following table provides information about funds and accounts, other than the Registrant, for which the Registrant's portfolio manager is primarily responsible for the day-to-day portfolio management as of September 30, 2019.

#### *James Dondero*

<u>Type of Accounts</u>	<u>Total # of Accounts Managed</u>	<u>Total Assets (millions)</u>	<u># of Accounts Managed with Performance- Based Advisory Fee</u>	<u>Total Assets with Performance- Based Advisory Fee (millions)</u>
Registered Investment Companies:	12	\$ 2,430	1	\$ 90
Other Pooled Investment Vehicles:	2	\$ 1,012	2	\$ 1,012
Other Accounts:	—	\$ —	—	\$ —

#### Potential Conflicts of Interests

The Adviser is an affiliate of NexPoint Advisors, L.P. ("NexPoint"). The Adviser and/or its general partner, limited partners, officers, affiliates and employees provide investment advice to other parties and manage other accounts and private investment vehicles similar to the Trust. For the purposes of this section, the term "Highland" shall include the Adviser and its affiliated investment advisors, including Highland Capital Management, L.P. and its affiliates. In connection with such other investment management activities, the Adviser and/or its general partner, limited partners, officers, affiliates and employees may decide to invest the funds of one or more other accounts or recommend the investment of funds by other parties, rather than the Registrant's monies, in a particular security or strategy. In addition, the Adviser and such other persons will determine the allocation of funds from the Registrant and such other accounts to investment strategies and techniques on whatever basis they consider appropriate or desirable in their sole and absolute discretion.



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Highland has built a professional working environment, a firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. Highland has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, Highland furnishes advisory services to numerous clients in addition to the Registrant, and Highland may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts that have performance or higher fees paid to Highland or in which portfolio managers have a personal interest in the receipt of such fees) that may be the same as or different from those made to the Registrant. In addition, Highland, its affiliates and any of their partners, directors, officers, stockholders or employees may or may not have an interest in the securities whose purchase and sale the Adviser recommends to the Registrant. Actions with respect to securities of the same kind may be the same as or different from the action that the Adviser, or any of its affiliates, or any of their partners, directors, officers, stockholders or employees or any member of their families may take with respect to the same securities. Moreover, the Adviser may refrain from rendering any advice or services concerning securities of companies of which any of the Adviser's (or its affiliates') partners, directors, officers or employees are directors or officers, or companies as to which the Adviser or any of its affiliates or partners, directors, officers and employees of any of them has any substantial economic interest or possesses material non-public information. In addition to its various policies and procedures designed to address these issues, Highland includes disclosure regarding these matters to its clients in both its Form ADV and investment advisory agreements.

The Adviser, its affiliates or their partners, directors, officers or employees similarly serve or may serve other entities that operate in the same or related lines of business, including accounts managed by an investment adviser affiliated with the Adviser. Accordingly, these individuals may have obligations to investors in those entities or funds or to other clients, the fulfillment of which might not be in the best interests of the Registrant. As a result, the Adviser will face conflicts in the allocation of investment opportunities to the Registrant and other funds and clients. In order to enable such affiliates to fulfill their fiduciary duties to each of the clients for which they have responsibility, the Adviser will endeavor to allocate investment opportunities in a fair and equitable manner, pursuant to policies and procedures adopted by the Adviser and its advisory affiliates that are designed to manage potential conflicts of interest, which may, subject to applicable regulatory constraints, involve pro rata co-investment by the funds and such other clients or may involve a rotation of opportunities among the funds and such other clients. The Registrant will only make investments in which the Adviser or an affiliate hold an interest to the extent permitted under the 1940 Act and SEC staff interpretations or pursuant to the terms and conditions of the exemptive order received by the Adviser and certain funds affiliated with the Registrant, dated April 19, 2016. For example, exemptive relief is not required for the Registrant to invest in syndicated deals and secondary loan market transactions in which the Adviser or an affiliate has an interest where price is the only negotiated point. The order applies to all "Investment Companies," which includes future closed-end investment companies registered under the 1940 Act that are managed by the Adviser, which includes the Registrant. The Registrant, therefore, may in the future invest in accordance with the terms and conditions of the exemptive order. To mitigate any actual or perceived conflicts of interest, allocation of limited offering securities (such as IPOs and registered secondary offerings) to principal accounts that do not include third party investors may only be made after all other client account orders for the security have been filled. However, there can be no assurance that such policies and procedures will in every case ensure fair and equitable allocations of investment opportunities, particularly when considered in hindsight.

Conflicts may arise in cases when clients invest in different parts of an issuer's capital structure, including circumstances in which one or more clients own private securities or obligations of an issuer and other clients may own public securities of the same issuer. In addition, one or more clients may invest in securities, or other financial



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instruments, of an issuer that are senior or junior to securities, or financial instruments, of the same issuer that are held by or acquired for, one or more other clients. For example, if such issuer encounters financial problems, decisions related to such securities (such as over the terms of any workout or proposed waivers and amendments to debt covenants) may raise conflicts of interests. In such a distressed situation, a client holding debt securities of the issuer may be better served by a liquidation of the issuer in which it may be paid in full, whereas a client holding equity securities of the issuer might prefer a reorganization that holds the potential to create value for the equity holders. In the event of conflicting interests within an issuer's capital structure, Highland will generally pursue the strategy that Highland believes best reflects what would be expected to be negotiated in an arm's length transaction with due consideration being given to Highland's fiduciary duties to each of its accounts (without regard to the nature of the accounts involved or fees received from such accounts). This strategy may be recommended by one or more Highland investment professionals. A single person may represent more than one part of an issuer's capital structure. The recommended course of action will be presented to the conflicts committee for final determination as to how to proceed. Highland may elect, but is not required, to assign different teams to make recommendations for different parts of the capital structure as the conflicts committee determines in its discretion. In the event any Highland personnel serve on the board of the subject company, they generally recuse themselves from voting on any board matter with respect to a transaction that has an asymmetrical impact on the capital structure. Highland personnel board members may still make recommendations to the conflicts committee. If any such persons are also on the conflicts committee, they may recuse themselves from the committee's determination. A portfolio manager with respect to any applicable Highland registered investment company clients ("Retail Accounts") participates in such discussions, but makes an independent determination as to which course of action he or she determines is in the best interest of the applicable Retail Accounts. Highland may use external counsel for guidance and assistance.

The Adviser and its affiliates have both subjective and objective procedures and policies in place designed to manage potential conflicts of interest involving clients so that, for example, investment opportunities are allocated in a fair and equitable manner among the Registrant and such other clients. An investment opportunity that is suitable for multiple clients of the Adviser and its affiliates may not be capable of being shared among some or all of such clients due to the limited scale of the opportunity or other factors, including regulatory restrictions imposed by the 1940 Act. There can be no assurance that the Adviser's or its affiliates' efforts to allocate any particular investment opportunity fairly among all clients for whom such opportunity is appropriate will result in an allocation of all or part of such opportunity to the Registrant. Not all conflicts of interest can be expected to be resolved in favor of the Registrant.

### **(a)(3) Compensation Structure of Portfolio Manager(s) or Management Team Members**

HCMFA's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors, including the relative performance of a portfolio manager's underlying account, the combined performance of the portfolio managers' underlying accounts, and the relative performance of the portfolio managers' underlying accounts measured against other employees. The principal components of compensation include a base salary, a discretionary bonus and various retirement benefits.

*Base compensation.* Generally, portfolio managers receive base compensation based on their seniority and/or their position with HCMFA, which may include the amount of assets supervised and other management roles within HCMFA. Base compensation is determined by taking into account current industry norms and market data to ensure that HCMFA pays a competitive base compensation.

*Discretionary compensation.* In addition to base compensation, portfolio managers may receive discretionary compensation, which can be a substantial portion of total compensation. Discretionary compensation can include a discretionary cash bonus paid to recognize specific business contributions and to ensure that the total level of compensation is competitive with the market.



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Because each person's compensation is based on his or her individual performance, HCMFA does not have a typical percentage split among base salary, bonus and other compensation. Senior portfolio managers who perform additional management functions may receive additional compensation in these other capacities. Compensation is structured such that key professionals benefit from remaining with HCMFA.

(a)(4) Disclosure of Securities Ownership

The following table sets forth the dollar range of equity securities beneficially owned by the portfolio manager in the Registrant as of September 30, 2019.

<u>Name of Portfolio Manager</u>	<u>Dollar Ranges of Equity Securities Beneficially Owned by Portfolio Manager</u>
James Dondero	Over \$1,000,000

(b) Not applicable.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

<u>Period</u>	<u>(a) Total Number of Shares Purchased</u>	<u>(b) Average Price Paid per Share</u>	<u>(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)</u>	<u>(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs(1)</u>
April 1, 2019 to April 30, 2019	95,523	12.47	95,523	\$ 18.8 million
May 1, 2019 to May 31, 2019	393,632	11.96	393,632	\$ 14.1 million
June 1, 2019 to June 30, 2019	275,108	11.19	275,108	\$ 11.0 million
July 1, 2019 to July 31, 2019	89,607	11.51	89,607	\$ 10.0 million
<b>Total</b>	<b>853,870</b>	<b>11.72</b>	<b>853,870</b>	<b>\$ 10.0 million</b>

(1) On August 3, 2018, the Board of the Fund authorized the repurchase of up to the lesser of \$20 million or 5% of the Fund's shares over a six-month period following conversion of the Fund from an open-end Fund to a closed-end fund. The Fund converted into a closed-end fund on February 13, 2019. Under this program, the Fund repurchased 853,870 shares through July, 2019, at an average price of \$11.72, for a total investment of \$10.0 million. On August 20, 2019, the Board of the Fund approved an extension of the repurchase program for a period of six months up to an additional \$20 million of the Fund's shares.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the Registrant's Board.



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### **Item 11. Controls and Procedures.**

- (a) Evaluation of Disclosure Controls and Procedures. The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934 (the "Exchange Act") and the Investment Company Act of 1940 is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Remediation of Material Weakness in Internal Control over Financial Reporting. As of June 30, 2019, management remediated the material weakness previously identified as of September 30, 2018 relating to the application of ASC 820 and the reasonableness and reliability of assumptions used in the fair value model which is monitored by the Valuation Committee through the operation of a review control (the "Material Weakness"). This control was not designed at an appropriate level of precision to ensure the accurate valuation of Level 3 securities. The Material Weakness resulted in material pricing errors related to a hard-to-value security held over a period of time by Highland Global Allocation Fund, an affiliate of the Registrant which at that time was a series of the Registrant, but which was converted into a different trust effective February 13, 2019.

The steps management took to remediate this Material Weakness included: (i) enhancing a separate review control by adding control activities designed to operate at a level of precision which will enable such errors to be detected and by adding an additional member to the Valuation Sub-Committee to conduct such control activities; (ii) providing additional training to members of its Valuation Sub-Committee and Valuation Committee with respect to the application of ASC 820 and the usage of subject matter expert inputs as inputs to fair value determinations; and (iii) creating and implementing a guide for use of the Valuation Sub-Committee and the Valuation Committee for the application of ASC 820 to fair value models.

As a result of the remediation activities, management has determined that its controls were designed appropriately and at a sufficient level of precision, and have been operating effectively for a sufficient period of time, such that the Material Weakness previously identified as of December 31, 2018 has been remediated as of June 30, 2019.

- (b) Changes in Internal Controls. Other than the planned enhancements to controls noted above, there have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Shareholder Report on Form N-CSR

### **Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

- (a)
- (1) Gross income from securities lending activities: \$0
  - (2) All fees and/or compensation for securities lending activities and related services: \$0
  - (3) Aggregate fees/compensation: \$0



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(4) Net income from securities lending activities: \$0

- (b) The Registrant may lend up to 33 1/3% of the Registrant's total assets held by the Fund's custodian to certain qualified brokers, except those securities which the Registrant or the Advisor specifically identifies as not being available. By lending its investment securities, the Registrant attempts to increase its net investment income through the receipt of interest on the loan. Any gain or loss in the market price of the securities loaned that might occur and any interest or dividends declared during the term of the loan would accrue to the account of the Registrant. Risks of delay in recovery of the securities or even loss of rights in the collateral may occur should the borrower of the securities fail financially. Risks may also arise to the extent that the value of the collateral decreases below the value of the securities loaned. Upon entering into a securities lending transaction, the Registrant receives cash or other securities as collateral in an amount equal to or exceeding 100% of the current market value of the loaned securities with respect to securities of the U.S. government or its agencies, 102% of the current market value of the loaned securities with respect to U.S. securities and 105% of the current market value of the loaned securities with respect to foreign securities. Any cash received as collateral is generally invested by the Fund's custodian acting in its capacity as securities lending agent. Non-cash collateral is not disclosed in the Registrant's Statement of Assets and Liabilities as it is held by the lending agent on behalf of the Registrant and the Registrant does not have the ability to re-hypothecate those securities. A portion of the dividends received on the collateral may be rebated to the borrower of the securities and the remainder is split between the Fund's custodian, as the securities lending agent, and the Registrant.

**Item 13. Exhibits.**

- (a)(1) Code of ethics, or amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto.
- (a)(2) Certifications pursuant to Rule 30a-2(a) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (b) Certifications pursuant to Rule 30a-2(b) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.



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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**HIGHLAND GLOBAL ALLOCATION FUND**

By (Signature and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Executive Officer and  
Principal Financial and Accounting Officer

Date: December 9, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Executive Officer and  
Principal Financial and Accounting Officer

Date: December 9, 2019

By (Signature and Title): /s/ Clifford Stoops  
Clifford Stoops  
Assistant Treasurer

Date: December 9, 2019



NPORT-EX 1 fprof\_nportex.htm PART F  
INVESTMENT PORTFOLIO (unaudited)

As of March 31, 2019

Highland Floating Rate Opportunities Fund†

Principal Amount (\$)	Value (\$)	Principal Amount (\$)	Value (\$)
<b>U.S. Senior Loans (a) — 75.7%</b>		<b>U.S. Senior Loans (continued)</b>	
<b>Aerospace/Defense — 0.3%</b>		<b>Energy — 3.4%</b>	
3,019,608	2,955,441	15,904,030	13,597,946
<b>Commercial Services — 3.1%</b>		<b>Financial — 6.3%</b>	
10,178,974	10,204,422	22,202,991	22,223,862
14,017,871	13,988,644		35,821,808
8,608,583	8,350,326		
	32,543,392		
<b>Communication Services — 2.5%</b>			
28,571,429	20,457,143	30,139,187	20,770,873
5,632,005	5,626,373	6,000,000	5,960,640
	26,083,516		
<b>Consumer Discretionary — 4.0%</b>			
8,235,004	8,244,310	9,447,348	9,518,203
13,684,682	13,227,066	5,747,658	5,568,648
4,076,667	3,974,750	13,690,645	13,673,532
15,974,366	15,887,785		65,419,707
	41,333,911		
<b>Consumer Products — 2.0%</b>		<b>Gaming/Leisure (b)(c)(d) — 1.0%</b>	
3,349,411	3,282,423	22,925,890	—
19,068,966	17,861,328	49,138,954	—
	21,143,751	12,503,460	10,002,768
			10,002,768
		<b>Healthcare — 10.2%</b>	
		American Renal Holdings Inc., Term Loan B, VAR LIBOR USD 3 Month+3.250%, 06/21/24	
		2,722,362	
		2,596,453	



**INVESTMENT PORTFOLIO (unaudited)**

As of March 31, 2019

Highland Floating Rate Opportunities Fund‡

<u>Principal Amount (\$)</u>	<u>Value (\$)</u>	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>U.S. Senior Loans (continued)</b>		<b>U.S. Senior Loans (continued)</b>	
<b>Healthcare (continued)</b>		<b>Industrials — 3.8%</b>	
13,819,444	13,485,428	14,957,043	14,703,677
53,590,215	27,788,342	8,671,903	8,671,903
15,000,000	14,068,800	6,284,211	6,040,697
250,000	249,375	4,000,000	3,820,000
9,233,654	9,120,541	6,996,466	6,930,875
9,200,154	9,223,155		40,167,152
1,777,778	1,775,004	<b>Information Technology — 11.7%</b>	
15,350,540	15,104,317		
2,375,000	2,385,402		
12,612,676	11,130,687		
	106,927,504		
<b>Housing — 2.3%</b>			
24,088,706	23,923,096		
26,580	25,804		
1,743,503	—		
	23,948,900		



**INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****Highland Floating Rate Opportunities Fund‡**

<u>Principal Amount (\$)</u>		<u>Value (\$)</u>	<u>Principal Amount (\$)</u>		<u>Value (\$)</u>
<b>U.S. Senior Loans (continued)</b>			<b>U.S. Senior Loans (continued)</b>		
<b>Manufacturing (continued)</b>			<b>Service — 7.3%</b>		
	VC GB Holdings, Inc., Term Loan, 2nd Lien, VAR LIBOR USD 3			Advantage Sales & Marketing Inc., Initial Term Loan, 1st Lien, VAR LIBOR USD 3	
8,654,248	Month+8.000%, 02/28/25	8,567,705	6,720,688	Month+3.250%, 07/23/21	5,736,745
		<u>18,016,480</u>		Advantage Sales & Marketing Inc., Term Loan B2, 1st Lien, VAR LIBOR USD 3	
<b>Real Estate — 2.1%</b>				Month+3.250%, 07/23/21	1,865,963
	Bridgeview Louetta LLC, Mezzanine Term Loan, VAR LIBOR USD 3		2,194,605	Advantage Sales & Marketing Inc., Term Loan, 2nd Lien, VAR LIBOR USD 3	
1,200,000	Month+8.000%, 08/04/21 (c)	1,220,968		Month+6.500%, 07/25/22	10,128,262
	Forest City Enterprises, L.P., Initial Term Loan, VAR LIBOR USD 3		13,710,000	Canyon Valor Companies, Inc., Initial Dollar Term Loan, VAR LIBOR USD 3	
9,230,769	Month+4.000%, 12/08/25	9,282,692		Month+2.750%, 06/16/23	8,470,663
	Specialty Building Products Holdings, LLC, Initial Term Loan (2018), VAR LIBOR USD 3		8,521,236	CSC SW Holdco, Inc, Term Loan B-1, 1st Lien, VAR LIBOR USD 3	
12,000,000	Month+5.750%, 09/25/25	<u>11,760,000</u>	15,131,141	Month+3.250%, 11/14/22	14,760,428
		<u>22,263,660</u>		EnergySolutions, LLC, Initial Term Loan, 1st Lien, VAR LIBOR USD 3	
<b>Retail — 7.0%</b>				Month+3.750%, 05/09/25	5,338,246
	Academy, Ltd., Initial Term Loan, VAR LIBOR USD 3		6,020,590	Parexel International, Term Loan B, 1st Lien, VAR LIBOR USD 3	
18,776,967	Month+4.000%, 07/01/22	13,636,772		Month+2.750%, 09/27/24	10,265,982
	Dealer Tire, LLC, Initial Term Loan, VAR LIBOR USD 3		10,628,466	USI, Inc., 2017 New Term Loan, 1st Lien, VAR LIBOR USD 3	
15,698,413	Month+5.500%, 12/04/25	15,727,848		Month+3.000%, 05/16/24	12,266,338
	General Nutrition Centers, Inc., FILO Term Loan, VAR LIBOR USD 3		12,613,201	Weight Watchers International, Inc., Initial Term Loan, 1st Lien, VAR LIBOR USD 3	
1,178,368	Month+7.000%, 12/31/22	1,195,065		Month+4.750%, 11/29/24	<u>7,434,297</u>
	General Nutrition Centers, Inc., Tranche B-2 Term Loan, 1st Lien, VAR LIBOR USD 3		7,761,725		<u>76,266,924</u>
10,116,089	Month+8.750%, 03/04/21	9,805,019	<b>Transportation — 1.3%</b>		
	Jo-Ann Stores, LLC, Initial Loan, 1st Lien, VAR LIBOR USD 3			Capital Automotive L.P., Term Loan, 2nd Lien, VAR LIBOR USD 3	
11,211,922	Month+5.000%, 10/20/23	11,183,892	2,182,139	Month+6.000%, 03/21/25	2,189,645
	Jo-Ann Stores, LLC, Initial Loan, 2nd Lien, VAR LIBOR USD 3			Gruden Acquisition, Inc., Incremental Term Loan, 1st Lien, VAR LIBOR USD 3	
9,604,167	Month+9.250%, 05/21/24	9,195,990	11,790,921	Month+5.500%, 08/18/22	<u>11,717,228</u>
	Neiman Marcus Group Ltd. LLC, Other Term Loan, 1st Lien, VAR LIBOR USD 3				<u>13,906,873</u>
4,418,605	Month+3.250%, 10/25/20	4,120,813			
	Toys 'R' Us-Delaware, Inc., Term Loan B-4 (b)				
14,320,676		<u>7,722,167</u>			
		<u>72,587,566</u>			



**INVESTMENT PORTFOLIO (unaudited)**

As of March 31, 2019

Highland Floating Rate Opportunities Fund†

Principal Amount (\$)		Value (\$)	Principal Amount (\$)		Value (\$)
<b>U.S. Senior Loans (continued)</b>			<b>Foreign Denominated or Domiciled Senior Loans (continued)</b>		
<b>Utilities — 5.7%</b>			<b>Luxembourg (continued)</b>		
	Eastern Power, LLC (Eastern Covert Midco, LLC), Term Loan, VAR LIBOR USD 3 Month+3.750%, 10/02/23	9,909,685		Intelsat Jackson Holdings S.A., Tranche B-3 Term Loan, VAR LIBOR USD 3 Month+3.750%, 11/27/23	14,798,400
9,932,033			15,000,000		25,570,469
	Granite Acquisition, Inc., Term Loan B, 2nd Lien, VAR LIBOR USD 3 Month+7.250%, 12/19/22	2,325,102		Total Foreign Denominated or Domiciled Senior Loans (Cost \$52,075,816)	51,824,833
2,319,304			<b>Collateralized Loan Obligations (h) — 25.2%</b>		
	Lightstone Holdco LLC, Refinancing Term Loan B, VAR LIBOR USD 3 Month+3.750%, 01/30/24	16,379,953	4,000,000	Acis CLO, Ltd., Series 2014-3A, Class E VAR LIBOR USD 3 Month+4.750%, 7.49%, 2/1/2026 (g)(i)	3,591,800
16,893,777			1,000,000	Acis CLO, Ltd., Series 2015-6A, Class D VAR LIBOR USD 3 Month+3.770%, 6.51%, 5/1/2027 (g)(i)	967,500
	Lightstone Holdco LLC, Refinancing Term Loan C, VAR LIBOR USD 3 Month+3.750%, 01/30/24	903,036	750,000	Acis CLO, Ltd., Series 2014-4A, Class D VAR LIBOR USD 3 Month+3.100%, 5.84%, 5/1/2026 (i)	717,994
931,364			14,750,000	Acis CLO, Ltd., Series 2014-4A, Class E VAR LIBOR USD 3 Month+4.800%, 7.54%, 5/1/2026 (g)(i)	12,943,125
20,000,000	Pacific Gas and Electric, Initial Term Loan, 04/27/22	18,133,400	7,500,000	Acis CLO, Ltd., Series 2015-6A, Class E VAR LIBOR USD 3 Month+5.490%, 8.23%, 5/1/2027 (g)(i)	6,856,250
	Pike Corporation, Initial Term Loan, VAR LIBOR USD 3 Month+3.500%, 03/23/25	11,310,795	7,000,000	Acis CLO, Ltd., Series 2014-5A, Class D VAR LIBOR USD 3 Month+4.340%, 7.08%, 11/1/2026 (g)(i)	6,770,167
11,303,730			3,000,000	AIG CLO, Ltd., Series 2019-1A, Class E VAR LIBOR USD 3 Month+6.620%, 9.25%, 4/15/2032 (i)	2,865,000
59,127,210	Texas Competitive Electric Holdings Co., LLC, Extended Escrow Loan, (f)	59,127	2,500,000	Atlas Senior Loan Fund XIII, Ltd., Series 2019-13A, Class E VAR LIBOR USD 3 Month+6.950%, 9.58%, 4/22/2031(i)	2,375,000
		59,021,098	2,000,000	Ballyrock CLO, Ltd., Series 2018-1A, Class E VAR LIBOR USD 3 Month+8.000%, 10.76%, 4/20/2031 (i)	1,826,110
	Total U.S. Senior Loans (Cost \$935,162,354)	791,149,819	5,000,000	Ballyrock CLO, Ltd., Series 2019-1A, Class ER VAR LIBOR USD 3 Month+6.950%, 9.55%, 10/15/2028 (i)	5,000,000
<b>Foreign Denominated or Domiciled Senior Loans (a) — 4.9%</b>				Ballyrock CLO, Ltd., Series 2016-1X, Class E2 VAR LIBOR USD 3 Month+8.050%, 10.84%, 10/15/2028	501,317
<b>Canada — 2.5%</b>				BlueMountain CLO, Ltd., Series 2016-1A, Class DR VAR LIBOR USD 3 Month+7.500%, 10.26%, 1/20/2029 (i)	7,238,501
	Bausch Health Companies Inc., Initial Term Loan, VAR LIBOR USD 3 Month+3.000%, 06/02/25	13,801,948			
13,875,000					
	NorthRiver Midstream Finance L.P., Initial Term Loan B, 1st Lien, VAR LIBOR USD 3 Month+3.250%, 09/26/25	12,452,416			
12,468,750		26,254,364			
<b>Luxembourg — 2.4%</b>					
	Auris LuxCo, Term Loan B, 1st Lien, VAR LIBOR USD 3 Month+3.750%, 07/24/25	10,772,069			
10,758,621					



**INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****Highland Floating Rate Opportunities Fund‡**

<u>Principal Amount (\$)</u>	<u>Value (\$)</u>	<u>Principal Amount (\$)</u>	<u>Value (\$)</u>
<b>Collateralized Loan Obligations (continued)</b>		<b>Collateralized Loan Obligations (continued)</b>	
6,500,000	5,994,950	4,000,000	3,625,000
2,000,000	1,967,450	9,000,000	7,897,500
1,700,000	1,667,965	7,000,000	7,000,000
3,000,000	2,941,200	3,500,000	3,211,250
2,750,000	2,585,000	5,450,000	4,877,750
8,029,000	7,525,180	1,000,000	916,250
1,250,000	1,231,000	3,500,000	3,294,375
1,125,000	1,082,925	6,375,000	5,901,357
1,825,000	1,770,067	9,000,000	8,599,050
2,871,875	2,774,949	8,500,000	8,271,851
1,000,000	928,026		
3,500,000	3,140,501	1,670,000	1,553,100
4,000,000	3,640,000	6,000,000	5,655,000
6,000,000	5,967,000	3,000,000	2,670,000
		6,447,025	5,931,263



**INVESTMENT PORTFOLIO (unaudited)**

As of March 31, 2019

Highland Floating Rate Opportunities Fund‡

<u>Principal Amount (\$)</u>		<u>Value (\$)</u>	<u>Principal Amount (\$)</u>		<u>Value (\$)</u>
<b>Collateralized Loan Obligations (continued)</b>			<b>Collateralized Loan Obligations (continued)</b>		
	KVK CLO, Ltd., Series 2018-1A, Class E VAR LIBOR USD 3 Month+5.850%, 8.49%, 5/20/2029 (i)			TICP CLO III-2, Ltd., Series 2018-3R, Class F VAR LIBOR USD 3 Month+7.980%, 10.74%, 4/20/2028 (i)	
3,200,000		3,060,000	4,150,000		3,761,975
	LCM XIV, Ltd., Series 2018-14A, Class FR VAR LIBOR USD 3 Month+7.610%, 10.37%, 7/20/2031 (i)			Trinitas CLO III, Ltd., Series 2015-3A, Class E VAR LIBOR USD 3 Month+5.250%, 8.04%, 7/15/2027 (i)	
3,000,000		2,745,000	2,000,000		1,755,000
	LCM XXIII, Ltd., Series 2016-23A, Class D VAR LIBOR USD 3 Month+7.050%, 9.81%, 10/20/2029 (i)			Trinitas CLO IX, Ltd., Series 2018-9A, Class E VAR LIBOR USD 3 Month+6.250%, 9.04%, 1/20/2032 (i)	
1,000,000		999,925	2,000,000		1,810,000
	Magnetite VII, Ltd., Series 2018-7A, Class ER2 VAR LIBOR USD 3 Month+6.500%, 9.29%, 1/15/2028 (i)			Trinitas CLO X, Series 2019-10A, Class F VAR LIBOR USD 3 Month+7.785%, 10.40%, 4/15/2032 (i)	
490,000		441,000	9,000,000		8,370,000
	Man GLG US CLO, Ltd., Series 2018-2A, Class DR VAR LIBOR USD 3 Month+6.100%, 8.89%, 10/15/2028 (i)			Venture XIII CLO, Ltd., Series 2017-13A, Class ER VAR LIBOR USD 3 Month+6.750%, 9.35%, 9/10/2029 (i)	
4,000,000		3,921,192	7,575,000		7,302,679
	Mountain View CLO, Ltd., Series 2014-1A, Class E VAR LIBOR USD 3 Month+5.330%, 8.12%, 10/15/2026 (i)			Voya CLO, Ltd., Series 2018-1A, Class ER2 VAR LIBOR USD 3 Month+8.350%, 11.13%, 4/18/2031 (i)	
11,500,000		11,212,500	3,000,000		2,683,413
	Nassau, Ltd., Series 2017-1A, Class D VAR LIBOR USD 3 Month+6.180%, 8.97%, 10/15/2029 (i)			Voya CLO, Ltd., Series 2016-2A, Class D VAR LIBOR USD 3 Month+6.950%, 9.71%, 7/19/2028 (i)	
1,575,000		1,484,438	2,250,000		2,250,938
	Northwoods Capital XII-B, Ltd., Series 2018-12BA, Class F VAR LIBOR USD 3 Month+8.170%, 10.78%, 6/15/2031 (i)			Voya CLO, Ltd., Series 2018-4A, Class ER VAR LIBOR USD 3 Month+9.050%, 11.85%, 7/14/2031 (i)	
4,000,000		3,680,572	3,200,000		3,118,256
	OZLM XXII, Ltd., Series 2018-22A, Class E VAR LIBOR USD 3 Month+7.390%, 10.16%, 1/17/2031 (i)			Voya CLO, Ltd., Series 2018-2A, Class ER VAR LIBOR USD 3 Month+7.850%, 10.62%, 4/25/2031 (i)	
3,110,000		2,703,411	2,850,000		2,565,570
	Romark WM-R, Ltd., Series 2018-1A, Class E VAR LIBOR USD 3 Month+5.260%, 8.02%, 4/20/2031 (i)			Wellfleet CLO, Ltd., Series 2018-2A, Class DR VAR LIBOR USD 3 Month+5.500%, 8.26%, 10/20/2028 (i)	
985,000		856,950	3,950,000		3,821,625
	Saranac CLO III, Ltd., Series 2018-3A, Class ER VAR LIBOR USD 3 Month+7.500%, 10.11%, 6/22/2030 (i)			Z Capital Credit Partners CLO, Ltd., Series 2015-1A, Class E VAR LIBOR USD 3 Month+5.970%, 8.75%, 7/16/2027 (g)(i)	
5,150,000		4,887,350	7,250,000		6,894,025
	Saranac CLO VI, Ltd., Series 2018-6A, Class E VAR LIBOR USD 3 Month+6.400%, 9.01%, 8/13/2031 (i)			Zais CLO 3, Ltd., Series 2018-3A, Class DR VAR LIBOR USD 3 Month+6.910%, 9.70%, 7/15/2031 (i)	
5,000,000		4,776,665	6,000,000		5,415,000
	Symphony CLO XVI, Ltd., Series 2018-16A, Class ER VAR LIBOR USD 3 Month+6.100%, 8.89%, 10/15/2031 (i)			Zais CLO 7, Ltd., Series 2017-2A, Class E VAR LIBOR USD 3 Month+7.150%, 9.94%, 4/15/2030 (i)	
1,300,000		1,244,734	1,250,000		1,186,896
	TICP CLO I-2, Ltd., Series 2018-1A, Class D VAR LIBOR USD 3 Month+5.770%, 8.53%, 4/26/2028 (i)			Zais CLO 8, Ltd., Series 2018-1A, Class E VAR LIBOR USD 3 Month+5.250%, 8.04%, 4/15/2029 (i)	
3,500,000		3,333,867	3,300,000		2,948,550
				Total Collateralized Loan Obligations (Cost \$272,538,241)	<u>263,504,254</u>



**INVESTMENT PORTFOLIO (unaudited)**

As of March 31, 2019

Highland Floating Rate Opportunities Fund†

<u>Shares</u>		<u>Value (\$)</u>	<u>Shares/Principal Amount (\$)/Units</u>		<u>Value (\$)</u>
<b>Preferred Stock — 22.2%</b>			<b>Common Stocks (continued)</b>		
<b>Real Estate — 22.2%</b>			<b>Utilities (c)(d) — 0.0%</b>		
	Braemar Hotels & Resorts, Inc., REIT		10,378	Entegra TC LLC	—
645,161	5.50%	12,845,156		Total Common Stocks (Cost \$361,883,873)	82,334,563
	Creek Pine Holdings, LLC, REIT		<b>Agency Collateralized Mortgage Obligation — 5.8%</b>		
180,008	10.25%(c)(d)	193,606,162		FREMF Mortgage Trust, Series 2019-	
	Jernigan Capital, Inc., REIT			KF60, Class C	
22,883	7.00%(c)(d)	25,389,391		VAR LIBOR USD 1 Month+6.000%,	
	Total Preferred Stock		60,669,313	8.49%, 2/25/2026 (i)	60,571,514
	(Cost \$212,891,333)	231,840,709		Total Agency Collateralized Mortgage	
<b>Common Stocks — 7.9%</b>				Obligations (Cost \$60,571,456)	60,571,514
<b>Communication Services (c)(d)(j) — 0.8%</b>			<b>Corporate Bonds &amp; Notes — 1.3%</b>		
27,134	TerreStar Corporation	7,750,013	<b>Energy (b) — 0.1%</b>		
<b>Energy — 0.6%</b>				Ocean Rig UDW, Inc.	
167,419	Fieldwood Energy LLC	5,859,665	15,600,000	7.25%, 04/01/19(c)(d)(i)	1,076,400
1,118,286	Value Creation, Inc. (c)	1	5,000,000	Rex Energy Corp. 8.00%, 10/03/19	107,500
		5,859,666			1,183,900
<b>Gaming/Leisure (c)(d)(e) — 0.0%</b>			<b>Industrials (b) — 0.0%</b>		
	LLV Holdco LLC - Litigation Trust		7,500,000	American Airlines	144,000
44	Units	—	<b>Information Technology (b)(d) — 0.0%</b>		
	LLV Holdco LLC - Series A,		4,571,000	Avaya, Inc.	—
34,512	Membership Interest	—	<b>Utilities (b) — 1.2%</b>		
	LLV Holdco LLC - Series B,			Bruce Mansfield Unit 1 2007 Pass Through	
436	Membership Interest	—	13,753,863	Trust	11,828,322
		—		Texas Competitive Electric Holdings Co.,	
<b>Healthcare (c)(e) — 0.0%</b>			20,000,000	LLC (f)	99,000
207,031	CCS Medical Inc.	—		Texas Competitive Electric Holdings Co.,	
<b>Housing (c)(d) — 0.0%</b>			8,000,000	LLC (f)	36,000
1,648,350	Westgate Investments LLC	—			11,963,322
<b>Industrials — 0.1%</b>				Total Corporate Bonds & Notes	
35,569	American Airlines Group, Inc.	1,129,671		(Cost \$23,417,062)	13,291,222
250,627	Remington Outdoor Co., Inc. (k)	216,166	<b>Registered Investment Company — 0.9%</b>		
		1,345,837		NexPoint Strategic Opportunities Fund (e)	
<b>Information Technology — 0.0%</b>			427,345	(l)	9,303,301
117	Avaya Holdings Corp. (k)	1,969		Total Registered Investment Company	
<b>Materials — 1.0%</b>				(Cost \$9,692,243)	9,303,301
299,032	MPM Holdings, Inc. (k)	8,985,912	<b>Rights — 0.1%</b>		
14,621	Omnimax International, Inc. (c)(d)	1,786,217		<b>Utilities — 0.1%</b>	
		10,772,129		Texas Competitive Electric Holdings Co.,	
<b>Media — 3.7%</b>			1,117,866	LLC (k)	845,666
10,939,879	Gambier Bay LLC (c)(d)(e)	1,504,234		Total Rights	
502,161	Metro-Goldwyn-Mayer, Inc. (j)	37,159,914		(Cost \$3,882,778)	845,666
		38,664,148			
<b>Real Estate — 1.7%</b>					
1,292,689	Allenby (c)(d)(e)	1			
8,701,064	Claymore (c)(d)(e)	9			
31,232	Jernigan Capital, Inc. REIT	657,121			
802,563	NFRO REIT SUB, LLC (c)(d)(e)	17,283,670			
		17,940,801			



**INVESTMENT PORTFOLIO (unaudited)**

As of March 31, 2019

Highland Floating Rate Opportunities Fund‡

<u>Units/Shares</u>		<u>Value (\$)</u>
<b>Warrants — 0.0%</b>		
<b>Energy (k) — 0.0%</b>		
5,801	Arch Coal, Inc., Expires 10/09/2023	252,344
<b>Gaming/Leisure (c)(d)(e)(k) — 0.0%</b>		
1,834	LLV Holdco LLC - Series C, Membership Interest	—
2,522	LLV Holdco LLC - Series D, Membership Interest	—
2,819	LLV Holdco LLC - Series E, Membership Interest	—
3,172	LLV Holdco LLC - Series F, Membership Interest	—
3,594	LLV Holdco LLC - Series G, Membership Interest	—
<b>Industrials (k) — 0.0%</b>		
453	Omnimax Holdings, Inc., Expires 12/31/2049(c)(d)	55,289
178,140	Remington Outdoor Co., Inc.	133,605
		188,894
<b>Information Technology (b)(c)(k) — 0.0%</b>		
18,641	Avaya, Inc., Expires 12/19/2022	61,702
	Total Warrants (Cost \$290,959)	502,940
<b>Claims(m) — 0.0%</b>		
<b>Communication Services (b)(c)(k) — 0.0%</b>		
3,791,858	Lehman Brothers Commercial Paper LCPI Claim Facility	52,138
	Total Claims (Cost \$1,814,883)	52,138
<b>Cash Equivalents — 5.1%</b>		
<b>Money Market Fund(n) — 5.1%</b>		
53,254,919	State Street Institutional U.S. Government Money Market Fund, Premier Class 2.390%	53,254,919
	Total Cash Equivalents (Cost \$53,254,919)	53,254,919
<b>Total Investments - 149.1%</b>		<b>1,558,475,878</b>
(Cost \$1,987,475,917)		
<b>Other Assets &amp; Liabilities, Net - (49.1)%</b>		<b>(513,069,827)</b>
<b>Net Assets - 100.0%</b>		<b>1,045,406,051</b>

‡ On May 20, 2019, the Fund changed its name to Highland Income Fund.

- (a) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate (“LIBOR”) or (iii) the Certificate of Deposit rate. As of March 31, 2019, the LIBOR USD 1 Month and LIBOR USD 3 Month rates were 2.49% and 2.60%, respectively. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the “1933 Act”), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity maybe substantially less than the stated maturity shown.
- (b) The issuer is, or is in danger of being, in default of its payment obligation.
- (c) Securities with a total aggregate value of \$358,875,581, or 34.3% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Investment Portfolio for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- (d) Represents fair value as determined by the Fund’s Board of Trustees (the “Board”), or its designee in good faith, pursuant to the policies and procedures approved by the Board. The Board considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$357,540,772, or 34.2% of net assets, were fair valued under the Fund’s valuation procedures as of March 31, 2019. Please see Notes to Investment Portfolio.
- (e) Affiliated issuer. Assets with a total aggregate market value of \$122,882,325, or 11.8% of net assets, were affiliated with the Fund as of March 31, 2019.
- (f) Represents value held in escrow pending future events. No interest is being accrued.
- (g) As of March 31, 2019, investments with a total aggregate value of \$61,461,379 were fully or partially segregated with broker(s)/custodian as collateral for reverse repurchase agreements.
- (h) Variable or floating rate security. The base lending rates are generally the lending rate offered by one or more European banks such as the LIBOR. The interest rate shown reflects the rate in effect March 31, 2019. LIBOR, otherwise known as London Interbank Offered Rate, is the benchmark interest rate that banks charge each other for short-term loans. Current LIBOR rates include 1 month which is equal to 2.49% and 3 months equal to 2.60%.
- (i) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transaction exempt from registration to qualified institutional buyers. At March 31, 2019, these securities amounted to \$321,980,851 or 30.8% of net assets.



**INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****Highland Floating Rate Opportunities Fund‡**

- (j) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:

<b>Restricted Security</b>	<b>Security Type</b>	<b>Acquisition Date</b>	<b>Cost of Security</b>	<b>Market Value at Period End</b>	<b>Percent of Net Assets</b>
Metro-Goldwyn-Mayer, Inc.	Common Stocks	12/20/2010	\$ 21,845,688	\$ 37,159,914	3.6%
TerreStar Corporation	Common Stocks	3/16/2018	\$ 3,093,276	\$ 7,750,013	0.7%

- (k) Non-income producing security.
- (l) All or part of this security is pledged as collateral for short sales. The market value of the securities pledged as collateral was \$7,670,550.
- (m) These positions represent claims that have been filed with the United States Bankruptcy Court Southern District of New York against Lehman Commercial Paper, Inc. UKBranch.
- (n) Rate shown is 7 day effective yield.

**Foreign Domiciled Senior Loans  
Industry Concentration Table:  
(% of Net Assets)**

Communication Services	1.4%
Healthcare	2.3%
Oil & Gas	1.2%
	<u>4.9%</u>



**INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****Highland Floating Rate Opportunities Fund†**

The average amount of borrowing by the Fund on reverse repurchase agreements outstanding during the period ended March 31, 2019 was \$44,066,225 at a weighted average interest rate of 5.30%.

Reverse Repurchase Agreements outstanding as of March 31, 2019 were as follows:

<u>Counterparty</u>	<u>Collateral Pledged</u>	<u>Interest Rate</u>	<u>Trade Date</u>	<u>Maturity Date</u>	<u>Repurchase Amount</u>	<u>Principal Amount</u>	<u>Value</u>
BNP	Acis CLO, Ltd., Series 2014-3A, Class E, VAR LIBOR USD 3 Month+4.750%, 7.49%, 2/1/2026	3.93	1/24/2019	4/24/2019	\$ 2,793,176	\$ (4,000,000)	\$ (2,766,000)
BNP	Acis CLO, Ltd., Series 2014-4A, Class E, VAR LIBOR USD 3 Month+4.800%, 7.54%, 5/1/2026	3.93	1/24/2019	4/24/2019	10,271,562	(14,750,000)	(10,171,626)
BNP	Acis CLO, Ltd., Series 2014-5A, Class D, VAR LIBOR USD 3 Month+4.340%, 7.08%, 11/1/2026	3.63	1/24/2019	4/24/2019	5,693,201	(7,000,000)	(5,642,000)
BNP	Acis CLO, Ltd., Series 2015-6A, Class D, VAR LIBOR USD 3 Month+3.770%, 6.51%, 5/1/2027	3.63	1/24/2019	4/24/2019	808,250	(1,000,000)	(800,981)
BNP	Acis CLO, Ltd., Series 2015-6A, Class E, VAR LIBOR USD 3 Month+5.490%, 8.23%, 5/1/2027	3.93	1/24/2019	4/24/2019	5,408,686	(7,500,000)	(5,356,063)
BNP	Catamaran CLO, Ltd., Series 2014-2A, Class D, VAR LIBOR USD 3 Month+4.850%, 7.63%, 10/18/2026	4.33	1/18/2019	4/18/2019	2,247,064	(3,000,000)	(2,223,000)
BNP	CVP Cascade CLO, Ltd., Series 2014-2A, Class C, VAR LIBOR USD 3 Month+3.800%, 6.58%, 7/18/2026	3.75	1/30/2019	4/30/2019	4,762,635	(6,000,000)	(4,718,400)
BNP	Greywolf CLO II, Ltd., Series 2017-1A, Class DR, VAR LIBOR USD 3 Month+6.350%, 9.14%, 10/15/2029	4.33	1/18/2019	4/18/2019	6,384,573	(9,000,000)	(6,316,200)
BNP	JMP Credit Advisors CLO, Ltd., Series 2018-1A, Class SSUB, VAR LIBOR USD 3 Month+6.900%, 9.67%, 7/17/2030	4.84	3/6/2019	6/4/2019	3,109,171	(7,500,000)	(3,072,000)
BNP	Z Capital Credit Partners CLO, Ltd., Series 2015-1A, Class E, VAR LIBOR USD 3 Month+5.970%, 8.75%, 7/16/2027	3.93	1/24/2019	4/24/2019	3,029,078	(4,000,000)	(2,999,607)
<b>Total Reverse Repurchase Agreements</b>						<u>\$ (63,750,000)</u>	<u>\$ (44,065,877)</u>



**INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****Highland Floating Rate Opportunities Fund†****Organization**

Highland Floating Rate Opportunities Fund (the “Fund”) is organized as an unincorporated business trust under the laws of The Commonwealth of Massachusetts. The Fund is registered with the U.S. Securities and Exchange Commission (the “SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as a non-diversified, closed-end management investment company. On September 25, 2017, the Fund acquired the assets of Highland Floating Rate Opportunities Fund (the “Predecessor Fund”), a series of Highland Funds I, a Delaware statutory trust. The Fund is the successor to the accounting and performance information of the Predecessor Fund. This report includes information for the three months ended March 31, 2019.

On November 3, 2017, shareholders of the Fund approved a proposal authorizing the Board of Trustees (the “Board”) of the Fund to convert the fund from an open-end fund to a closed-end fund at a special meeting of shareholders. The Board took action to convert the Fund to a closed-end fund effective shortly after 4:00 p.m. Eastern Time on November 3, 2017 (the “Conversion Date”). The Fund also effected an approximately 1-for-2 reverse stock split of the Fund’s issued and outstanding shares on November 3, 2017, thereby reducing the number of shares outstanding. Shareholders were paid cash for any fractional shares resulting from the reverse stock split. The Fund began listing its shares for trading on the New York Stock Exchange (the “NYSE”) on November 6, 2017 under the ticker symbol “HFRO”. The Fund may issue an unlimited number of common shares, par value \$0.001 per share (“Common Shares”). Prior to the Conversion Date, the Fund issued Class A, Class C, and Class Z shares. On May 20, 2019, the Fund changed its name to Highland Income Fund.

**Basis of Consolidation**

The Fund consolidates HFRO Sub, LLC (“HFRO Sub”), a Delaware wholly owned subsidiary, for financial reporting, and the holdings of HFRO Sub, LLC are included within the Consolidated Investment Portfolio for the Fund. HFRO Sub is a bankruptcy remote financing vehicle used to obtain leverage with the portfolio of bank loans serving as collateral. All inter-company accounts and transactions have been eliminated in the consolidation.

**Valuation of Investments**

In computing the Fund’s net assets attributable to shares, securities with readily available market quotations on the NYSE, National Association of Securities Dealers Automated Quotation (“NASDAQ”) or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund’s Board of Trustees (the “Board”). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund’s loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that Highland Capital Management Fund Advisors, L.P. (“the Investment Adviser”) has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is “stale” or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund’s net asset value (“NAV”), will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund’s NAV will reflect the affected portfolio securities’ fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security’s most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund’s valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund’s financial statements may vary from the NAV published by the Fund as of its period end because portfolio securities transactions are accounted for on the trade date (rather than the day following the trade date) for financial statement purposes.



**INVESTMENT PORTFOLIO (unaudited)(continued)****As of March 31, 2019****Highland Floating Rate Opportunities Fund‡****Fair Value Measurements**

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1* — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;
- Level 2* — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and
- Level 3* — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of March 31, 2019, the Fund's investments consisted of senior loans, foreign denominated or domiciled senior loans, collateralized loan obligations, corporate bonds and notes, U.S. asset-backed securities, non-U.S. asset-backed securities, claims, common stocks, registered investment companies, cash equivalents, rights and warrants. The fair value of the Fund's senior loans and bonds are generally based on quotes received from brokers or independent pricing services. Loans, bonds and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Loans and bonds that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, registered investment companies, rights and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.



**INVESTMENT PORTFOLIO (unaudited)(continued)****As of March 31, 2019****Highland Floating Rate Opportunities Fund†**

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of the levels are recognized at the value at the end of the period. A summary of the inputs used to value the Fund's assets as of March 31, 2019 is as follows:

	<u>Total value at March 31, 2019</u>	<u>Level 1 Quoted Price</u>	<u>Level 2 Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
<b>Assets</b>				
U.S. Senior Loans				
Aerospace/Defense	\$ 2,955,441	\$ —	\$ 2,955,441	\$ —
Commercial Services	32,543,392	—	32,543,392	—
Communication Services	26,083,516	—	20,457,143	5,626,373
Consumer Discretionary	41,333,911	—	41,333,911	—
Consumer Products	21,143,751	—	21,143,751	—
Energy	35,821,808	—	35,821,808	—
Financial	65,419,707	—	65,419,707	—
Gaming/Leisure	10,002,768	—	—	10,002,768
Healthcare	106,927,504	—	79,139,162	27,788,342
Housing	23,948,900	—	23,948,900	— (1)
Industrials	40,167,152	—	31,495,249	8,671,903
Information Technology	122,739,368	—	65,739,368	57,000,000
Manufacturing	18,016,480	—	18,016,480	—
Real Estate	22,263,660	—	21,042,692	1,220,968
Retail	72,587,566	—	72,587,566	—
Service	76,266,924	—	76,266,924	—
Transportation	13,906,873	—	13,906,873	—
Utilities	59,021,098	—	59,021,098	—
Foreign Denominated or Domiciled Senior Loans				
Canada	26,254,364	—	26,254,364	—
Luxembourg	25,570,469	—	25,570,469	—
Collateralized Loan Obligations	263,504,254	—	263,504,254	—
Preferred Stock				
Real Estate	231,840,709	—	12,845,156	218,995,553
Common Stocks				
Communication Services	7,750,013	—	—	7,750,013
Energy	5,859,666	5,859,665	—	1
Gaming/Leisure	—	—	—	— (1)
Healthcare	—	—	—	— (1)
Housing	—	—	—	— (1)
Industrials	1,345,837	1,129,671	216,166	—
Information Technology	1,969	1,969	—	—
Materials	10,772,129	8,985,912	—	1,786,217
Media	38,664,148	37,159,914	—	1,504,234
Real Estate	17,940,801	657,121	—	17,283,680
Utilities	—	—	—	—
Agency Collateralized Mortgage Obligations	60,571,514	—	60,571,514	—
Corporate Bonds & Notes				
Energy	1,183,900	—	107,500	1,076,400
Industrials	144,000	—	144,000	—
Information Technology	—	—	—	— (1)
Utilities	11,963,322	—	11,963,322	—
Registered Investment Company	9,303,301	9,303,301	—	—
Rights				
Utilities	845,666	845,666	—	—
Warrants				
Energy	252,344	—	252,344	—
Gaming/Leisure	—	—	—	— (1)
Industrials	188,894	—	133,605	55,289



**INVESTMENT PORTFOLIO (unaudited)(continued)****As of March 31, 2019****Highland Floating Rate Opportunities Fund‡**

	<u>Total value at March 31, 2019</u>	<u>Level 1 Quoted Price</u>	<u>Level 2 Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
Information Technology	\$ 61,702	\$ —	\$ —	\$ 61,702
Claims	52,138	—	—	52,138
Cash Equivalents	53,254,919	53,254,919	—	—
<b>Total</b>	<u>\$1,558,475,878</u>	<u>\$117,198,138</u>	<u>\$1,082,402,159</u>	<u>\$ 358,875,581</u>

(1) This category includes securities with a value of zero.

The table below sets forth a summary of changes in the Fund's assets measured at fair value using significant unobservable inputs (Level 3) for the period ended March 31, 2019.

	<u>Balance as of December 31, 2018</u>	<u>Transfers into Level 3</u>	<u>Transfers Out of Level 3</u>	<u>Net Amortization (Accretion) of Premium/ (Discount)</u>	<u>Net Realized Gains/ (Losses)</u>	<u>Net Unrealized Gains/ (Losses)</u>	<u>Net Purchase</u>	<u>Net (Sales)</u>	<u>Balance as of March 31, 2019</u>	<u>Change in Unrealized Appreciation (Depreciation) from Investments at March 31, 2019</u>
U.S. Senior Loans										
Communication										
Services	\$ 5,472,828	\$ —	\$ —	\$ —	\$ —	\$ (101)	\$ 153,646	\$ —	\$ 5,626,373	\$ (101)
Gaming/Leisure	10,002,768	—	—	—	—	—	—	—	10,002,768	—
Healthcare	24,398,513	—	—	—	—	1,822,031	1,567,798	—	27,788,342	1,822,031
Housing	—	—	—	—	—	—	—	—	—	—
Industrials	8,269,728	—	—	88,692	—	20,230	293,253	—	8,671,903	20,230
Information										
Technology	57,000,000	—	—	—	—	—	—	—	57,000,000	—
Real Estate	1,228,016	—	—	(6,204)	—	(844)	—	—	1,220,968	(844)
Preferred Stock										
Real Estate	214,305,563	—	—	—	—	4,306,990	383,000	—	218,995,553	4,306,990
Common Stocks										
Communication										
Services	7,566,587	—	—	—	—	183,426	—	—	7,750,013	183,426
Energy	1	—	—	—	—	—	—	—	1	—
Gaming/Leisure	—	—	—	—	—	—	—	—	—	—
Healthcare	—	—	—	—	—	—	—	—	—	—
Housing	—	—	—	—	—	—	—	—	—	—
Materials	2,844,759	—	—	—	—	(1,058,542)	—	—	1,786,217	(1,058,542)
Media	1,258,086	—	—	—	—	246,148	—	—	1,504,234	246,148
Real Estate	17,207,035	—	—	—	—	76,645	—	—	17,283,680	76,645
Utilities	—	—	—	—	—	—	—	—	—	—
Corporate Bonds & Notes										
Energy	1,076,400	—	—	—	—	—	—	—	1,076,400	—
Warrants										
Gaming/Leisure	—	—	—	—	—	—	—	—	—	—
Industrials	88,054	—	—	—	—	(32,765)	—	—	55,289	(32,765)
Information										
Technology	51,729	—	—	—	—	9,973	—	—	61,702	9,973
Claims	52,138	—	—	—	—	—	—	—	52,138	—
<b>Total</b>	<u>\$350,822,205</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 82,488</u>	<u>\$ —</u>	<u>\$ 5,573,191</u>	<u>\$2,397,697</u>	<u>\$ —</u>	<u>\$358,875,581</u>	<u>\$ 5,573,191</u>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments. For the period ended March 31, 2019, there were no transfers between Levels.



**INVESTMENT PORTFOLIO (unaudited)(continued)****As of March 31, 2019****Highland Floating Rate Opportunities Fund‡**

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Market Value at 3/31/2019	Valuation Technique	Unobservable Inputs	Input Value(s)
Preferred Stock	\$218,995,553	Net Asset Value	N/A	N/A
		Discounted Cash Flow	Discount Rate	8.5%
			Internal Rate of Return	14.0%
U.S. Senior Loans	110,310,354	Adjusted Appraisal	Liquidity Discount	10%
			Asset Specific Discount	10%
		Multiples Analysis	Multiple of Revenue	0.40x - 0.55x
			Multiple of EBITDA	2.25x - 5.0x
		Discounted Cash Flow	Discount Rate	8.5% - 16.0%
			Spread Adjustment	0.0% - 0.1%
Common Stocks	28,324,145	Multiples Analysis	Multiple of Revenue	0.40x - 0.55x
			Multiple of EBITDA	2.25x - 7.75x
			Unadjusted Price/MHz-PoP	\$0.12 - \$0.95
			Risk Discount	39.0% - 42.3%
		Discounted Cash Flow	Discount Rate	11.0% - 15.0%
			Terminal Multiple	6.75x
		Transaction Analysis	Multiple of EBITDA	7.25x - 7.75x
		Net Asset Value	N/A	N/A
Corporate Bonds & Notes	1,076,400	Liquidation Analysis	Claim Amount: Percent of Par	6.9%
Warrants	116,991	Multiples Analysis	Multiple of EBITDA	6.5x - 7.75x
		Discounted Cash Flow	Discount Rate	11.0%
			Terminal Multiple	6.75x
		Transaction Analysis	Multiple of EBITDA	7.25x - 7.75x
Claims	52,138	N/A	N/A	N/A
<b>Total</b>	<b>\$358,875,581</b>			

In addition to the unobservable inputs utilized for various valuation methodologies, the Investment Adviser frequently uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Investment Adviser assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 20% to as high as 50% as of March 31, 2019. The selection of weightings is an inherently subjective process, dependent on professional judgement. These selections may have a material impact to the concluded fair value for such holdings.

**Security Transactions**

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

**Cash & Cash Equivalents**

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of this financial report.

**Securities Sold Short**

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security



**INVESTMENT PORTFOLIO (unaudited)(continued)****As of March 31, 2019****Highland Floating Rate Opportunities Fund‡**

sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. The Fund may have to pay a fee to borrow particular securities and is often obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances, the Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Securities and cash held as collateral for securities sold short are shown on the Investments Portfolio for the Fund.

**Derivative Transactions**

The Fund is subject to equity securities risk, interest rate risk and currency risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments.

**Reverse Repurchase Agreements**

The Fund may engage in reverse repurchase agreement transactions with respect to instruments that are consistent with the Fund's investment objective or policies.

**Affiliated Issuers**

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as "affiliated" if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund for the period ended March 31, 2019:

Issuer	Shares at December 31, 2018	Beginning Value as of December 31, 2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on Sales of Affiliated Issuers	Change in Unrealized Appreciation/ Depreciation	Ending Value as of March 31, 2019	Shares at March 31, 2019	Affiliated Income
<b>Majority Owned, Not Consolidated</b>									
Allenby (Common Stocks)	1,291,881	\$ 1	\$ 808	\$ —	\$ —	\$ (808)	\$ 1	1,292,689	\$ —
Claymore (Common Stocks)	8,698,220	9	2,844	—	—	(2,844)	9	8,701,064	—
<b>Other Affiliates</b>									
CCS Medical, Inc. (U.S. Senior Loans & Common Stocks)	52,229,448	24,398,513	1,567,798	—	—	1,822,031	27,788,342	53,797,246	1,587,695
EDS Legacy Partners (U.S. Senior Loans)	57,000,000	57,000,000	—	—	—	—	57,000,000	57,000,000	—
Gambier Bay LLC (Common Stocks)	10,939,879	1,258,086	—	—	—	246,148	1,504,234	10,939,879	—
LLV Holdco LLC (U.S. Senior Loans, Common Stocks and Warrants)	12,552,393	10,002,768	—	—	—	—	10,002,768	12,552,393	—
Nevada Land Group LLC (U.S. Senior Loans)	1,743,503	—	—	—	—	—	—	1,743,503	—
NexPoint Strategic Opportunities Fund (Registered Investment Company)	427,345	8,516,986	—	—	—	786,315	9,303,301	427,345	256,407



NFRO REIT SUB,  
 LLC (Common  
 Stocks)

	802,563	17,207,025	—	—	—	76,645	17,283,670	802,563	—
Total	<u>145,685,232</u>	<u>\$118,383,388</u>	<u>\$1,571,450</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$2,927,487</u>	<u>\$122,882,325</u>	<u>147,256,682</u>	<u>\$1,844,102</u>



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM N-CSR**

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**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-23268

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**HIGHLAND INCOME FUND**

(Exact name of registrant as specified in charter)

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**300 Crescent Court  
Suite 700**

**Dallas, Texas 75201**

(Address of principal executive offices) (Zip code)

---

**Highland Capital Management Fund Advisors, L.P.**

**300 Crescent Court**

**Suite 700**

**Dallas, Texas 75201**

(Name and Address of Agent for Service)

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**Registrant's telephone number, including area code: (800) 357-9167**

**Date of fiscal year end: December 31**

**Date of reporting period: December 31, 2019**

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**Item 1. Reports to Stockholders.**

A copy of the Annual Report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the "1940 Act"), is attached herewith.





# Highland Income Fund

(formerly, Highland Floating Rate Opportunities Fund)

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## Annual Report

### December 31, 2019

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Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website (highlandfunds.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by contacting the Fund's transfer agent at 1-800-357-9167.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you can call 1-800-357-9167 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with the Fund.



# Highland Income Fund

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Economic and market conditions change frequently.  
There is no assurance that the trends described in this report will continue or commence.

### Privacy Policy

We recognize and respect your privacy expectations, whether you are a visitor to our web site, a potential shareholder, a current shareholder or even a former shareholder.

*Collection of Information.* We may collect nonpublic personal information about you from the following sources:

- **Account applications and other forms, which may include your name, address and social security number, written and electronic correspondence and telephone contacts;**
- **Web site information, including any information captured through the use of “cookies”; and**
- **Account history, including information about the transactions and balances in your accounts with us or our affiliates.**

*Disclosure of Information.* We may share the information we collect with our affiliates. We may also disclose this information as otherwise permitted by law. We do not sell your personal information to third parties for their independent use.

*Confidentiality and Security of Information.* We restrict access to nonpublic personal information about you to our employees and agents who need to know such information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information, although you should be aware that data protection cannot be guaranteed.

**A prospectus must precede or accompany this report. Please read the prospectus carefully before you invest.**



**PORTFOLIO MANAGER COMMENTARY (unaudited)****As of December 31, 2019****Highland Income Fund (NYSE: HFRO)****Performance Overview**

For the twelve-month period ended December 31, 2019, Highland Income Fund (the “Fund” or “HFRO”) experienced a total price return of 1.48% and a total NAV return of 4.30%. Over the same period, the Fund’s benchmark, the Credit Suisse Leveraged Loan Index (the “Index”), returned 8.17%. As of December 31, 2019, the Fund held investments in 91 issuers generating a 12-month yield of 7.33%. The weighted average loan price in the portfolio was \$93.79, and the average price of collateralized loan obligation (“CLO”) debt was \$87.98. In terms of composition, the Fund was allocated to 35.4% loans, 23.4% CLO debt, 39.2% equities, and 2.1% bonds.

**Manager’s Discussion**

The year 2019 was a bit of a roller coaster year in the leveraged loan market. Following the Federal Reserve System (the “Fed”) signaling it would continue raising interest rates at the end of 2018 and the ensuing market volatility, credit markets experienced a significant rebound to start 2019 as the Fed reassessed the environment and determined that it was warranted to pause further interest rate hikes. Over the next couple of months and as additional dovish commentary followed, risk market sentiment continued to improve. However, in late spring markets began to succumb to the uncertainty of a potentially prolonged trade dispute with China. While equity markets eventually recovered, the softness in the loan market persisted. In addition to macroeconomic uncertainty, retail loan outflows remained a consistent headwind as the Fed pause and subsequent rate cuts caused investors to reduce floating rate debt exposure. The price weakness finally reversed in December as we gained clarity on the trade front, boosting returns for loans to over 8%. Despite the better than expected result, the composition of that return was quite unusual. BB and B-rated issuances substantially outperformed their CCC-rated counterparts. Some of that trend reversed in December, but investor cautiousness remained a consistent theme throughout 2019.

As a result of the weak start and strong end to the year, the average loan price for the S&P/LSTA Leveraged Loan Price Index improved from 93.84 to 96.72. In addition to improving risk sentiment, CLO demand and lower issuance were able to mitigate the impact of persistent retail outflows. Net CLO issuance remained robust in 2019 and, at the lower end of forecasts, was down less than 10%. Meanwhile, net loan issuance was down over 30%. Although 2019 experienced a heightened level of defaults, commodity-sensitive sectors (energy and metals/mining) accounted for the majority and loan default rates remain modest at 1.64% on a trailing 12-month basis (slightly lower than where they began the year). Absent a material deterioration in economic performance, we do not anticipate an appreciable rise in the default rate during the near-term.

We continue to follow from the Highland Floating Rate Opportunities Fund an investment approach centered around a diverse set of opportunities. To this end and in addition to its traditional core portfolios of leveraged loans, CLO debt, and special situations, the Fund expanded its investment strategy in May and changed its name to the Highland Income Fund. The Fund’s ticker and investment objective (i.e., to provide a high level of current income consistent with the preservation of capital) did not change, but the policy of investing at least 80% of net assets in floating rate instruments was removed. Under the new strategy, the Fund has expanded upon its focus on floating rate investments to also include investments in securities or related instruments directly or indirectly secured by real estate. It is not envisioned that it will become a real estate only fund. However, at this point in the credit cycle, we believed it prudent to expand the investment scope to include other assets with similar income characteristics that may not be as correlated to traditional floating rate investments. We believe that this approach leverages Highland’s existing real estate capabilities and positions the Fund to better weather bouts of market turbulence should they arise in the future.

As we begin a new year, we are cautiously optimistic about returns in the credit markets. We expect the positive, but relatively low, economic growth environment to persist. We are entering an election year and are likely to continue to face trade headlines (possibly away from China), which may constrain further growth acceleration. However, this is not necessarily a negative for credit, as a hesitant Fed (combined with easy money globally) should provide a supportive backdrop for risk assets. Obviously, a reacceleration in growth and a concurrent rise in yields could be a good outcome for loans as well. Nonetheless, we expect the loan market technical to be more balanced in 2020. Most expect net loan and CLO issuance to drop in 2020. While loan retail outflows may continue, we believe the magnitude should be smaller going forward. Such outflows may prevent the price discount from narrowing much, but we believe a positive coupon is not unreasonable. However, we do expect some reversal of the quality trade experienced for much of last year. We believe that further upside for double-Bs is likely limited and that investors will increasingly look into the more downtrodden single-Bs for alpha generation. However, we do not believe there will be a widespread rally in CCC credits. There may be some catalyst-driven instances that have a successful outcome, but there still seems to be some persisting cautiousness amongst credit investors. Regardless of the opportunity set, we expect that the Fund’s flexible investment strategy will position it to positively traverse this next stage of the credit cycle. We continue to believe that upcoming opportunities will be defined around more idiosyncratic situations that favor a more active approach to investment management, and the ability to pursue those opportunities (and avoid others), regardless of asset class, should be beneficial and enhance the total return potential for the Fund.

We thank you for your continued support and investment in the Fund.

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**CONSOLIDATED FUND PROFILE (unaudited)****Highland Income Fund****Objective**

Highland Income Fund seeks to provide a high level of current income, consistent with preservation of capital.

Net Assets as of December 31, 2019

**\$995.4 million**

Portfolio Data as of December 31, 2019

The information below provides a snapshot of Highland Income Fund at the end of the reporting period. Highland Income Fund is actively managed and the composition of its portfolio will change over time. Current and future holdings are subject to risk.

**Quality Breakdown as of 12/31/2019(%)<sup>(1)</sup>**

AAA	0.52
BBB	0.96
BB	16.69
B	42.80
CCC	6.30
D	1.75
NR	30.98

**Top 5 Sectors as of 12/31/2019(%)<sup>(1)</sup>  
(2)**

Real Estate	46.5
Financial	40.9
Information Technology	10.2
Healthcare	8.3
Communication Services	5.9

**Top 10 Holdings as of 12/31/2019(%)<sup>(1)(2)(3)</sup>**

Creek Pine Holdings, LLC 10.25%, (Preferred Stock)	20.9
NFRO REIT SUB, LLC (Common Stock)	9.6
FREMF Mortgage Trust 7.70%, 2/25/2026 (Agency Collateralized Mortgage Obligations)	6.1
EDS Legacy Partners 7.50%, 12/14/2023 (U.S. Senior Loans)	5.7
SFR WLIF II, LLC (LLC Interest)	5.2
FREMF Mortgage Trust, 11/25/2029 (Agency Collateralized Mortgage Obligations)	5.1
CCS Medical, Inc., Term Loan 12.50%, 5/31/2020 (U.S. Senior Loans)	4.8
Metro-Goldwyn-Mayer, Inc. (Common Stock)	3.9
SFR WLIF III, LLC (LLC Interest)	2.5
Jernigan Capital, Inc. 7.00%, (Preferred Stock)	2.5

<sup>(1)</sup> Quality is calculated as a percentage of total credit instruments held by the portfolio. Sectors and holdings are calculated as a percentage of total net assets. The quality ratings reflected were issued by Standard & Poors, a nationally recognized statistical rating organization. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Quality ratings reflect the credit quality of the underlying bonds in the Fund's portfolio and not that of the Fund itself. Credit quality ratings assigned by a rating agency are subjective opinions, not statements of fact, and are subject to change, including daily. The ratings assigned by credit rating agencies are but one of the considerations that the Fund's investment adviser incorporates into its credit analysis process, along with such other issuer specific factors as cash flows, capital structure and leverage ratios, ability to deleverage through free cash flow, quality of management, market positioning and access to capital, as well as such security-specific factors as the terms of the security (e.g., interest rate, and time to maturity) and the amount of any collateral.

<sup>(2)</sup> Sectors and holdings are calculated as a percentage of total net assets.

<sup>(3)</sup> Excludes the Fund's investment in a cash equivalent.



# CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

Highland Income Fund

## A guide to understanding the Fund's consolidated financial statements

<b>Consolidated Investment Portfolio</b>	The Investment Portfolio details all of the Fund's holdings and its market value as of the last day of the reporting period. Portfolio holdings are organized by type of asset and industry to demonstrate areas of concentration and diversification.
<b>Consolidated Statement of Assets and Liabilities</b>	This statement details the Fund's assets, liabilities, net assets and share price for each share class as of the last day of the reporting period. Net assets are calculated by subtracting all of the Fund's liabilities (including any unpaid expenses) from the total of the Fund's investment and noninvestment assets. The net asset value per share for each class is calculated by dividing net assets allocated to that share class by the number of shares outstanding in that class as of the last day of the reporting period.
<b>Consolidated Statement of Operations</b>	This statement reports income earned by the Fund and the expenses incurred by the Fund during the reporting period. The Statement of Operations also shows any net gain or loss the Fund realized on the sales of its holdings during the period as well as any unrealized gains or losses recognized over the period. The total of these results represents the Fund's net increase or decrease in net assets from operations.
<b>Consolidated Statements of Changes in Net Assets</b>	These statements detail how the Fund's net assets were affected by its operating results, distributions to shareholders and shareholder transactions (e.g., subscriptions, redemptions and distribution reinvestments) during the reporting period. The Statement of Changes in Net Assets also details changes in the number of shares outstanding.
<b>Consolidated Statement of Cash Flows</b>	This statement reports net cash and foreign currency provided or used by operating, investing and financing activities and the net effect of those flows on cash and foreign currency during the period.
<b>Consolidated Financial Highlights</b>	The Financial Highlights demonstrate how the Fund's net asset value per share was affected by the Fund's operating results. The Financial Highlights also disclose the classes' performance and certain key ratios (e.g., net expenses and net investment income as a percentage of average net assets).
<b>Notes to Consolidated Financial Statements</b>	These notes disclose the organizational background of the Fund, certain of its significant accounting policies (including those surrounding security valuation, income recognition and distributions to shareholders), federal tax information, fees and compensation paid to affiliates and significant risks and contingencies.



# CONSOLIDATED INVESTMENT PORTFOLIO

As of December 31, 2019

Highland Income Fund

Principal Amount (\$)	Value (\$)	Principal Amount (\$)	Value (\$)
<b>U.S. Senior Loans (a) - 52.6%</b>		<b>FINANCIAL (continued)</b>	
<b>COMMERCIAL SERVICES - 2.6%</b>		Edelman Financial Group (The), Term Loan, 2nd Lien, VAR LIBOR USD 3 Month+6.750%, 06/26/26	
10,076,415	American Traffic Solutions, Inc., VAR LIBOR USD 3 Month+3.750%, 02/21/25	9,447,348	9,459,157
	10,156,221		24,228,052
7,240,664	EmployBridge LLC, 2018 Refinancing Term Loan, VAR LIBOR USD 3 Month+4.500%, 04/18/25	<b>GAMING/LEISURE - 1.1%</b>	
8,520,740	Fort Dearborn Holding Company, Inc., Initial Term Loan, VAR LIBOR USD 3 Month+4.000%, 10/19/23	22,791,602	Ginn-LA CS Borrower LLC, Tranche A Term Loan Credit-Linked Deposit, 1st Lien, (b)(c)(d)
	8,286,419	48,851,124	Ginn-LA CS Borrower LLC, Tranche B Term Loan, 1st Lien, (b)(c)(d)
	25,574,694	13,442,392	LLV Holdco, LLC, Revolving Exit Loan, 09/03/20 (b)(d)(e)
<b>COMMUNICATION SERVICES - 1.1%</b>			10,753,914
5,248,005	iHeartCommunications Inc., Initial Term Loan, 1st Lien, 05/01/26		10,753,914
6,119,646	TerreStar Corporation, Term Loan D, 11.000% PIK, 02/27/20 (b)(d)	<b>HEALTHCARE - 8.2%</b>	
	6,107,407	American Renal Holdings Inc., Term Loan B, VAR LIBOR USD 3 Month+3.250%, 06/21/24	
	11,406,790	2,694,724	2,567,452
<b>CONSUMER DISCRETIONARY - 2.9%</b>		BW NHC Holdco Inc., Initial Term Loan, 1st Lien, VAR LIBOR USD 3 Month+5.000%, 05/15/25	
13,545,751	Truck Hero, Inc., Initial Term Loan, 1st Lien, VAR LIBOR USD 3 Month+3.750%, 04/22/24	13,680,556	11,286,458
4,076,667	Truck Hero, Inc., Initial Term Loan, 2nd Lien, VAR LIBOR USD 3 Month+8.250%, 04/21/25	58,712,985	47,733,657
11,845,582	USS Ultimate Holdings, Inc., Initial Term Loan, 1st Lien, VAR LIBOR USD 3 Month+3.750%, 08/09/24	247,500	249,253
	11,906,054	Radnet Management, Inc., Term Loan B-1, 1st Lien, VAR LIBOR USD 3 Month+3.750%, 06/30/23	
	29,060,626	9,914,381	9,982,542
<b>CONSUMER PRODUCTS - 1.3%</b>		Sound Inpatient Physicians Holdings LLC, 2nd Lien, VAR LIBOR USD 3 Month+6.750%, 06/19/26	
3,334,113	Dayco Products, LLC, Term Loan B, VAR LIBOR USD 3 Month+4.250%, 05/08/23	1,777,778	1,795,556
10,068,966	KIK Custom Products, Inc., Initial Term Loan, VAR LIBOR USD 3 Month+4.000%, 05/15/23	8,245,988	8,227,104
	9,912,896		81,842,022
	12,855,251	<b>INDUSTRIALS - 3.4%</b>	
<b>ENERGY - 2.5%</b>		Hayward Industries, Inc., Initial Term Loan, 1st Lien, VAR LIBOR USD 3 Month+3.500%, 08/05/24	
15,904,030	Fieldwood Energy LLC, Closing Date Loan, 2nd Lien, VAR LIBOR USD 3 Month+7.250%, 04/11/23	14,544,843	14,472,119
17,018,093	Traverse Midstream Partners LLC, Term Loan, VAR LIBOR USD 3 Month+4.000%, 09/27/24	9,614,694	8,105,187
	15,452,429	4,000,000	3,850,000
	24,607,186	PSC Industrial Holdings Corp., Initial Term Loan, 2nd Lien, VAR LIBOR USD 3 Month+8.500%, 10/11/25	
<b>FINANCIAL - 2.4%</b>		6,925,795	6,896,915
9,850,000	BCP Renaissance Parent LLC, Term Loan B, VAR LIBOR USD 3 Month+3.500%, 10/31/24		33,324,221
5,940,000	Edelman Financial Center (The), Initial Term Loan, VAR LIBOR USD 3 Month+3.250%, 07/21/25		
	5,983,926		

4 | See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



# CONSOLIDATED INVESTMENT PORTFOLIO (continued)

As of December 31, 2019

Highland Income Fund

Principal Amount (\$)		Value (\$)		Principal Amount (\$)		Value (\$)
<b>U.S. Senior Loans (continued)</b>			<b>SERVICE - 3.7%</b>			
<b>INFORMATION TECHNOLOGY - 11.1%</b>				Advantage Sales & Marketing Inc.,		
	Avaya Inc.,		6,650,498	Initial Term Loan, 1st Lien, VAR LIBOR		6,458,465
13,834,475	Tranche B Term Loan, VAR LIBOR USD			USD 3 Month+3.250%, 07/23/21		
	3 Month+4.250%, 12/15/24	13,616,583		Advantage Sales & Marketing Inc.,		
	EDS Legacy Partners,		2,172,325	Term Loan B2, 1st Lien, VAR LIBOR USD		2,107,600
57,000,000	VAR LIBOR USD 3 Month+2.750%,			3 Month+3.250%, 07/23/21		
	12/14/23 (b)(d)(e)	56,829,000		Advantage Sales & Marketing Inc.,		
	Intermedia Holdings, Inc.,		13,710,000	Term Loan, 2nd Lien, VAR LIBOR USD		12,259,071
9,900,000	New Term Loan, 1st Lien, VAR LIBOR			3 Month+6.500%, 07/25/22		
	USD 3 Month+6.000%, 07/21/25	9,924,750		CSC SW Holdco, Inc.		
	Kronos Incorporated,			(fka CSC Serviceworks, Inc.), Term Loan		
4,800,000	Initial Term Loan, 2nd Lien, VAR LIBOR		10,015,693	B-1, 1st Lien, VAR LIBOR USD		9,954,898
	USD 3 Month+8.250%, 10/18/24	4,914,000		3 Month+3.250%, 11/14/22		
	Neustar, Inc.,			EnergySolutions, LLC (aka Envirocare of		
	Term Loan B4, VAR LIBOR USD		5,960,081	Utah, LLC), Initial Term Loan, 1st Lien,		
11,381,214	3 Month+3.500%, 08/08/24	10,531,891		VAR LIBOR USD		5,649,055
	Proccera Networks, Inc.,			3 Month+3.750%, 05/09/25		36,429,089
	Initial Term Loan, VAR LIBOR USD					
14,794,577	3 Month+4.500%, 10/30/25	14,634,352		<b>TRANSPORTATION - 1.2%</b>		
		110,450,576		Gruden Acquisition, Inc.,		
<b>MANUFACTURING - 0.4%</b>				Incremental Term Loan, 1st Lien,		
	VC GB Holdings, Inc.,		11,669,365	VAR LIBOR USD		11,698,539
	Refinancing Term Loan,			3 Month+5.500%, 08/18/22		
3,552,519	1st Lien, VAR LIBOR USD			<b>UTILITIES - 2.5%</b>		
	3 Month+3.250%, 02/28/24	3,534,756		Eastern Power, LLC (Eastern Covert Midco,		
<b>OIL &amp; GAS - 0.9%</b>				LLC), Term Loan, VAR LIBOR USD 3		
	Lower Cadence Holdings LLC,		11,397,995	Month+3.750%, 10/02/23		11,445,182
9,239,286	Initial Term Loan, 1st Lien, 05/08/26	9,164,263		Granite Acquisition, Inc.,		
<b>REAL ESTATE - 2.1%</b>				Term Loan B, 2nd Lien, VAR LIBOR USD		
	Forest City Enterprises, L.P.,		2,319,304	3 Month+7.250%, 12/19/22		2,327,027
	Replacement Term Loan,			Lightstone Holdco LLC,		
9,138,462	1st Lien, 12/08/25	9,201,288	11,780,034	Refinancing Term Loan B, VAR LIBOR		
	Specialty Building Products Holdings, LLC,			USD 3 Month+3.750%, 01/30/24		10,861,191
	Initial Term Loan, VAR LIBOR USD			Lightstone Holdco LLC,		
11,910,000	3 Month+5.750%, 09/25/25	11,895,112	664,412	Refinancing Term Loan C, VAR LIBOR		
		21,096,400		USD 3 Month+3.750%, 01/30/24		612,588
<b>RETAIL - 5.2%</b>			59,127,210	Texas Competitive Electric Holdings Co.,		
	Academy, Ltd.,			LLC, Extended Escrow Loan (f) .		53,215
	Initial Term Loan, VAR LIBOR USD					25,299,203
18,553,012	3 Month+4.000%, 07/01/22	15,350,761		Total U.S. Senior Loans		
	Dealer Tire, LLC,			(Cost \$633,689,739)		523,437,730
	Initial Term Loan, VAR LIBOR USD			<b>Shares</b>		
15,580,675	3 Month+5.500%, 12/04/25	15,629,442		<b>Preferred Stock - 30.1%</b>		
	General Nutrition Centers, Inc.,			<b>ENERGY - 1.7%</b>		
	FILO Term Loan, VAR LIBOR USD		1,790,983	Crestwood Equity Partners 9.25% (g)		16,530,773
1,178,368	3 Month+7.000%, 12/31/22	1,179,269				
	General Nutrition Centers, Inc.,			<b>FINANCIAL - 3.6%</b>		
	Tranche B-2 Term Loan, 1st Lien,		516,666	Creative Science Properties, Inc. (h)		7,749,990
	VAR LIBOR USD		3,980	Eastland Ltd. 1.00%, 05/01/2022		1,657,935
9,900,316	3 Month+8.750%, 03/04/21	9,383,669	85,000	Federal Home Loan Mortgage 5.57% (g)(r)		844,050
	Jo-Ann Stores, LLC, Initial Loan, 1st Lien,		162,000	Federal Home Loan Mortgage (g)(h)(r)		2,886,340
	VAR LIBOR USD		525,000	Federal Home Loan Mortgage 5.30% (g)		9,660,000
10,127,989	3 Month+5.000%, 10/20/23	7,121,293	225,315	Federal Home Loan Mortgage 5.90% (g)(r)		2,253,150
	Jo-Ann Stores, LLC,					
	Initial Loan, 2nd Lien, VAR LIBOR USD					
9,554,955	3 Month+9.250%, 05/21/24	3,447,714				
		52,112,148				

See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements. 5



# CONSOLIDATED INVESTMENT PORTFOLIO (continued)

As of December 31, 2019

Highland Income Fund

Shares		Value (\$)	Principal Amount (\$)	Value (\$)
<b>Preferred Stock (continued)</b>				
<b>FINANCIAL (continued)</b>				
	Federal National Mortgage Association		3,000,000	2,940,000
50,000	8.25% (g)(r)	566,500		
	Federal National Mortgage Association		2,300,000	2,277,000
100,000	7.63% (g)(r)	1,090,000		
	Federal National Mortgage Association (g)		2,000,000	1,640,000
302,000	(h)(r)	5,199,500		
	Federal National Mortgage Association		3,500,000	2,658,250
30,000	5.13% (g)(r)	596,700		
	Federal National Mortgage Association		3,875,000	3,332,500
59,449	5.38% (g)(r)	3,803,855		
	Federal National Mortgage Association		5,382,500	5,113,375
3,840	4.75% (g)(r)	75,994		
		36,384,014		
<b>REAL ESTATE - 24.8%</b>				
	Braemar Hotels & Resorts, Inc., REIT		3,000,000	2,810,533
645,161	5.50% (g)(r)	12,258,059		
	Creek Pine Holdings, LLC, REIT 10.25% (b)		1,500,000	1,501,842
180,008	(d)(g)	208,435,249		
	Jernigan Capital, Inc., REIT 7.00% (b)(d)(g)		3,500,000	3,237,500
24,415	Wheeler Real Estate Investment Trust, REIT	24,590,048		
	9.00% (g)	915,467		
83,300	Wheeler Real Estate Investment Trust, REIT		3,875,000	3,332,500
	8.75%, 10.75%, 09/21/23 (g)(j) .	1,112,286		
74,600		247,311,109		
	Total Preferred Stock		3,875,000	3,332,500
	(Cost \$273,945,468)	300,225,896		
<b>Principal Amount (\$)</b>				
<b>Collateralized Loan Obligations - 20.6%</b>				
	Acis CLO, Ltd.,		5,382,500	5,113,375
	Series 2014-4A, Class D VAR LIBOR		2,250,000	2,075,625
750,000	USD 3 Month+3.100%,	744,075		
	5.01%, 5/1/2026 (k)(l)		3,000,000	2,784,600
	Acis CLO, Ltd.,		1,250,000	1,154,000
	Series 2014-3A, Class E VAR ICE LIBOR		4,000,000	3,840,000
4,000,000	USD 3 Month+4.750%,	3,444,400		
	6.66%, 2/1/2026 (k)(l)(m)		1,750,000	1,400,000
	Acis CLO, Ltd.,		1,000,000	945,000
	Series 2015-6A, Class D VAR LIBOR			
1,000,000	USD 3 Month+3.770%,	997,500		
	5.68%, 5/1/2027 (k)(l)(m)			
	Acis CLO, Ltd.,		4,000,000	3,840,000
	Series 2014-5A, Class D VAR LIBOR		1,750,000	1,400,000
7,000,000	USD 3 Month+4.340%,	6,885,900		
	6.25%, 11/1/2026 (k)(l)(m)		1,000,000	945,000
	Acis CLO, Ltd.,			
	Series 2015-6A, Class E VAR LIBOR			
7,500,000	USD 3 Month+5.490%,	6,543,750		
	7.40%, 5/1/2027 (k)(l)(m)			
	Acis CLO, Ltd.,			
	Series 2014-4A, Class E VAR ICE LIBOR			
14,750,000	USD 3 Month+4.800%,	12,611,250		
	6.71%, 5/1/2026 (k)(l)(m)			
	AMMC CLO XIV,			
	Series 2017-14A, Class B2L2 VAR ICE			
1,750,000	LIBOR USD 3 Month+6.530%,	1,653,750		
	8.47%, 7/25/2029 (k)(l)			

6 | See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



# CONSOLIDATED INVESTMENT PORTFOLIO (continued)

As of December 31, 2019

Highland Income Fund

Principal Amount (\$)	Value (\$)	Principal Amount (\$)	Value (\$)
<b>Collateralized Loan Obligations (continued)</b>		Jay Park CLO, Ltd., Series 2016-1A, Class ER VAR LIBOR USD 3 Month+7.350%, 9.32%, 10/20/2027 (k)(l)(m)	5,250,000
1,225,000	1,189,720	JFIN CLO, Ltd., Series 2013-1I, Class E VAR LIBOR USD 3 Month+6.000%, 7.97%, 1/20/2025 (k)	3,000,000
		LCM XIII, Ltd., Series 2016-13A, Class ER VAR ICE LIBOR USD 3 Month+7.300%, 9.27%, 7/19/2027 (k)(l)(m)	2,940,000
5,000,000	4,100,000	LCM XXIII, Ltd., Series 2016-23A, Class D VAR LIBOR USD 3 Month+7.050%, 9.02%, 10/20/2029 (k)(l) (m)	915,000
4,000,000	2,230,000	Madison Park Funding XX, Series 2018- 20A, Class ER VAR ICE LIBOR USD 3 Month+5.300%, 7.24%, 7/27/2030 (k)(l)	1,295,000
2,050,000	2,029,500	Madison Park Funding XXIV, Series 2019-24A, Class ER VAR ICE LIBOR USD 3 Month+7.200%, 9.17%, 10/20/2029 (k)(l)	5,000,000
4,250,000	3,156,217	Madison Park Funding XXX, Series 2018-30A, Class F VAR ICE LIBOR USD 3 Month+6.850%, 8.85%, 4/15/2029 (k)(l)	900,000
3,500,000	2,905,000	Magnetite VII, Ltd., Series 2018-7A, Class ER2 VAR LIBOR USD 3 Month+6.500%, 8.50%, 1/15/2028 (k)(l)	448,350
2,000,000	2,000,000	Man GLG US CLO, Series 2018-1A, Class DR VAR LIBOR USD 3 Month+5.900%, 7.87%, 4/22/2030 (k)(l)	3,771,150
8,000,000	7,520,000	Mountain View CLO XIV, Series 2019- 1A, Class F VAR ICE LIBOR USD 3 Month+8.700%, 10.70%, 4/15/2029 (k)(l)	490,400
1,000,000	948,398	MP CLO VII, Series 2018-1A, Class FRR VAR ICE LIBOR USD 3 Month+7.910%, 9.91%, 10/18/2028 (k)(l)	4,497,707
5,450,000	4,796,000	Nassau, Ltd., Series 2017-1A, Class D VAR LIBOR USD 3 Month+6.180%, 8.18%, 10/15/2029 (k)(l)	1,417,500
3,000,000	2,516,550	Neuberger Berman CLO XX, Ltd., Series 2017-20A, Class FR VAR ICE LIBOR USD 3 Month+7.450%, 9.45%, 1/15/2028 (k)(l)(m)	2,802,385
3,500,000	2,992,500	Northwoods Capital XII-B, Ltd., Series 2018-12BA, Class F VAR LIBOR USD 3 Month+8.170%, 10.06%, 6/15/2031 (k)(l)	3,000,000
3,500,000	3,080,000	OZLM Funding III, Series 2016-3A, Class DR VAR ICE LIBOR USD 3 Month+7.770%, 9.72%, 1/22/2029 (k)(l)	995,000
2,000,000	2,002,599	OZLM XXII, Ltd., Series 2018-22A, Class E VAR LIBOR USD 3 Month+7.390%, 9.39%, 1/17/2031 (k)(l)	2,550,200
5,500,000	5,498,517		

See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements. | 7



# CONSOLIDATED INVESTMENT PORTFOLIO (continued)

As of December 31, 2019

Highland Income Fund

Principal Amount (\$)	Value (\$)	Principal Amount (\$)	Value (\$)
<b>Collateralized Loan Obligations (continued)</b>		Zais CLO 8, Ltd., Series 2018-1A, Class E VAR LIBOR USD 3 Month+5.250%, 7.25%, 4/15/2029 (k)(l) Total Collateralized Loan Obligations (Cost \$220,149,033)	
1,750,000	1,731,450	3,300,000	2,516,250
4,000,000	3,780,000		204,983,767
3,150,000	2,929,500	<b>Shares</b>	
5,000,000	4,284,350	<b>Common Stocks - 16.6%</b>	
3,000,000	2,855,700	<b>COMMUNICATION SERVICES - 4.8%</b>	
1,500,000	1,502,550	49,600	1,603,072
2,000,000	2,000,000	502,161	38,582,787
1,000,000	960,000	27,134	7,520,731
2,200,000	1,915,430		47,706,590
4,150,000	3,484,340	<b>CONSUMER DISCRETIONARY - 0.7%</b>	
2,000,000	1,380,000	1,450	362,542
9,000,000	7,965,000	1,450	6,888,308
5,580,000	5,496,300		7,250,850
3,200,000	3,186,854	<b>ENERGY - 0.3%</b>	
3,000,000	2,167,500	167,419	3,376,339
		1,118,286	1
			3,376,340
		<b>GAMING/LEISURE - 0.0%</b>	
		34,512	—
		436	—
			—
		<b>HEALTHCARE - 0.1%</b>	
		207,031	72,254
		18,750	447,750
			520,004
		<b>HOUSING - 0.0%</b>	
		1,648,350	—
		<b>INDUSTRIALS - 0.0%</b>	
		250,627	175,439
		<b>MATERIALS - 0.2%</b>	
		299,032	1,495,160
		14,621	45,617
			1,540,777
		<b>REAL ESTATE - 10.5%</b>	
		1,393,678	1
		15,790	300,484
		571,700	7,729,384
		9,370,190	9
		31,232	597,781
		4,328,483	95,747,521
			104,375,180
		Total Common Stocks (Cost \$444,029,340)	164,945,180

8 | See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



# CONSOLIDATED INVESTMENT PORTFOLIO (continued)

As of December 31, 2019

Highland Income Fund

Principal Amount (\$)	Value (\$)
<b>Agency Collateralized Mortgage Obligations (I) - 14.2%</b>	
60,608,606	FREMF Mortgage Trust, Series 2019- KF60, Class C VAR LIBOR USD 1 Month+6.000%, 7.70%, 2/25/2026 (m) 60,487,389
114,251,407	FREMF Mortgage Trust, Series 2019- K99, Class D 0.00%, 11/25/2029 50,727,625
54,160,055	FREMF Mortgage Trust, Series 2019- K97, Class D 0.00%, 1/25/2030 (m) 24,088,768
588,459,986	FREMF Mortgage Trust, Series 2019- K97, Class X2A 0.10%, 7/25/2029 (o) 4,719,449
133,593,827	FREMF Mortgage Trust, Series 2019- K97, Class X2B 0.10%, 1/25/2030 (o) 1,047,375
	Total Agency Collateralized Mortgage Obligations (Cost \$141,185,124) 141,070,606
<b>LLC Interest (b)(d)(e) - 8.9%</b>	
11,854,986	SFR WLIF I, LLC 11,680,955
52,666,032	SFR WLIF II, LLC 52,169,918
25,478,982	SFR WLIF III, LLC 24,926,597
	Total LLC Interest (Cost \$90,000,000) 88,777,470
<b>Corporate Bonds &amp; Notes - 3.1%</b>	
<b>ENERGY - 0.1%</b>	
15,600,000	Ocean Rig UDW, Inc. 7.25%, 04/01/19 (b) (c)(d)(l) 1,076,400
5,000,000	Rex Energy Corp. 8.00%, 10/03/19 (c) 50,000
	1,126,400
<b>INDUSTRIALS - 0.0%</b>	
7,500,000	American Airlines (c) 190,395
<b>REAL ESTATE - 0.2%</b>	
2,000,000	CBL & Associates 5.95%, 12/15/26 (r) 1,204,645
<b>UTILITIES - 2.8%</b>	
13,753,863	Bruce Mansfield Unit 1 2007 Pass- Through Trust 6.85% (c)(r) 12,079,259
5,958,000	Pacific Gas & Electric 6.05%, 03/01/34 (c) (r) 6,252,027
4,000,000	6.25%, 03/01/39 (c)(r) 4,223,740
5,000,000	6.35%, 02/15/38 (c)(r) 5,307,825
8,000,000	Texas Competitive Electric Holdings Co., LLC (c)(f) 26,000
20,000,000	Texas Competitive Electric Holdings Co., LLC 10.25%, 11/01/15 (c)(f) 96,000
	27,984,851
	Total Corporate Bonds & Notes (Cost \$41,529,648) 30,506,291

Principal Amount (\$)	Value (\$)
<b>Purchased Call Options (i) - 1.8%</b>	
	Total Purchased Call Options (Cost \$9,735,246) 18,359,600
<b>Shares</b>	
<b>Registered Investment Company - 1.8%</b>	
989,143	NexPoint Strategic Opportunities Fund (e)(r) 17,517,723
	Total Registered Investment Companies (Cost \$17,788,175) 17,517,723
<b>Units</b>	
<b>Rights (i) - 0.1%</b>	
<b>Utilities - 0.1%</b>	
1,117,866	Texas Competitive Electric Holdings Co., LLC 1,175,995
	Total Rights (Cost \$3,878,018) 1,175,995
<b>Warrants (i) - 0.0%</b>	
<b>ENERGY - 0.0%</b>	
5,801	Arch Coal, Inc., Expires 10/08/2023 175,480
<b>INDUSTRIALS - 0.0%</b>	
453	Omnimax Holdings, Inc., Expires 12/31/2049(b)(d)(e) 1,412
178,140	Remington Outdoor Co., Inc. —
	1,412
	Total Warrants (Cost \$264,794) 176,892
<b>Principal Amount (\$)</b>	
<b>Claims (b)(c)(d)(i)(p) - 0.0%</b>	
<b>Communication Services - 0.0%</b>	
3,791,858	Lehman Brothers Commercial Paper LCPI Claim Facility 52,138
	Total Claims (Cost \$1,814,883) 52,138
<b>Shares</b>	
<b>Cash Equivalent (q) - 3.4%</b>	
<b>MONEY MARKET FUND - 3.4%</b>	
33,588,954	Dreyfus Treasury & Agency Cash Management, Institutional Class 1.490% 33,588,954
	Total Cash Equivalent (Cost \$33,588,954) 33,588,954
<b>Total Investments - 153.2%</b>	
	1,524,818,242 (Cost \$1,911,598,422)

See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



# CONSOLIDATED INVESTMENT PORTFOLIO (continued)

As of December 31, 2019

Highland Income Fund

Shares	Value (\$)
<b>Securities Sold Short - (0.9)%</b>	
<b>Common Stock - (0.9)%</b>	
<b>INFORMATION TECHNOLOGY - (0.9)%</b>	
(70,750) Texas Instruments, Inc.	(9,076,517)
Total Common Stocks	
(Proceeds \$8,472,623)	(9,076,517)
Total Securities Sold Short - (0.9)%	
(Proceeds \$8,472,623)	(9,076,517)
<b>Other Assets &amp; Liabilities, Net - (52.3)%</b>	<b>(520,336,800)</b>
<b>Net Assets - 100.0%</b>	<b>995,404,925</b>

- (a) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR") or (iii) the Certificate of Deposit rate. As of December 31, 2019, the LIBOR USD 3 Month rate was 1.91%. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturity shown.
- (b) Securities with a total aggregate value of \$555,848,016, or 55.8% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Investment Portfolio for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- (c) The issuer is, or is in danger of being, in default of its payment obligation.
- (d) Represents fair value as determined by the Fund's Board of Trustees (the "Board"), or its designee in good faith, pursuant to the policies and procedures approved by the Board. The Board considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$555,848,016, or 55.8% of net assets, were fair valued under the Fund's valuation procedures as of December 31, 2019. Please see Notes to Investment Portfolio.
- (e) Affiliated issuer. Assets with a total aggregate market value of \$325,583,765, or 31.9% of net assets, were affiliated with the Fund as of December 31, 2019.
- (f) Represents value held in escrow pending future events. No interest is being accrued.
- (g) Perpetual security with no stated maturity date.
- (h) There is currently no rate available.
- (i) Non-income producing security.
- (j) Step Bonds - Represents the current rate, the step rate and the step date.
- (k) Variable or floating rate security. The base lending rates are generally the lending rate offered by one or more European banks such as the LIBOR. The interest rate shown reflects the rate in effect December 31, 2019. LIBOR, otherwise known as London Interbank Offered Rate, is the benchmark interest rate that banks charge each other for short-term loans. Current LIBOR rates include 3 months equal to 1.91%.
- (l) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transaction exempt from registration to qualified institutional buyers. At December 31, 2019, these securities amounted to \$340,350,773 or 34.2% of net assets.

- (m) As of December 31, 2019, investments with a total aggregate value of \$165,988,409 were fully or partially segregated with broker(s)/custodian as collateral for reverse repurchase agreements.
- (n) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:

Restricted Security	Security Type	Acquisition Date	Cost of Security	Market Value at Year End	Percent of Net Assets
Metro-Goldwyn-Mayer, Inc.	Common Stocks	12/20/2010	\$21,845,688	\$ 38,582,787	3.9%
TerreStar Corporation	Common Stocks	3/16/2018	\$ 3,093,276	\$ 7,520,731	0.8%

- (o) Interest only security ("IO"). These types of securities represent the right to receive the monthly interest payments on an underlying pool of mortgages. Payments of principal on the pool reduce the value of the "interest only" holding.
- (p) These positions represent claims that have been filed with the United States Bankruptcy Court Southern District of New York against Lehman Commercial Paper, Inc. UK Branch.
- (q) Rate shown is 7 day effective yield.
- (r) All or part of this security is pledged as collateral for short sales. The market value of the securities pledged as collateral was \$37,810,949.

10 See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



**CONSOLIDATED INVESTMENT PORTFOLIO (continued)****As of December 31, 2019****Highland Income Fund**

Futures contracts outstanding as of December 31, 2019 were as follows:

Description	Expiration Date	Number of Contracts	Notional Value	Unrealized Depreciation	Value
<b>Short Futures:</b>					
Russell 2000 Index E-MINI	March 2020	(1,350)	\$ (110,476,136)	\$ (2,289,364)	\$ (112,765,500)

These are exchange traded future contracts, therefore, a Level 1 fair value security.

Purchased options contracts outstanding as of December 31, 2019 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium	Value
<b>PURCHASED CALL OPTIONS:</b>							
USD Call/CNH Put	\$ 7.45	BNP	February 2020	300,000,000	\$2,088,000,000	\$ 699,000	\$ 40,500
USD Call/CNH Put	7.70	BNP	October 2020	200,000,000	1,392,000,000	1,300,000	557,600
USD Call/HKD Put	7.85	BNP	January 2020	250,000,000	1,947,500,000	325,000	55,000
USD Call/HKD Put	7.80	BNP	June 2020	125,000,000	973,750,000	558,250	381,500
iShares MSCI Brazil ETF	45.00	Jefferies	March 2020	45,000	212,400,000	6,852,996	17,325,000
						<u>\$9,735,246</u>	<u>\$18,359,600</u>

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium	Value
<b>WRITTEN PUT OPTION:</b>							
iShares MSCI Brazil ETF	\$ 42.00	Jefferies	March 2020	(22,000)	\$ (103,840,000)	\$ (5,955,523)	\$ (1,518,000)

The average amount of borrowing by the Fund on reverse repurchase agreements outstanding during the year ended December 31, 2019 was \$50,171,540 at a weighted average interest rate of 3.78% for BNP Securities and \$34,233,551 at a weighted average interest rate of 3.51% for Mizuho Securities.

Reverse Repurchase Agreements outstanding as of December 31, 2019 were as follows:

Counterparty	Collateral Pledged	Interest Rate	Trade Date	Maturity Date	Repurchase Amount	Principal Amount	Value
BNP	Acis CLO, Ltd., Series 2014-3A, Class E, VAR ICE LIBOR USD 3 Month+4.750%, 6.66%, 02/01/26	3.235	12/20/2019	1/17/2020	\$ (2,120,121)	\$ (4,000,000)	\$ (2,114,800)
BNP	Acis CLO, Ltd., Series 2014-4A, Class E, VAR ICE LIBOR USD 3 Month+4.800%, 6.71%, 05/01/26	3.235	12/20/2019	1/17/2020	(9,005,352)	(14,750,000)	(8,982,750)
BNP	Acis CLO, Ltd., Series 2014-5A, Class D, VAR ICE LIBOR USD 3 Month+4.340%, 6.25%, 11/01/26	2.785	12/20/2019	1/21/2020	(5,415,005)	(7,000,000)	(5,403,300)
BNP	Acis CLO, Ltd., Series 2015-6A, Class E, VAR ICE LIBOR USD 3 Month+5.490%, 7.40%, 05/01/27	3.235	12/20/2019	1/17/2020	(4,766,964)	(7,500,000)	(4,755,000)
BNP	Acis CLO, Ltd., Series 2015-6A, Class D, VAR ICE LIBOR USD 3 Month+3.770%, 5.68%, 05/01/27	2.785	12/20/2019	1/17/2020	(769,363)	(1,000,000)	(767,700)
BNP	BlueMountain CLO, Ltd., Series 2015-3A, Class ER, VAR ICE LIBOR USD 3 Month+8.080%, 10.05%, 04/20/31	3.727	10/7/2019	1/6/2020	(2,037,208)	(3,500,000)	(2,018,800)
BNP	Catamaran CLO, Ltd., Series 2014-2A, Class D, VAR ICE LIBOR USD 3 Month+4.850%, 6.85%, 10/18/26	3.750	10/15/2019	1/15/2020	(2,033,198)	(3,000,000)	(2,013,900)
BNP	Cathedral Lake CLO, Series 2016-4A, Class E2R, VAR ICE LIBOR USD 3 Month+7.830%, 9.80%, 10/20/28	3.163	12/5/2019	1/3/2020	(2,949,496)	(4,000,000)	(2,942,000)
BNP	CIFC Funding, Ltd., Series 2014-3A, Class FR2, VAR ICE LIBOR USD 3 Month+8.250%, 10.20%, 10/22/31	3.727	10/7/2019	1/6/2020	(2,887,449)	(5,000,000)	(2,860,500)
BNP	Dryden 64 CLO, Series 2018-64A, Class F, VAR ICE LIBOR USD 3 Month+7.150%, 9.15%, 04/18/31	3.727	10/7/2019	1/6/2020	(1,919,465)	(3,500,000)	(1,901,550)
BNP	Eaton Vance CLO, Series 2019-1A, Class F, VAR ICE LIBOR USD 3 Month+8.250%, 10.25%, 04/15/31	3.727	12/16/2019	1/6/2020	(1,624,364)	(3,000,000)	(1,615,500)
BNP	Eaton Vance CLO, Series 2019-1A, Class F, VAR ICE LIBOR USD 3 Month+8.250%, 10.25%, 04/15/31	3.727	12/16/2019	1/6/2020	(2,725,412)	(5,000,000)	(2,719,500)
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class D, 0.00%, 1/25/30	3.100	10/25/2019	1/25/2020	(18,068,000)	(54,160,055)	(18,068,000)
Mizuho	FREMF Mortgage Trust, Series 2019-KF60, Class C, VAR ICE LIBOR USD 1 Month+6.000% 7.70%, 2/25/26	3.080	10/30/2019	1/30/2020	(45,824,876)	(60,608,606)	(45,467,000)
BNP	GoldenTree Loan Opportunities IX, Ltd., Series 2014-9A, Class FR2, VAR ICE LIBOR USD 3 Month+7.640%, 9.57%, 10/29/29	3.255	12/27/2019	1/27/2020	(1,962,686)	(3,500,000)	(1,957,200)

See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements. 11



## CONSOLIDATED INVESTMENT PORTFOLIO (concluded)

As of December 31, 2019

Highland Income Fund

Counterparty	Collateral Pledged	Interest Rate	Trade Date	Maturity Date	Repurchase Amount	Principal Amount	Value
BNP	Jamestown CLO IX, Series 2019-9A, Class DR, VAR ICE LIBOR USD 3 Month+6.940%, 8.91%, 10/20/28	3.255	12/30/2019	1/29/2020	\$ (3,973,499)	\$(5,500,000)	\$ (3,962,750)
BNP	Jay Park CLO, Ltd., Series 2016-1A, Class ER, VAR ICE LIBOR USD 3 Month+7.350%, 9.32%, 10/20/27	3.255	12/27/2019	1/27/2020	(3,350,766)	(6,000,000)	(3,341,400)
BNP	LCM XIII, Ltd., Series 2016-13A, Class ER, VAR ICE LIBOR USD 3 Month+7.300%, 9.27%, 07/19/27	3.255	12/27/2019	1/27/2020	(2,079,412)	(3,000,000)	(2,073,600)
BNP	LCM XXIII, Ltd., Series 2016-23A, Class D, VAR ICE LIBOR USD 3 Month+7.050%, 9.02%, 10/20/29	3.255	12/27/2019	1/27/2020	(691,433)	(1,000,000)	(689,500)
BNP	Neuberger Berman CLO XX, Ltd., Series 2017-20A, Class FR, VAR ICE LIBOR USD 3 Month+7.450%, 9.45%, 01/15/28	3.255	12/27/2019	1/27/2020	(1,688,018)	(3,000,000)	(1,683,300)
BNP	Regatta VII Funding, Series 2016-1A, Class ER, 6.86%, 12/20/28	3.255	12/27/2019	1/27/2020	(1,409,740)	(2,000,000)	(1,405,800)
BNP	Regatta VII Funding, Series 2016-1A, Class ER, 6.86%, 12/20/28	3.163	12/5/2019	1/3/2020	(869,460)	(1,250,000)	(867,250)
BNP	Shackleton CLO IX, Ltd., Series 2016-9A, Class E, VAR ICE LIBOR USD 3 Month+6.760%, 8.73%, 10/20/28	3.477	10/7/2019	1/6/2020	(2,204,709)	(3,000,000)	(2,185,500)
<b>Total Reverse Repurchase Agreements</b>							<u><u>\$ (119,796,600)</u></u>

12 | See Glossary on page 13 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



**GLOSSARY: (abbreviations that may be used in the preceding statements)(unaudited)**

Other Abbreviations:

CLO	Collateralized Loan Obligation
FREMF	Freddie Mac Multi-Family
ICE	Intercontinental Exchange
LIBOR	London Interbank Offered Rate
PIK	Payment In-Kind
REIT	Real Estate Investment Trust
USD	United States Dollar
VAR	Variable



**CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES****As of December 31, 2019****Highland Income Fund**

	<b>\$</b>
<b>Assets</b>	
Investments from unaffiliated issuers, at value(a)	1,165,645,523
Affiliated investments, at value (Note 10)	325,583,765
Total Investments, at value	1,491,229,288
Cash equivalents (Note 2)	33,588,954
Cash	4,362,660
Restricted Cash — Securities Sold Short and Written Options (Notes 2)	9,100,343
Restricted Cash — Futures (Note 3)	4,455,000
Receivable for:	
Variation margin	783,337
Investments sold and principal paydowns	9,378,485
Dividends and interest	13,122,475
Fund shares sold	101,566
Due from broker	4,624,535
Prepaid expenses and other assets	935,987
Total assets	<u>1,571,682,630</u>
<b>Liabilities:</b>	
Line of credit (Note 6)	300,000,000
Securities sold short, at value (Notes 2 and 8)	9,076,517
Reverse repurchase agreements (Note 3)	119,796,600
Written options contracts, at value (Note 3)	1,518,000
Payable for:	
Due to broker	3,324,533
Investment advisory and administration fees (Note 7)	1,135,768
Interest expense and commitment fee payable (Note 6)	1,009,760
Custody fees	123,375
Investments purchased	15,110
Accrued expenses and other liabilities	521,793
Total liabilities	<u>436,521,456</u>
<b>Mezzanine Equity:</b>	
Cumulative preferred shares (Series A), net of deferred financing costs (Note 1 and 2)	<u>139,756,249</u>
<b>Net Assets</b>	<b><u>995,404,925</u></b>
<b>Net Assets Consist of:</b>	
Paid-in capital	1,618,711,203
Total accumulated losses	<u>(623,306,278)</u>
<b>Net Assets</b>	<b><u>995,404,925</u></b>
Investments, at cost	1,252,964,878
Affiliated investments, at cost (Note 10)	625,044,590
Cash equivalents, at cost (Note 2)	33,588,954
Proceeds from securities sold short	8,472,623
Written options premiums received	5,955,523
<b>Common Shares</b>	
Shares outstanding (\$0.001 par value; unlimited authorization)	71,736,075
Net asset value per share (Net assets/shares outstanding)	13.88

14 | See accompanying Notes to Consolidated Financial Statements.



**CONSOLIDATED STATEMENT OF OPERATIONS****For the Year Ended December 31, 2019****Highland Income Fund**

	\$
<b>Investment Income</b>	
<b>Income:</b>	
Dividends from unaffiliated issuers	4,633,926
Dividends from affiliated issuers (Note 10)	4,710,997
Interest from unaffiliated issuers	70,961,832
Interest from affiliated issuers	6,106,190
Interest paid in kind from unaffiliated issuers	1,406,601
Interest paid in kind from affiliated issuers (Note 10)	7,601,478
Total income	<u>95,421,024</u>
<b>Expenses:</b>	
Investment advisory (Note 7)	9,558,928
Administration fees (Note 7)	3,081,656
Interest expense, commitment fees, and financing costs (Note 6)	16,131,844
Legal fees	1,324,419
Accounting services fees	768,680
Audit fees	609,271
Custodian/wire agent fees	389,830
Reports to shareholders	388,665
Transfer agent fees	298,385
Trustees fees (Note 6)	220,002
Insurance	167,468
Dividends and fees on securities sold short (Note 2)	127,970
Expedited settlement facility (Note 7)	81,544
Other	1,596,713
Total operating expenses	<u>34,745,375</u>
Net investment income	<u>60,675,649</u>
Preferred dividend expenses	(3,285,411)
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>	
<b>Realized gain (loss) on:</b>	
Investments from unaffiliated issuers	(61,622,104)
Investments in affiliated issuers	(1,743,503)
Securities sold short (Note 2)	16,648
Written options contracts (Note 3)	(1,395,070)
Futures contracts (Note 3)	(9,294,349)
Foreign currency related transactions	34
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>	
Investments	32,662,284
Investments in affiliated issuers	19,721,570
Securities sold short (Note 2)	(603,894)
Written options contracts (Note 3)	4,437,523
Futures contracts (Note 3)	(2,289,364)
Foreign currency related translations	124
Net realized and unrealized gain (loss) on investments	<u>(20,110,101)</u>
Total increase in net assets resulting from operations	<u><u>37,280,137</u></u>

See accompanying Notes to Consolidated Financial Statements. | 15



## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

### Highland Income Fund

	Year Ended December 31, 2019 (\$)	Period Ended December 31, 2018† (\$)	Year Ended June 30, 2018 (\$)
<b>Increase (Decrease) in Net Assets</b>			
<b>Operations:</b>			
Net investment income	60,675,649	29,883,997	50,700,522
Preferred dividend expense	(3,285,411)	—	—
Net realized (loss) on investments, securities sold short, written options, futures contracts and foreign currency transactions	(74,038,344)	(388,852)	(28,313,816)
Net increase (decrease) in unrealized appreciation (depreciation) on investments, securities sold short, written options, futures contracts and foreign currency transactions	53,928,243	(56,562,382)	41,408,816
Net increase (decrease) from operations	37,280,137	(27,067,237)	63,795,522
<b>Distributions</b>			
Class A	—	—	(3,380,302)
Class C	—	—	(2,697,014)
Class Z	—	—	(6,360,145)
Shares of closed-end fund	(58,214,363)	(32,468,254)	(37,207,965)
<b>Return of capital:</b>			
Shares of closed-end fund	(8,201,030)	(720,948)	(6,936,337)
<b>Total distributions</b>	(66,415,393)	(33,189,202)	(56,581,763)
Increase (decrease) in net assets from operations and distributions	(29,135,256)	(60,256,439)	7,213,759
<b>Share transactions*:</b>			
Proceeds from sale of shares			
Class A	—	—	75,507,963
Class C	—	—	49,282,371
Class Z	—	—	252,257,435
Value of distributions reinvested			
Class A	—	—	3,008,894
Class C	—	—	2,470,570
Class Z	—	—	5,841,184
Shares of closed-end fund	1,291,961	1,121,049	1,244,740
Cost of shares redeemed			
Class A	—	—	(61,916,334)
Class C	—	—	(26,700,962)
Class Z	—	—	(109,971,065)
Shares repurchased of closed-end fund (Note 1)	(3,163,298)	—	—
Net increase (decrease) from shares transactions	(1,871,337)	1,121,049	191,024,796
<b>Total increase (decrease) in net assets</b>	(31,006,593)	(59,135,390)	198,238,555
<b>Net Assets</b>			
Beginning of year	1,026,411,518	1,085,546,908	887,308,353
End of year	995,404,925	1,026,411,518	1,085,546,908

† For the six month period ended December 31, 2018. Effective April 11, 2019, the Fund had a fiscal year change from June 30 to December 31 (Note 1).  
\* Capital stock activity prior to November 3, 2017 has been adjusted to give effect to an approximately 2 to 1 reverse stock split as part of the conversion to a closed-end fund.  
(Note 1) Distribution activity related to the A, C, and Z share classes relates to the period from July 1, 2017 through November 3, 2017.

16 | See accompanying Notes to Consolidated Financial Statements.



# CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS (continued)

## Highland Income Fund

	Year Ended December 31, 2019	Period Ended December 31, 2018‡	Year Ended June 30, 2018
<b>CAPITAL STOCK ACTIVITY - SHARES*</b>			
<b>Class A:</b>			
Shares sold	—	—	5,028,824
Issued for distribution reinvested	—	—	200,393
Shares redeemed	—	—	(4,126,129)
Shares converted in conversion (Note 1)	—	—	(19,014,516)
Net Decrease in fund shares	—	—	(17,911,428)
<b>Class C:</b>			
Shares sold	—	—	3,282,455
Issued for distribution reinvested	—	—	164,623
Shares redeemed	—	—	(1,779,278)
Shares converted in conversion (Note 1)	—	—	(16,925,308)
Net Decrease in fund shares	—	—	(15,257,508)
<b>Class Z:</b>			
Shares sold	—	—	16,798,932
Issued for distribution reinvested	—	—	389,052
Shares redeemed	—	—	(7,323,136)
Shares converted in conversion (Note 1)	—	—	(35,789,642)
Net Decrease in fund shares	—	—	(25,924,794)
<b>Shares of closed-end fund:</b>			
Shares converted in conversion (Note 1)	—	—	71,729,466
Issued for distribution reinvested	98,540	75,364	67,754
Shares redeemed (Note 1)	(235,049)	—	—
Net Increase (Decrease) in fund shares	(136,509)	75,364	71,797,220

‡ For the six month period ended December 31, 2018. Effective April 11, 2019, the Fund had a fiscal year change from June 30 to December 31 (Note 1).  
 \* Capital stock activity prior to November 3, 2017 has been adjusted to give effect to an approximately 2 to 1 reverse stock split as part of the conversion to a closed-end fund.  
 (Note 1) Distribution activity related to the A, C, and Z share classes relates to the period from July 1, 2017 through November 3, 2017.

See accompanying Notes to Consolidated Financial Statements. | 17



**CONSOLIDATED STATEMENT OF CASH FLOWS****For the Year Ended December 31, 2019****Highland Income Fund****\$****Cash Flows Provided by Operating Activities:**

Net increase in net assets resulting from operations	37,280,137
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**Adjustments to Reconcile Net Investment Gain to Net Cash Provided by Operating Activities:**

Purchases of investment securities from unaffiliated issuers	(758,662,641)
Purchases of investment securities from affiliated issuers	(180,162,062)
Interest paid in kind from unaffiliated issuers	(1,406,601)
Interest paid in kind from affiliated issuers	(7,601,478)
Proceeds from disposition of investment securities from unaffiliated issuers	851,757,234
Proceeds from disposition of investment securities from affiliated issuers	9,743,771
Purchases to cover securities sold short	(1,510,918)
Proceeds from securities sold short	10,000,189
Purchases to cover written options	(15,341,765)
Proceeds from written options	19,902,218
Paydowns at cost	85,851,683
Net accretion of discount	(2,742,953)
Net realized loss on Investments from unaffiliated issuers	61,622,104
Net realized loss on Investments from affiliated issuers	1,743,503
Net realized gain on securities sold short, written options contracts, futures, and foreign currency transactions	1,378,388
Net change in unrealized appreciation/(depreciation) on investments, securities sold short, and foreign currency related transactions	(56,217,607)
Decrease in receivable for investments sold and principal paydowns	697,024
Increase in receivable for dividends and interest	(6,344,659)
Increase in receivable for variation margin	(783,337)
Decrease due from broker	2,773,329
Increase in prepaid expenses and other assets	(770,053)
Decrease in payable for investments purchased	(16,046,351)
Decrease in payable to investment advisory	(92,682)
Increase due to broker	3,324,533
Increase in payable to custody	123,375
Decrease in payable for commitment fees and interest expense	(820,922)
Decrease in accrued expenses and other liabilities	(304,007)
Net cash flow provided by operating activities	<u>37,389,452</u>

**Cash Flows Used In Financing Activities:**

Increase in cumulative preferred shares	139,756,249
Distributions paid in cash, net of receivable	(65,123,432)
Shares repurchased of closed-end fund	(3,163,298)
Decrease in notes payable	(150,000,000)
Proceeds from shares sold	85,322
Proceeds from reverse repurchase agreements, net	73,655,500
Net cash flow used by financing activities	<u>(4,789,659)</u>
Effect of exchange rate changes on cash	<u>158</u>
Net increase in cash	<u>32,599,951</u>

**Cash, Cash Equivalents, and Restricted Cash:**

Beginning of year	18,907,006
End of year	<u>51,506,957</u>

**Supplemental disclosure of cash flow information:**

Reinvestment of distributions	1,291,961
Cash paid during the period for interest expense and commitment fees	(16,952,766)

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## CONSOLIDATED FINANCIAL HIGHLIGHTS

### Highland Income Fund

Selected data for a share outstanding throughout each period is as follows:

	For the Year Ended December 31, 2019	For the Period Ended December 31, 2018**	For the Years Ended June 30,			
			2018*‡	2017*‡	2016*‡	2015*‡
<b>Net Asset Value, Beginning of Year/Period</b>	\$ 14.28	\$ 15.12	\$ 15.01	\$ 14.33	\$ 16.17	\$ 16.91
<b>Income from Investment Operations:</b>						
Net investment income <sup>(a)</sup>	0.85	0.42	0.75	0.68	0.89	0.74
Preferred dividend expense	(0.05)	—	—	—	—	—
Net realized and unrealized gain (loss)	(0.28)	(0.80)	0.18	0.74	(1.84)	(0.74)
Total Income from Investment Operations	0.52	(0.38)	0.93	1.42	(0.95)	— <sup>(b)</sup>
<b>Less Distributions Declared to shareholders:</b>						
From net investment income	(0.81)	(0.45)	(0.72)	(0.74)	(0.89)	(0.74)
From return of capital	(0.11)	(0.01)	(0.10)	—	—	—
Total distributions declared to shareholders	(0.92)	(0.46)	(0.82)	(0.74)	(0.89)	(0.74)
<b>Net Asset Value, End of Year/Period<sup>(c)</sup></b>	\$ 13.88	\$ 14.28	\$ 15.12	\$ 15.01	\$ 14.33	\$ 16.17
<b>Market Value, End of Year/Period</b>	\$ 12.43	\$ 12.80	\$ 15.62	\$ —	\$ —	\$ —
<b>Total Return<sup>(d)</sup></b>	4.30%	(15.44)% <sup>(e)</sup>	9.77%	10.05%	(5.77)%	0.11%
<b>Ratios to Average Net Assets / Supplemental Data:<sup>(f)(g)</sup></b>						
Net Assets, End of Year/Period (000's)	\$ 995,405	\$ 1,026,412	\$ 1,085,547	\$ 389,278	\$ 241,197	\$ 283,673
Gross operating expenses <sup>(h)(i)</sup>	3.39%	3.10%	1.79%	1.20% <sup>(j)</sup>	1.38%	1.03%
Net investment income <sup>(i)</sup>	5.93%	5.48%	4.98%	4.61%	5.65%	4.55%
Portfolio turnover rate	18%	27% <sup>(e)</sup>	177%	63%	53%	55%
Average commission rate paid <sup>(k)</sup>	\$ 0.0032	\$ 0.0243	\$ 0.0300			

\* Per share data prior to November 3, 2017 has been adjusted to give effect to an approximately 2 to 1 reverse stock split as part of the conversion to a closed-end fund. (Note 1)

\*\* For the six month period ended December 31, 2018. Effective April 11, 2019, the Fund had a fiscal year change from June 30 to December 31 (Note 1).

‡ Reflects the financial highlights of Class Z of the open-end fund prior to the conversion.

(a) Per share data was calculated using average shares outstanding during the period.

(b) Represents less than \$0.005 per share.

(c) The Net Asset Value per share and total return have been calculated based on net assets which include adjustments made in accordance with U.S. Generally Accepted Accounting Principles required at period end for financial reporting purposes. These figures do not necessarily reflect the Net Asset Value per share or total return experienced by the shareholder at period end.

(d) Total return is based on market value per share for periods after November 3, 2017. Distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan. Prior to November 3, 2017, total return is at net asset value assuming all distributions are reinvested. For periods with waivers/reimbursements, had the Fund's investment adviser not waived or reimbursed a portion of expenses, total return would have been lower.

(e) Not annualized.

(f) All ratios for the period have been annualized, unless otherwise indicated.

(g) Supplemental expense ratios are shown below.

(h) Includes dividends and fees on securities sold short.

(i) Excludes 12b-1 fees from partial period operating as an open-end fund. Following the conversion on November 3, 2017, the Fund is no longer subject to 12b-1 fees.

(j) Refer to Note 7 in the Notes to the Financial Statements for discussion of prior period custodian out-of-pocket expenses that were communicated to the Fund in the current period. The amount of the reimbursement was immaterial on a per share basis and did not impact the total return of the Fund. The Ratios of Gross Operating Expenses and Net Operating Expenses to Average Net Assets would be unchanged as the reimbursement of custodian fees was offset against current period expense waivers/reimbursements with no impact to net expenses or net investment income.

(k) Represents the total dollar amount of commissions paid on portfolio transactions divided by total number of portfolio shares purchased and sold for which commissions were charged. The period prior to the Conversion Date is not presented.

See accompanying Notes to Consolidated Financial Statements. | 19



# CONSOLIDATED FINANCIAL HIGHLIGHTS (continued)

Highland Income Fund

## Supplemental Expense Ratios:

	For the Year Ended December 31, 2019	For the Period Ended December 31, 2018**	For the Years Ended June 30,			
			2018	2017	2016	2015
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	3.39%	3.10%	1.79%	1.12%	1.11%	1.04%
Interest expense, commitment fees, and preferred dividend expense	1.90%	1.63%	0.49%	0.01%	0.15%	0.04%
Dividends and fees on securities sold short	0.01%	—% <sup>(l)</sup>	—% <sup>(l)</sup>	0.01%	0.01%	0.05%

(l) Represents less than 0.005%.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019

Highland Income Fund

### Note 1. Organization

Highland Income Fund (the "Fund") is organized as an unincorporated business trust under the laws of The Commonwealth of Massachusetts. The Fund is registered with the U.S. Securities and Exchange Commission (the "SEC") under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed-end management investment company. On September 25, 2017, the Fund acquired the assets of Highland Floating Rate Opportunities Fund (the "Predecessor Fund"), a series of Highland Funds I, a Delaware statutory trust. The Fund is the successor to the accounting and performance information of the Predecessor Fund.

Effective April 11, 2019, the Fund changed its fiscal year end to December 31. The previous fiscal year end was June 30.

On May 20, 2019, the Fund changed its name from Highland Floating Rate Opportunities Fund to Highland Income Fund.

On November 3, 2017, shareholders of the Fund approved a proposal authorizing the Board of Trustees (the "Board") of the Fund to convert the fund from an open-end fund to a closed-end fund at a special meeting of shareholders. The Board took action to convert the Fund to a closed-end fund effective shortly after 4:00 p.m. Eastern Time on November 3, 2017 (the "Conversion Date"). The Fund also effected an approximately 1-for-2 reverse stock split of the Fund's issued and outstanding shares on November 3, 2017, thereby reducing the number of shares outstanding. Shareholders were paid cash for any fractional shares resulting from the reverse stock split. The Fund began listing its shares for trading on the New York Stock Exchange (the "NYSE") on November 6, 2017 under the ticker symbol "HFRO". The Fund may issue an unlimited number of common shares, par value \$0.001 per share ("Common Shares"). Prior to the Conversion Date, the Fund issued Class A, Class C, and Class Z shares. The Fund incurred \$1,076,274 in Conversion costs related to the fund conversion to a closed-end fund.

On October 29, 2019, the Board of the Fund authorized the repurchase of up to \$25 million of the Fund's shares. Under this program, the Fund repurchased 235,049 shares through December 2019. Upon retirement of the repurchased shares, the net asset value ("NAV") was \$3.2mm, or \$13.46 per share.

On July 29, 2019, the Fund issued 5.4 million 5.375% Series A Cumulative Preferred shares (NYSE: HFRO.PR.A) with an aggregate liquidation value of \$135mm. Subsequently on August 9, 2019, the underwriters exercised their option to purchase additional over-allotment shares of \$10mm, resulting in a total Preferred outstanding offering of \$145mm.

The Series A Preferred shares are perpetual, non-callable for five years, and have a liquidation preference of \$25.00 per share. Distributions are scheduled quarterly, with payments

beginning on September 30, 2019. Series A Preferred shares trade on the NYSE. Moody's Investors Service has assigned an A1 rating to the preferred shares.

On October 14, 2019, the Board of the Fund approved an amendment to the Third Amended and Restated Agreement and Declaration of Trust of the Fund to require the affirmative vote or consent of the holders of 75% of each class of shares outstanding (with each such class voting separately thereon) for certain transactions involving a Principal Shareholder. For purposes of this requirement, Principal Shareholder is defined any person which is the beneficial owner, directly or indirectly, of more than 5% of the outstanding shares of the Fund or of any class and shall include any "affiliate" or "associate", as such terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended. The certain transactions covered by this requirement include: (i) a merger or consolidation of the Fund or any subsidiary of the Fund with or into any Principal Shareholder; (ii) the issuance of any securities of the Fund to any Principal Shareholder for cash; (iii) the sale, lease or exchange of all or any substantial part of the assets of the Fund to any Principal Shareholder (except assets determined by the Board to have an aggregate fair market value of less than \$1,000,000, aggregating for the purpose of such computation all assets sold, leased or exchanged in any series of similar transactions within a twelve-month period or assets sold in the ordinary course of business); and (iv) the sale, lease or exchange to or with the Fund or any subsidiary thereof, in exchange for securities of the Fund, of any assets of any Principal Shareholder (except assets determined by the Board to have an aggregate fair market value of less than \$1,000,000 aggregating for the purpose of such computation all assets sold, leased or exchanged in any series of similar transactions within a twelve-month period).

### Note 2. Significant Accounting Policies

The following summarizes the significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

#### Use of Estimates

The Fund is an investment company that applies the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The Fund's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which require Highland Capital Management Fund Advisors, L.P., the Fund's investment adviser ("HCMFA" or the "Investment Adviser"), to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

statements and the reported amounts of revenue and expenses during the reporting period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

### Basis of Consolidation

The Fund consolidates HFRO Sub, LLC ("HFRO Sub"), a Delaware wholly owned subsidiary, for financial reporting, and the holdings of HFRO Sub, LLC are included within the Consolidated Financial Statements for the Fund. HFRO Sub is a bankruptcy remote financing vehicle used to obtain leverage with the portfolio of bank loans serving as collateral. All inter-company accounts and transactions have been eliminated in the consolidation.

### Fund Valuation

The NAV of the Fund's common shares is calculated daily on each day that the NYSE is open for business as of the close of the regular trading session on the NYSE, usually 4:00 PM, Eastern Time. The NAV is calculated by dividing the value of the Fund's net assets attributable to common shares by the numbers of common shares outstanding.

### Valuation of Investments

In computing the Fund's net assets attributable to shares, securities with readily available market quotations on the NYSE, National Association of Securities Dealers Automated Quotation ("NASDAQ") or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund's Board of Trustees (the "Board"). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund's loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is "stale" or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund's net asset value ("NAV"), will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund's consolidated financial statements may vary from the NAV published by the Fund as of its period end because portfolio securities transactions are accounted for on the trade date (rather than the day following the trade date) for financial statement purposes.

### Deferred Financing Costs on the Preferred Stock

Deferred financing costs on the preferred shares consist of fees and expenses incurred in connection with the closing of the preferred stock offerings, and are capitalized at the time of payment. Based on ASC 480-10-S99, preferred stock that, by its terms, is contingently redeemable upon the occurrence of an event that is outside of the issuer's control should be classified as mezzanine equity; therefore, these costs are only amortized once it is probable the shares will become redeemable. As of December 31, 2019, the Fund is compliant with all contingent redemption provisions of the preferred offering, therefore the financing costs are



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

currently unamortized until probable. Deferred financing costs of \$5.2 million are presented net with the mezzanine equity on the Consolidated Statement of Assets and Liabilities.

Issuance	Shares at December 31, 2018	Beginning Value as of December 31, 2018	Issuance Net Liquidation Value	Deferred Issuance Costs	Paydowns	Balance net of Deferred Financing Costs at December 31, 2019	Shares at December 31, 2019
Cumulative preferred shares (Series A)	—	\$ —	\$ 145,000,000.00	\$ 5,243,751.00	\$ —	\$ 139,756,249.00	5,800,000.00

## Fair Value Measurements

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

**Level 1** — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;

**Level 2** — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and

**Level 3** — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised

of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of December 31, 2019, the Fund's investments consisted of senior loans, foreign denominated or domiciled senior loans, collateralized loan obligations, corporate bonds and notes, U.S. asset-backed securities, non-U.S. asset-backed securities, claims, common stocks, registered investment companies, cash equivalents, rights, warrants, preferred stock, agency collateralized mortgage obligations, LLC interests, purchased call options, and registered investment companies. The fair value of the Fund's senior loans and bonds are generally based on quotes received from brokers or independent pricing services. Loans, bonds and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Loans and bonds that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, registered investment companies, rights and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

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# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of the levels are recognized at the value at the end of the period. A summary of the inputs used to value the Fund's assets as of December 31, 2019 is as follows:

	Total value at December 31, 2019 \$	Level 1 Quoted Price \$	Level 2 Significant Observable Inputs \$	Level 3 Significant Unobservable Inputs \$
<b>Highland Income Fund</b>				
<b>Assets</b>				
U.S. Senior Loans				
Commercial Services	25,574,694	—	25,574,694	—
Communication Services	11,406,790	—	5,299,383	6,107,407
Consumer Discretionary	29,060,626	—	29,060,626	—
Consumer Products	12,855,251	—	12,855,251	—
Energy	24,607,186	—	24,607,186	—
Financial	24,228,052	—	24,228,052	—
Gaming/Leisure	10,753,914	—	—	10,753,914
Healthcare	81,842,022	—	34,108,365	47,733,657
Industrials	33,324,221	—	25,219,034	8,105,187
Information Technology	110,450,576	—	53,621,576	56,829,000
Manufacturing	3,534,756	—	3,534,756	—
Oil & Gas	9,164,263	—	9,164,263	—
Real Estate	21,096,400	—	21,096,400	—
Retail	52,112,148	—	52,112,148	—
Service	36,429,089	—	36,429,089	—
Transportation	11,698,539	—	11,698,539	—
Utilities	25,299,203	—	25,299,203	—
Preferred Stock				
Energy	16,530,773	16,530,773	—	—
Financial	36,384,014	—	36,384,014	—
Real Estate	247,311,109	12,258,059	2,027,753	233,025,297
Collateralized Loan Obligations	204,983,767	—	204,983,767	—
Common Stocks				
Communication Services	47,706,590	1,603,072	38,582,787	7,520,731
Consumer Discretionary	7,250,850	—	7,250,850	—
Energy	3,376,340	—	3,376,339	1
Gaming/Leisure <sup>(1)</sup>	—	—	—	—
Healthcare	520,004	447,750	—	72,254
Housing <sup>(1)</sup>	—	—	—	—
Industrials	175,439	—	175,439	—
Materials	1,540,777	—	1,495,160	45,617
Real Estate	104,375,180	8,627,649	—	95,747,531
Agency Collateralized Mortgage Obligations	141,070,606	—	141,070,606	—
LLC Interest	88,777,470	—	—	88,777,470
Corporate Bonds & Notes				
Energy	1,126,400	—	50,000	1,076,400
Industrials	190,395	—	190,395	—



# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

	Total value at December 31, 2019 \$	Level 1 Quoted Price \$	Level 2 Significant Observable Inputs \$	Level 3 Significant Unobservable Inputs \$
Real Estate	1,204,645	—	1,204,645	—
Utilities	27,984,851	—	27,984,851	—
Purchased Call Options	18,359,600	17,325,000	1,034,600	—
Registered Investment Company Rights	17,517,723	17,517,723	—	—
Utilities	1,175,995	—	1,175,995	—
Warrants				
Energy	175,480	175,480	—	—
Industrials	1,412	—	—	1,412
Claims	52,138	—	—	52,138
Cash Equivalent	33,588,954	33,588,954	—	—
<b>Total Assets</b>	<b>1,524,818,242</b>	<b>108,074,460</b>	<b>860,895,766</b>	<b>555,848,016</b>
<b>Liabilities</b>				
Securities Sold Short <sup>(2)</sup>	(9,076,517)	(9,076,517)	—	—
<b>Total Liabilities</b>	<b>(9,076,517)</b>	<b>(9,076,517)</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>1,515,741,725</b>	<b>98,997,943</b>	<b>860,895,766</b>	<b>555,848,016</b>

- (1) This category includes securities with a value of zero.  
 (2) See Investment Portfolio detail for industry breakout.

The table below sets forth a summary of changes in the Fund's assets measured at fair value using significant unobservable inputs (Level 3) for the year ended December 31, 2019.

	Balance as of December 31, 2018 \$	Transfers into Level 3 \$	Transfers Out of Level 3 \$	Net Amortization (Accretion) of Premium/ (Discount) \$	Net Realized Gains/ (Losses) \$	Net Unrealized Gains/ (Losses) \$	Net Purchases \$	Net (Sales) \$	Distribution to Return Capital \$	Balance as of December 31, 2019 \$	Change in Unrealized Appreciation (Depreciation) from Investments at of December 31, 2019 \$
<b>Common Stock</b>											
Communication Services	7,566,587	—	—	—	—	(45,856)	—	—	—	7,520,731	(507,948)
Energy	1	—	—	—	—	—	—	—	—	1	—
Healthcare	—	—	—	—	—	72,254	—	—	—	72,254	72,254
Housing	—	—	—	—	—	—	—	—	—	—	(323,754)
Information Technology	—	—	—	—	—	—	—	—	—	—	—
Materials	2,844,759	—	—	—	—	(2,799,142)	—	—	—	45,617	(711,006)
Media	1,258,086	—	—	—	—	6,598,465	—	(7,856,551)	—	—	6,598,465
Real Estate	17,207,035	—	—	—	—	556,728	77,983,768	—	—	95,747,531	570,387
Utilities	—	—	—	—	—	661,135	—	(661,135)	—	—	635,190
<b>Corporate Bonds &amp; Notes</b>											
Energy	1,076,400	—	—	—	—	—	—	—	—	1,076,400	—
<b>LLC Interest</b>	—	—	—	—	—	(1,222,530)	90,000,000	—	—	88,777,470	(1,222,530)
<b>Preferred Stock</b>	214,305,563	—	—	—	—	16,804,734	1,915,000	—	—	233,025,297	5,007,504
<b>U.S. Senior Loan</b>											
Communication Services	5,472,828	—	—	548	—	(6,570)	640,601	—	—	6,107,407	(11,448)
Gaming/Leisure	10,002,768	—	—	58,674	28,475	147,182	938,933	(422,118)	—	10,753,914	259,855
Healthcare	24,398,513	—	—	—	—	16,674,566	6,660,578	—	—	47,733,657	19,576,293

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# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

	Balance as of December 31, 2018 \$	Transfers into Level 3 \$	Transfers Out of Level 3 \$	Net Amortization (Accretion) of Premium/ (Discount) \$	Net Realized Gains/ (Losses) \$	Net Unrealized Gains/ (Losses) \$	Net Purchases \$	Net (Sales) \$	Distribution to Return Capital \$	Balance as of December 31, 2019 \$	Change in Unrealized Appreciation (Depreciation) from Investments at of December 31, 2019 \$
Housing	—	—	—	—	(1,743,503)	1,743,503	—	—	—	—	1,743,503
Industrials	8,269,728	—	—	363,695	—	(1,764,280)	1,236,044	—	—	8,105,187	(1,518,633)
Information Technology	57,000,000	—	—	—	—	(171,000)	—	—	—	56,829,000	(171,000)
Real Estate	1,228,016	—	—	(6,343)	8,756	33,403	—	(1,263,832)	—	—	70,643
<b>Warrant</b>											
Industrials	88,054	—	—	—	—	(86,642)	—	—	—	1,412	(22,007)
Information Technology	51,729	—	—	—	3,287	(25,564)	—	(29,452)	—	—	(10,558)
<b>Claims</b>	52,138	—	—	—	—	—	—	—	—	52,138	—
<b>Total</b>	<b>350,822,205</b>	<b>—</b>	<b>—</b>	<b>416,574</b>	<b>(1,702,985)</b>	<b>37,170,386</b>	<b>179,374,924</b>	<b>(10,233,088)</b>	<b>—</b>	<b>555,848,016</b>	<b>30,035,210</b>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data

points and evaluate broker quotes and indications received for portfolio investments. For the year ended December 31, 2019, there were no transfers between levels. Determination of fair values is uncertain because it involves subjective judgments and estimates that are unobservable.

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Market Value at 12/31/2019	Valuation Technique	Unobservable Inputs	Input Value(s)
Preferred Stock	233,025,297	Net Asset Value	N/A	N/A
		Discounted Cash Flow	Discount Rate	11.0%
U.S. Senior Loans	129,529,165	Adjusted Appraisal	Liquidity Discount	10%
			Asset Specific Discount	10%
		Multiples Analysis	Multiple of EBITDA less CAPEX	6.25x - 11.00x
		Transaction Analysis	Multiple of EBITDA less CAPEX	10.0x - 12.0x
		Transaction Indication of Value	% of Par	30.0% - 35.0%
		Black-Scholes Model	Volatility Assumption	25% - 40%
		Discounted Cash Flow	Discount Rate	7.75% - 11.10%
			Spread Adjustment	0.10%
Common Stocks	103,386,134	Multiples Analysis	Multiple of EBITDA less CAPEX	6.25x - 11.00x
			Multiple of EBITDA	7.0x - 8.75x
			Unadjusted Price/MHz-PoP	\$0.12 - \$0.95
			Risk Discount	55.2% - 59.8%
		Discounted Cash Flow	Discount Rate	7.75% - 20.0%
			Capitalization Rate	10.5%
		Transaction Analysis	Multiple of EBITDA	8.25x - 8.75x
			Multiple of EBITDA less CAPEX	10.0x - 12.0x
		Transaction Indication of Value	% of Par	30.0% - 35.0%
			Enterprise Value (\$mm)	\$365.0 - \$771.0
		Black-Scholes Model	Volatility Assumption	25% - 40%
		Net Asset Value	N/A	N/A
LLC Interest	88,777,470	Discounted Cash Flow	Discount Rate	2.59% - 9.45%
Corporate Bonds & Notes	1,076,400	Liquidation Analysis	Claim Amount: Percent of Par	6.9%
Claims	52,138	Pricing Feed	Indication of Value	1.375



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

Category	Market Value at 12/31/2019	Valuation Technique	Unobservable Inputs	Input Value(s)
Warrants	1,412	Discounted Cash Flow Multiples Analysis Transaction Analysis Black-Scholes Model	Discount Rate Multiple of EBITDA Multiple of EBITDA Volatility Assumption	20% 7.0x - 8.75x 8.25x - 8.75x 30 - 40%
<b>Total</b>	<b>555,848,016</b>			

In addition to the unobservable inputs utilized for various valuation methodologies, the Fund frequently uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Fund assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 5% to as high as 70% as of December 31, 2019. The selection of weightings is an inherently subjective process, dependent on professional judgement. These selections may have a material impact to the concluded fair value for such holdings.

The significant unobservable input used in the fair value measurement of the Fund's preferred stock asset is the discount rate. Significant decreases (increases) in any of those inputs in isolation could result in a significantly higher (lower) fair value measurement.

### Security Transactions

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

### Income Recognition

Corporate actions (including cash dividends) are recorded on the ex-dividend date, net of applicable withholding taxes, except for certain foreign corporate actions, which are recorded as soon after ex-dividend date as such information becomes available and is verified. Interest income is recorded on the accrual basis.

Accretion of discount on taxable bonds and loans is computed to the call date, while amortization of premium on taxable bonds and loans is computed to the maturity or call date, if shorter, both using the effective yield method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

The Fund records distributions received from investments in REITs and partnerships in excess of income from underlying investments as a reduction of cost of investments and/or realized gain. Such amounts are based on estimates if actual amounts are not available, and actual amounts of income,

realized gain and return of capital may differ from the estimated amounts. The Fund adjusts the estimated amounts once the issuers provide information about the actual composition of the distributions.

### U.S. Federal Income Tax Status

The Fund is treated as a separate taxpayer for U.S. federal income tax purposes. The Fund intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and will distribute substantially all of its taxable income and gains, if any, for the tax year, and as such will not be subject to U.S. federal income taxes. In addition, the Fund intends to distribute, in each calendar year, all of its net investment income, capital gains and certain other amounts, if any, such that the Fund should not be subject to U.S. federal excise tax. Therefore, no U.S. federal income or excise tax provisions are recorded.

The Investment Adviser has analyzed the Fund's tax positions taken on U.S. federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for U.S. federal income tax is required in the Fund's consolidated financial statements. The Fund's U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. Furthermore, the Investment Adviser of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expenses in the Statement of Operations. During the year ended December 31, 2019, the Fund did not incur any interest or penalties.

### Distributions to Shareholders

The Fund plans to pay distributions from net investment income monthly and net realized capital gains annually to common shareholders. To permit the Fund to maintain more stable monthly distributions and annual distributions, the Fund may from time to time distribute less than the entire amount of income and gains earned in the relevant month or year, respectively. The undistributed income and gains

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

would be available to supplement future distributions. In certain years, this practice may result in the Fund distributing, during a particular taxable year, amounts in excess of the amount of income and gains earned therein. Such distributions would result in a portion of each distribution occurring in that year to be treated as a return of capital to shareholders. Shareholders of the Fund will automatically have all distributions reinvested in Common Shares of the Fund issued by the Fund in accordance with the Fund's Dividend Reinvestment Plan (the "Plan") unless an election is made to receive cash. The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the NAV per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the NYSE on the Declaration Date. Participants in the Plan requesting a sale of securities through the plan agent of the Plan are subject to a sales fee and a brokerage commission.

### Cash & Cash Equivalents

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of the Consolidated Statement of Assets and Liabilities.

### Foreign Currency

Accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates using the current 4:00 PM London Time Spot Rate. Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates, between trade and settlement dates on securities transactions and between the accrual and payment dates on dividends, interest income and foreign withholding taxes, are recorded as unrealized foreign currency gains/(losses). Realized gains/(losses) and unrealized appreciation/(depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Consolidated Statement of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

### Securities Sold Short

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. The Fund may have to pay a fee to borrow particular securities and is obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances, the Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Cash held as collateral for securities sold short and written options contracts is classified as restricted cash on the Consolidated Statement of Assets and Liabilities, as applicable. Restricted cash in the amount of \$9,100,343 was held with the broker for the Fund. Securities valued at \$52,833,848 were posted in the Fund's segregated account as collateral.

### Other Fee Income

Fee income may consist of origination/closing fees, amendment fees, administrative agent fees, transaction break-up fees and other miscellaneous fees. Origination fees, amendment fees, and other similar fees are non-recurring fee sources. Such fees are received on a transaction by transaction basis and do not constitute a regular stream of income and are recognized when incurred.

### Note 3. Derivative Transactions

The Fund is subject to equity securities risk, interest rate risk and currency risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments. As of December 31, 2019 we had no hedge accounting derivatives.

### Futures Contracts

A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. The Fund may invest in interest rate, financial and stock or bond index futures contracts subject to certain limitations. The Fund invests in futures contracts to manage its exposure to the stock and bond markets and fluctuations in currency values. Buying futures tends to increase the Fund's exposure to the underlying instrument while selling futures tends to decrease the Fund's exposure to the underlying instrument, or economically hedge other Fund investments. With futures contracts, there is minimal counterparty credit risk to the Fund since futures contracts are exchange-traded and the exchange's clearinghouse, as counterparty to all



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)****December 31, 2019****Highland Income Fund**

traded futures, guarantees the futures against default. A Fund's risks in using these contracts include changes in the value of the underlying instruments, non-performance of the counterparties under the contracts' terms and changes in the liquidity of the secondary market for the contracts. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they principally trade.

Upon entering into a financial futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount, known as initial margin deposit. Subsequent payments, known as variation margins, are made or can be received by the Fund each day, depending on the daily fluctuation in the fair value of the underlying security. The Fund records an unrealized gain/(loss) equal to the daily variation margin. Should market conditions move unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may incur a loss. The Fund recognizes a realized gain/(loss) on the expiration or closing of a futures contract.

During the year ended December 31, 2019, the Fund entered into futures transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, and to gain market exposure for residual and accumulating cash positions. Cash held as collateral for futures contracts is shown on the Consolidated Statement of Assets and Liabilities as "Restricted Cash — Futures."

**Options**

The Fund may utilize options on securities or indices to varying degrees as part of their principal investment strategy. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by the Fund expires unexercised, the Fund realizes on the expiration date a capital gain equal to the premium received by the Fund at the time the option was written. If an option purchased by the Fund expires unexercised, the Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when the Fund desires.

The Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. The Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid.

For the year ended December 31, 2019, the Fund had written options to provide leveraged short exposure, and purchased options to provide leveraged long exposure, to the underlying equity, which is consistent with the investment strategies of the Fund.

**Reverse Repurchase Agreements**

The Fund engages in reverse repurchase agreement transactions with respect to instruments that are consistent with the Fund's investment objective or policies. This creates leverage for the Fund because the cash received can be used to purchase other securities. See Note 6 for additional information on the Fund's reverse repurchase agreements.

**Additional Derivative Information**

The Fund follows adopted amendments to authoritative guidance on disclosures about derivative instruments and hedging activities which require that the Fund disclose: a) how and why an entity uses derivative instruments; b) how derivative instruments and related hedged items are accounted for; c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows; and d) how the netting of derivatives subject to master netting arrangements (if applicable) affects the net exposure of the Fund related to the derivatives.

The fair value of derivative instruments on the Statement of Assets and Liabilities have the following risk exposure at December 31, 2019:

Risk Exposure	Fair Value	
	Asset Derivative	Liability Derivative
Equity Price Risk	\$ 17,325,000 <sup>(1)(3)</sup>	\$(3,807,364) <sup>(2)(4)</sup>
Foreign Currency Risk	1,034,600 <sup>(1)</sup>	—

(1) Statement of Assets and Liabilities location: Investments, at value.

(2) Statement of Assets and Liabilities location: Written options contracts, at value.

(3) Statement of Assets and Liabilities location: Variation margin receivable.

(4) Includes cumulative unrealized depreciation of futures contracts as reported in the Investment Portfolio and within the components of net assets section of the Statement of Assets and Liabilities. Only the current day's variation margin is reported within the receivables and/or payables of the Statement of Assets and Liabilities.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

The effect of derivative instruments on the Statement of Operations for the year ended December 31, 2019, is as follows:

Risk Exposure	Net Realized Gain/(Loss) on Derivatives	Net Change in Unrealized Appreciation/(Depreciation) on Derivatives
Equity Price Risk	\$ (25,631,591) <sup>(1)(2)(3)</sup>	\$ 12,620,163 <sup>(4)(5)(6)</sup>
Foreign Currency Risk	(3,954,624) <sup>(1)</sup>	(1,847,650) <sup>(4)</sup>

- (1) Statement of Operations location: Realized gain (loss) on investments from unaffiliated issuers. Purchased options only.  
 (2) Statement of Operations location: Realized gain (loss) on written options contracts.  
 (3) Statement of Operations location: Realized gain (loss) on futures contracts.  
 (4) Statement of Operations location: Net increase (decrease) in unrealized appreciation (depreciation) on investments. Purchased options only.  
 (5) Statement of Operations location: Net increase (decrease) in unrealized appreciation (depreciation) on written options contracts.  
 (6) Statement of Operations location: Net increase (decrease) in unrealized appreciation (depreciation) on futures contracts.

The average monthly volume of derivative activity for the year ended December 31, 2019 is as follows:

Income Fund	Units/Contracts	Appreciation/(Depreciation)
Purchased Options Contracts	352,974,595	—
Written Options Contracts	10,033	—
Futures Contracts	—	[15,389]

### Note 4. Securities Lending

Effective November 8, 2019, HCMFA entered into a custody agreement with Bank of New York Mellon ("BNY"). Prior to November 8, 2019, State Street Bank and Trust Company ("State Street") served as the custodian to the Fund.

As of December 31, 2019, the Fund did not participate in securities lending transactions with BNY.

Prior to November 8, 2019, the Fund could seek additional income by making secured loans of its portfolio securities through its prior custodian, State Street Bank and Trust. Such loans would be in an amount not greater than one-third of the value of the Fund's total assets. State Street would charge a fund fees based on a percentage of the securities lending income.

The Fund would receive collateral consisting of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, sovereign debt, convertible bonds, irrevocable bank letters of credit or such other collateral as may be agreed on by the parties to a securities lending arrangement, initially with a value of 102% or 105% of the market value of the loaned securities and thereafter maintained at a value of 100% of

the market value of the loaned securities. If the collateral consists of non-cash collateral, the borrower would pay the Fund a loan premium fee. If the collateral consists of cash, State Street would reinvest the cash. Although voting rights, or rights to consent, with respect to the loaned securities pass to the borrower, the Fund would recall the loaned securities upon reasonable notice in order that the securities could be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Fund also could call such loans in order to sell the securities involved.

Securities lending transactions were entered into pursuant to Securities Loan Agreements ("SLA"), which would provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaulted, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an SLA counterparty's bankruptcy or insolvency. Under the SLA, the Fund can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate this risk, each Fund benefits from a borrower default indemnity provided by State Street. State Street's indemnity generally provides for replacement of securities lent or the approximate value thereof.

### Note 5. U.S. Federal Income Tax Information

The character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from U.S. GAAP. These differences include (but are not limited to) investments organized as partnerships for tax purposes, losses deferred due to wash sale transactions, and tax attributes from Fund reorganizations. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. These reclassifications have no impact on net investment income, realized gains or losses, or NAV of the Fund. The calculation of net investment income per share in the Financial Highlights table excludes these adjustments.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

For the year ended December 31, 2019, permanent differences chiefly resulting from partnership basis adjustments, return of capital distributions paid by the fund, differences in premium amortization methods for book and tax, foreign currency gains and losses, reorganization expenses, and paydown reclasses were identified and reclassified among the components of the Fund's net assets as follows:

Distributable Earnings (Accumulated Losses)	Paid-in-Capital
\$ (162,876)	\$ 162,876

At December 31, 2019, the Fund's most recent tax year end, components of distributable earnings on a tax basis are as follows:

Other Temporary Differences	Accumulated Capital and Other Losses	Unrealized Appreciation (Depreciation)
\$—	\$ (213,623,033)	\$ (409,683,245)

(1) Any differences between book-basis and tax-basis net unrealized appreciation/(depreciation) are primarily due to wash sales, non-taxable dividends, partnership, REIT basis adjustments and difference in premium amortization methods for book and tax.

As of December 31, 2019, the Fund has capital loss carryovers as indicated below. The capital loss carryovers are available to offset future realized capital gains to the extent provided in the Code and regulations promulgated thereunder. To the extent that these carryover losses are used to offset future capital gains, the gains offset will not be distributed to shareholders.

No Expiration Short-Term <sup>(1)</sup>	No Expiration Long-Term	Total
\$38,056,401	\$175,566,632	\$213,623,033

During the year ended December 31, 2019, the Fund did not utilize capital loss carryforwards to offset capital gains.

The tax character of distributions paid during the last two fiscal year/period ended December 31, and the year ended June 30, 2018 is as follows:

	Ordinary Income	Long-Term Capital Gain	Return of Capital
2019	\$58,214,363	\$ —	\$8,201,030
2018	32,468,254	—	720,948
2018*	49,645,426	—	6,936,337

(1) For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

\* Year ended June 30.

Unrealized appreciation and depreciation at December 31, 2019, based on cost of investments for U.S. federal income tax purposes was:

Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation)	Cost
\$101,121,905	\$ (510,805,150)	\$ (409,683,245)	\$ 1,938,328,068

### Qualified Late Year Ordinary and Post October Losses

Under current laws, certain capital losses and specified losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal year ended December 31, 2019, the Fund did not elect to defer net realized losses incurred from November 1, 2019 through December 31, 2019.

### Note 6. Credit Agreement and Reverse Repurchase Agreement

On February 2, 2018, HFRO Sub, LLC a wholly-owned subsidiary of the Fund entered into a financing arrangement (the "Financing Arrangement") with Bank of America Merrill Lynch and Bank of America, N.A. The Fund is in compliance with the Financing Arrangement.

Pursuant to the terms of the Financing Arrangement, and subject to certain customary conditions, HFRO Sub, LLC may borrow on a revolving basis a maximum of \$350 million, with a maturity date of February 2, 2022. In connection with the Financing Arrangement, HFRO Sub, LLC and the Fund have made representations and warranties regarding the loans and underlying collateral and are required to comply with various covenants, reporting requirements and other customary requirements. The Financing Arrangement also limits the recourse of the lender to the assets of HFRO Sub, LLC and includes usual and customary events of default for senior secured revolving facilities of this nature. At December 31, 2019, current outstanding and fair value amounts were \$300,000,000 and \$307,092,068, respectively, and would be categorized as Level 3 within the fair value hierarchy. The Fund's average daily balance was \$370,000,000 at a weighted average interest rate of 3.61% for the days outstanding.

On March 21, 2017, the Fund entered into a leverage facility agreement (the "BNP Agreement") with BNP Paribas Prime Brokerage International, Ltd., BNP Prime Brokerage, Inc., acting through its New York Branch, and BNP Paribas (together, the "BNPP Entities"). Under the BNP Agreement, the BNPP Entities may make margin loans to Fund at a rate of one-month LIBOR + 0.50%. The BNP Agreement may be terminated by either the Fund or the BNPP Entities with 30 days' notice.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

At December 31, 2019, the Fund had an outstanding balance of \$3,324,533 on the BNP Agreement. The Fund's average daily balance was \$2,533,151 at a weighted average interest rate of 1.72% for the days outstanding.

On February 9, 2018, the Fund entered into an agreement with BNP Paribas Securities Corporation ("BNP Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to BNP Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from BNP Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities.

At December 31, 2019, the Fund's outstanding balance on the BNP Securities was \$56,261,600. The Fund's average daily balance was \$50,171,540 at a weighted average interest rate of 3.78% for the days outstanding.

On March 6, 2019, the Fund entered into an agreement with Mizuho Securities USA LLC ("Mizuho Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to Mizuho Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from Mizuho Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities.

At December 31, 2019, the Fund's outstanding balance on the Mizuho Securities was \$63,535,000. The Fund's average daily balance was \$34,233,551 at a weighted average interest rate of 3.51% for the days outstanding.

Note 7. Investment Advisory, Administration and Trustee Fees

For its investment advisory services, the Fund pays the Investment Adviser a monthly fee, computed and accrued daily, based on an annual rate of the Fund's Average Daily Managed Assets. Average Daily Managed Assets of a Fund means the average daily value of the total assets of a Fund less all accrued liabilities of a Fund (other than the aggregate amount of any outstanding borrowings constituting financial leverage).

The table below shows the Fund's contractual advisory fee with the Investment Adviser for the year ended December 31, 2019:

Annual Fee Rate to the Investment Adviser	> 1 Billion	> 2 Billion
0.65%	0.60%	0.55%

Administration Fee

The Investment Adviser provides administrative services to the Fund. For its services, the Investment Adviser receives an annual fee, payable monthly, in an amount equal to 0.20% of the average weekly value of the Fund's Managed Assets. Under a separate sub-administration agreement, the Investment Adviser delegates certain administrative functions and pays the sub-administrator directly for these sub-administration services. Effective October 1, 2018, the Investment Adviser entered into an administrative services agreement with SEI Investments Global Funds Services, a wholly owned subsidiary of SEI Investments Company. Prior to October 1, 2018, State Street served as sub-administrator to the Fund.

Expense Limits and Fee Reimbursements

The Investment Adviser had contractually agreed to limit the total annual operating expenses (exclusive of fees paid by the Fund pursuant to its Plan, taxes, dividend expenses on short sales, interest payments, brokerage commissions and other transaction costs, acquired fund fees and expenses, and extraordinary expenses) of the Fund to 0.95% of average daily net assets of the Fund (the "HIF Expense Cap"). The HIF Expense Cap expired on October 31, 2016. Under the expense limitation agreement, the Investment Adviser may recoup waived and/or reimbursed amounts with respect to the Fund within thirty-six months of the date such amounts were waived or reimbursed, provided the Fund's total annual operating expenses, including such recoupment, do not exceed the HIF Expense Cap in effect at the time of such waiver/reimbursement.

There can be no assurance that these fee reductions will be sufficient to avoid any loss. On December 31, 2019, the



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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Highland Income Fund

amounts subject to possible future recoupment under the Fund's expense limitations were as follows:

Fiscal Years Ended December 31  
2020  
\$169,993

During the year ended December 31, 2019, the Investment Adviser did not recoup any amounts previously waived or reimbursed.

### Fees Paid to Officers and Trustees

Each Trustee who is not an "interested person" of the Fund as defined in the 1940 Act (the "Independent Trustees") receives an annual retainer of \$150,000 payable in quarterly installments and allocated among each portfolio in the Highland Funds Complex overseen by such Trustee based on relative net assets. Independent Trustees are reimbursed for actual out-of-pocket expenses relating to attendance at meetings, however, the Chairman of the Board and the Chairman of the Audit Committee each receive an additional payment of \$10,000 payable in quarterly installments and allocated among each portfolio in the Highland Funds Complex based on relative net assets. The Independent Trustees do not receive any separate compensation in connection with service on Committees or for attending Board or Committee Meetings. The Trustees do not have any pension or retirement plan. The "Highland Funds Complex" consists of all of the registered investment companies advised by the Investment Adviser or its affiliated advisers and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act as of the date of this report.

The Fund pays no compensation to its officers, all of whom are employees of the Investment Adviser or one of its affiliates.

### Expedited Settlement Agreements

On June 15, 2017 and May 14, 2019, the Fund entered into Expedited Settlement Agreements with two major dealers in the floating rate loan market, pursuant to which the Fund has the right to designate certain loans it sells to the dealer to settle on or prior to three days from the trade date in exchange for a quarterly fee (the "Expedited Settlement Agreements"). The Expedited Settlement Agreements are designed to reduce settlement times from the standard seven days to three days for eligible loans. For the year ended December 31, 2019, the Fund paid \$81,544 to the dealers as part of the Expedited Settlement Agreements.

While the Expedited Settlement Agreements are intended to provide the Fund with additional liquidity with respect to such loans, and may not represent the exclusive method of

expedited settlement of such loans, no assurance can be given that the Expedited Settlement Agreements or other methods for expediting settlements will provide the Fund with sufficient liquidity in the event of abnormally large redemptions.

### Indemnification

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

### Note 8. Disclosure of Significant Risks and Contingencies

The primary risks of investing in the Fund are described below in alphabetical order:

#### Counterparty Risk

Counterparty risk is the potential loss the Fund may incur as a result of the failure of a counterparty or an issuer to make payments according to the terms of a contract. Counterparty risk is measured as the loss the Fund would record if its counterparties failed to perform pursuant to the terms of their obligations to the Fund. Because the Fund may enter into over-the-counter forwards, options, swaps and other derivative financial instruments, the Fund may be exposed to the credit risk of its counterparties. To limit the counterparty risk associated with such transactions, the Fund conducts business only with financial institutions judged by the Investment Adviser to present acceptable credit risk.

#### 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. Investments in high yield debt and high yield Senior Loans may result in greater NAV fluctuation than if the Fund did not make such investments.

Corporate debt obligations, including Senior Loans, are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the Fund, a reduction in the value of the corporate debt obligation experiencing non-payment and a potential decrease in the NAV of the Fund.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

### Currency Risk

A portion of the Fund's assets may be quoted or denominated in non-U.S. currencies. These securities may be adversely affected by fluctuations in relative currency exchange rates and by exchange control regulations. The Fund's investment performance may be negatively affected by a devaluation of a currency in which the Fund's investments are quoted or denominated. Further, the Fund's investment performance may be significantly affected, either positively or negatively, by currency exchange rates because the U.S. dollar value of securities quoted or denominated in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar.

### Derivatives Risk

Derivatives risk is a combination of several risks, including the risks that: (1) an investment in a derivative instrument may not correlate well with the performance of the securities or asset class to which the Fund seeks exposure, (2) derivative contracts, including options, may expire worthless and the use of derivatives may result in losses to the Fund, (3) a derivative instrument entailing leverage may result in a loss greater than the principal amount invested, (4) derivatives not traded on an exchange may be subject to credit risk, for example, if the counterparty does not meet its obligations (see also "Counterparty Risk"), and (5) derivatives not traded on an exchange may be subject to liquidity risk and the related risk that the instrument is difficult or impossible to value accurately. As a general matter, when the Fund establishes certain derivative instrument positions, such as certain futures, options and forward contract positions, it will segregate liquid assets (such as cash, U.S. Treasury bonds or commercial paper) equivalent to the Fund's outstanding obligations under the contract or in connection with the position. In addition, changes in laws or regulations may make the use of derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the use, value or performance of derivatives. A Fund's ability to pursue its investment strategy, including its strategy of investing in certain derivative instruments, may be limited to or adversely affected by the Fund's intention to qualify as a regulated investment company, and its strategy may bear adversely on its ability to so qualify.

### Distressed and Defaulted Securities Risk

The Fund may invest in companies that are troubled, in distress or bankrupt. As such, they are subject to a multitude of legal, industry, market, environmental and governmental forces that make analysis of these companies inherently difficult. Further, the Investment Adviser relies on company management, outside experts, market participants and personal experience to analyze potential investments for the Fund. There can be no assurance that any of these sources

will prove credible, or that the resulting analysis will produce accurate conclusions.

Financial Services Industry Risk is the risk associated with the fact that the Trust's investments in Senior Loans are arranged through private negotiations between a borrower ("Borrower") and several financial institutions. Investments in the financial services sector may be subject to credit risk, interest rate risk, and regulatory risk, among others. Banks and other financial institutions can be affected by such factors as downturns in the U.S. and foreign economies and general economic cycles, fiscal and monetary policy, adverse developments in the real estate market, the deterioration or failure of other financial institutions, and changes in banking or securities regulations. The financial services industry is subject to extensive government regulation, which can limit both the amounts and types of loans and other financial commitments financial services companies can make and the interest rates and fees they can charge. Profitability is largely dependent on the availability and cost of capital funds, and can fluctuate significantly when interest rates change. Because financial services companies are highly dependent on short-term interest rates, they can be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations. Losses resulting from financial difficulties of Borrowers can negatively affect financial services companies. The financial services industry is currently undergoing relatively rapid change as existing distinctions between financial service segments become less clear. This change may make it more difficult for the Adviser to analyze investments in this industry. Additionally, the recently increased volatility in the financial markets and implementation of the recent financial reform legislation may affect the financial services industry as a whole in ways that may be difficult to predict.

### Hedging Risk

The Fund may engage in "hedging," the practice of attempting to offset a potential loss in one position by establishing an opposite position in another investment. Hedging strategies in general are usually intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit. For example, if the Fund has taken a defensive posture by hedging its portfolio, and stock prices advance, the return to investors will be lower than if the portfolio had not been hedged. No assurance can be given that any particular hedging strategy will be successful, or that the Investment Adviser will elect to use a hedging strategy at a time when it is advisable.

### Illiquid and Restricted Securities Risk

Certain investments made by the Fund are, and others may be, illiquid, and consequently the Fund may not be able to



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

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 Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Fund's investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

Restricted securities (i.e., securities acquired in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Fund, however, may not be able to sell these securities when the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, if in order to permit resale the securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased. A high percentage of illiquid securities in a Fund creates a risk that such a Fund may not be able to redeem its shares without causing significant dilution to remaining shareholders.

### Leverage Risk

The Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged.

### Non-U.S. Securities Risk

The Fund may invest in non-U.S. securities. Investing in non-U.S. securities involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in foreign exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower trading volume; much greater price volatility and illiquidity of certain non-U.S. securities markets; different trading and settlement practices; less governmental supervision;

changes in currency exchange rates; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements.

### Options Risk

There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A transaction in options or securities may be unsuccessful to some degree because of market behavior or unexpected events.

When the Fund writes a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but retains the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation and once an option writer has received an exercise notice, it must deliver the underlying security in exchange for the strike price.

When the Fund writes a covered put option, the Fund bears the risk of loss if the value of the underlying stock declines below the exercise price minus the put premium. If the option is exercised, the Fund could incur a loss if it is required to purchase the stock underlying the put option at a price greater than the market price of the stock at the time of exercise plus the put premium the Fund received when it wrote the option. While the Fund's potential gain in writing a covered put option is limited to distributions earned on the liquid assets securing the put option plus the premium received from the purchaser of the put option, the Fund risks a loss equal to the entire exercise price of the option minus the put premium.

### Preferred Share Risk

Preferred share risk is the risk associated with the issuance of preferred shares to leverage the common shares. When preferred shares are issued, the NAV and market value of the common shares become more volatile, and the yield to the holders of common shares will tend to fluctuate with changes in the shorter-term dividend rates on the preferred shares. The Trust will pay (and the holders of common shares will bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred shares, including higher advisory fees. Accordingly, the issuance of preferred shares may not result in a higher yield or return to the holders of the common shares. If the dividend rate and other costs of the preferred shares approach the net rate of return

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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Highland Income Fund

on the Trust's investment portfolio, the benefit of leverage to the holders of the common shares would be reduced. If the dividend rate and other costs of the preferred shares exceed the net rate of return on the Trust's investment portfolio, the leverage will result in a lower rate of return to the holders of common shares than if the Trust had not issued preferred shares.

### Real Estate Investment Trust 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. Real estate investment performance is also subject to the success that a particular property manager has in managing the property.

### Real Estate Market Risk

The Trust is exposed to economic, market and regulatory changes that impact the real estate market generally through its investment in NFRO REIT Sub, LLC (the "REIT Subsidiary"), which may cause the Trust's operating results to suffer. A number of factors may prevent the REIT Subsidiary's properties and other real estate-related investments from generating sufficient net cash flow or may adversely affect their value, or both, resulting in less cash available for distribution, or a loss, to us. These factors include: national, regional and local economic conditions; changing demographics; the ability of property managers to provide capable management and adequate maintenance; the quality of a property's construction and design; increases in costs of maintenance, insurance, and operations (including energy costs and real estate taxes); potential environmental and other legal liabilities; the level of financing used by the REIT Subsidiary and the availability and cost of refinancing; potential instability, default or bankruptcy of tenants in the properties owned by the REIT Subsidiary; the relative illiquidity of real estate investments in general, which may make it difficult to sell a property at an attractive price or within a reasonable time frame.

### Senior Loans Risk

The risk that the issuer of a senior may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of the senior loan or reduce the Fund's returns. The risks associated with senior loans are similar to the risks of high yield debt securities. Senior loans and other debt securities are also subject to the risk of price declines and to increases in interest rates, particularly long-term rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may increase the risk of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary

dramatically from short-term interest rates. Therefore, senior loans may not mitigate price declines in a long-term interest rate environment. The Fund's investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers.

On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Due to this announcement, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Fund or the financial instruments in which the Fund invests cannot yet be determined.

### Short Sales Risk

Short sales by the Fund that are not made where there is an offsetting long position in the asset that it is being sold short theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet margin calls on its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

### Structured Finance Securities Risk

A portion of the Trust's investments may consist of equipment trust certificates, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Such structured finance securities are generally backed by an asset or a pool of assets, which serve as collateral. Depending on the type of security, the collateral may take the form of a portfolio of mortgage loans or bonds or other assets. The Trust and other investors in structured finance securities ultimately bear the credit risk of the underlying collateral. In some instances, the structured finance securities are issued in multiple tranches, offering investors various maturity and credit risk characteristics, often categorized as senior, mezzanine and subordinated/equity according to their degree of risk. The riskiest securities are the equity tranche, which bears the bulk of defaults from the bonds or loans



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

serving as collateral, and thus may protect the other, more senior tranches from default. If there are defaults or the relevant collateral otherwise underperforms, scheduled payments to senior tranches of such securities take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those to subordinated/equity tranches. A senior tranche typically has higher ratings and lower yields than the underlying securities, and may be rated investment grade. Despite the protection from the equity tranche, other tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to previous defaults and the disappearance of protecting tranches, market anticipation of defaults and aversion to certain structured finance securities as a class.

### Valuation Risk

Certain of the Fund's assets are fair valued, including the Fund's primary illiquid asset, TerreStar. TerreStar is a non-operating company that does not currently generate revenue and which primarily derives its value from two spectrum frequencies, the license with respect to one of which was terminated by the FCC and is being contested by TerreStar on technical and public policy grounds. TerreStar currently anticipates such contest may take between 12 to 30 months and expects deployment of its other spectrum asset to require a similar period of time. If TerreStar is ultimately unsuccessful in its efforts, the terminated license

would not be reinstated and the value of the TerreStar equity would likely be materially negatively impacted. The fair valuation of TerreStar involves uncertainty as it is materially dependent on these estimates. With regard to the likelihood of TerreStar regaining the terminated license, the Investment Adviser assigned a high probability of success, based in part in consultation with outside experts.

### Gain Contingency

Claymore Holdings, LLC, a partially-owned affiliate of the Fund, is engaged in ongoing litigation that could result in a possible gain contingency to the Fund. The probability, timing, and potential amount of recovery, if any, are unknown.

### Note 9. Investment Transactions

#### Purchases & Sales of Securities

The cost of purchases and the proceeds from sales of investments, other than short-term securities and short-term options, for the year ended December 31, 2019, were as follows:

U.S Government Securities		Other Securities	
Purchases	Sales	Purchases	Sales
\$80,861,009	\$ —	\$541,939,379	\$257,895,576

### Note 10. Affiliated Issuers and Other Affiliate Matters

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as "affiliated" if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund as of December 31, 2019:

Issuer	Shares at December 31, 2018	Beginning Value as of December 31, 2018	Purchases at Cost	Proceeds from Sales	Distribution to Return of Capital	Net Realized Gain/(Loss) on Sales of Affiliated Issuers	Change in Unrealized Appreciation/(Depreciation)	Ending Value as of December 31, 2019	Shares at December 31, 2019	Affiliated Income
		\$	\$	\$	\$	\$	\$	\$		\$
<b>Majority Owned, Not Consolidated</b>										
Allenby (Common Stocks)	1,291,881	1	101,797	—	—	—	(101,797)	1	1,393,678	—
Claymore (Common Stocks)	8,698,220	9	671,970	—	—	—	(671,970)	9	9,370,190	—
<b>Other Affiliates</b>										
CCS Medical, Inc. (U.S. Senior Loans & Common Stocks)	52,229,448	24,398,513	7,621,644	—	—	—	15,785,754	47,805,911	58,920,016	6,735,585
EDS Legacy Partners (U.S. Senior Loans)	57,000,000	57,000,000	—	—	—	—	(171,000)	56,829,000	57,000,000	4,485,106
Euramax International (U.S. Senior Loans, Common Stocks & Warrants)	8,393,725	11,202,541	1,236,044	—	—	—	(4,286,369)	8,152,216	9,629,768	2,241,584
Gambier Bay LLC (Common Stocks)	10,939,879	1,258,086	—	—	(7,856,551)	—	6,598,465	—	—	—

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

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Highland Income Fund

Issuer	Shares at December 31, 2018	Beginning Value as of December 31, 2018 \$	Purchases at Cost \$	Proceeds from Sales \$	Distribution to Return of Capital \$	Net Realized Gain/(Loss) on Sales of Affiliated Issuers \$	Change in Unrealized Appreciation/ (Depreciation) \$	Ending Value as of December 31, 2019 \$	Shares at December 31, 2019	Affiliated Income \$
LLV Holdco LLC (U.S. Senior Loans, Common Stocks and Warrants)	12,552,393	10,002,768	938,933	—	—	—	(187,787)	10,753,914	13,442,392	40,105
Nevada Land Group LLC (U.S. Senior Loans)	1,743,503	—	—	—	—	(1,743,503)	1,743,503	—	—	49,304
NexPoint Strategic Opportunities Fund (Registered Investment Company)	427,345	8,516,986	9,983,152	—	(1,887,220)	—	904,805	17,517,723	989,143	263,488
NFRO REIT SUB, LLC (Common Stocks)	802,563	17,207,025	77,210,000	—	—	—	1,330,496	95,747,521	4,328,483	175,880
SFR WLIF I, II, III, LLC (LLC Interest)	—	—	90,000,000	—	—	—	(1,222,530)	88,777,470	90,000,000	4,427,613
Total	154,078,957	129,585,929	187,763,540	—	(9,743,771)	(1,743,503)	19,721,570	325,583,765	245,073,670	18,418,665

The Adviser has been historically affiliated through common control with Highland Capital Management, L.P. ("HCMLP"), an SEC-registered investment adviser. On October 16, 2019, HCMLP filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the United States Bankruptcy Court for the Northern District of Texas. On January 9, 2020, the bankruptcy court approved a change of control of HCMLP, which involved the resignation of James Dondero as the sole director of, and the appointment of an independent board to, HCMLP's general partner. Mr. Dondero will, however, remain as an employee of HCMLP and as portfolio manager for all funds and vehicles for which he currently holds such titles. Nevertheless, given Mr. Dondero's historic role with HCMLP and his continued ownership interest and roles with respect to the Highland platform as a whole, as well as the shared services agreements between HCMLP and our Adviser, we still treat HCMLP and its affiliates as our affiliates for purposes hereof.

**Note 11. Regulatory Matters**

On August 17, 2018, the SEC adopted amendments to Regulation S-X. These changes are effective for periods after November 5, 2018. The updates to Registered Investment Companies were mainly focused on simplifying the presentation of distributable earnings by eliminating the need to present the components of distributable earnings on a book basis in the Statements of Assets and Liabilities. The update also impacted the presentation of undistributed net investment income and distribution to shareholders on the

Statements of Changes in Net Assets. The amounts presented in the current Statements of Changes in Net Assets represent the aggregated total distributions of net investment income and realized capital gains, except for distributions classified as return of capital which are still presented separately.

**Note 12. New Accounting Pronouncements**

In November 2016, the FASB issued Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this update require the statement of cash flows to explain the change during the period in the total of cash, restricted cash and cash equivalents. Amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For public entities this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and effective April 1, 2018, the Fund no longer reports the change in restricted cash and cash equivalents in the operating and investing sections in our Consolidated Statement of Cash Flows. Restricted cash and cash equivalents are now included in the beginning and end of the period cash and cash equivalents on the Consolidated Statement of Cash Flows. These changes have been applied using a retrospective transition method to each period presented.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

December 31, 2019

Highland Income Fund

In March 2017, the FASB issued Accounting Standards Update 2017-08, Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20). The amendments in this update shorten the amortization period for certain callable debt securities held at premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. For public entities this update will be effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

In February 2018, the FASB issued Accounting Standards Update 2018-03, Technical Corrections and Improvements to Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update provide a variety of technical corrections and improvements to how entities should account for financial instruments. For public entities this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years beginning after June 15, 2018. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820). The new guidance includes additions and modifications to disclosures requirements for fair value measurements. For public entities, the amendments are effective for consolidated financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

### Note 13. Asset Coverage

The Fund is required to maintain 300% asset coverage with respect to amounts outstanding (excluding short-term borrowings) under its various leverage facilities. Additionally the fund is required to maintain 200% asset coverage with respect to the preferred share issuance as well as its various leverage facilities. Asset coverage is calculated by subtracting the Fund's total liabilities, not including any amount representing bank borrowings and senior securities, from the Fund's total assets and dividing the result by the principal amount of the borrowings outstanding. As of the dates indicated below, the Fund's debt outstanding and asset coverage was as follows:

Date	Amount Outstanding Excluding Preferred Shares	% of Asset Coverage of Indebtedness Excluding Preferred Shares	Amount Outstanding Including Preferred Shares	% of Asset Coverage of Indebtedness Including Preferred Shares <sup>(2)</sup>
12/31/2019	419,796,600	337.13%	564,796,600	276.25%
12/31/2018 <sup>(1)</sup>	496,141,100	306.80%	496,141,100	306.80%
6/30/2018	498,563,423	317.70%	498,563,423	317.70%
6/30/2017	N/A	N/A	N/A	N/A
6/30/2016	N/A	N/A	N/A	N/A
6/30/2015	51,500,000	1641.40%	51,500,000	1641.40%
6/30/2014	60,000,000	1577.60%	60,000,000	1577.60%
6/30/2013	N/A	N/A	N/A	N/A
6/30/2012	89,000,000	718.40%	89,000,000	718.40%
6/30/2011	135,000,000	659.90%	135,000,000	659.90%
6/30/2010	115,000,000	606.00%	115,000,000	606.00%
6/30/2009	181,000,000	465.80%	181,000,000	465.80%

<sup>1</sup> For the six month period ended December 31, 2018. Effective April 11, 2019, the Fund had a fiscal year change from June 30 to December 31 (Note 1).

<sup>2</sup> As referenced in Note 1, the Fund issued \$145mm in preferred shares subject to the 200% Asset Coverage of Indebtedness requirements under the 40 Act.

### Note 14. Unconsolidated Significant Subsidiaries

In accordance with Regulation S-X and GAAP, the Fund is not permitted to consolidate any subsidiary or other entity that is not an investment company, including those in which the Fund has a controlling interest unless the business of the controlled subsidiary consists of providing services to the Fund. In accordance with Regulation S-X Rules 3-09 and 4-08(g), the Fund evaluates its unconsolidated controlled subsidiaries as significant subsidiaries under the respective rules. As of December 31, 2019, NFRO REIT Sub LLC was considered a significant unconsolidated subsidiary under Regulation S-X Rule 4-08(g). This subsidiaries is wholly owned by the Fund. Based on the requirements under Regulation S-X Rule 4-08(g), the summarized consolidated financial information of these unconsolidated subsidiaries is presented below:

NFRO REIT  
Sub, LLC  
December 31, 2019

#### Balance Sheet:

Current Assets	\$ 3,939,000
Noncurrent Assets	205,094,000
<b>Total Assets</b>	<b>209,033,000</b>
Current Liabilities	5,838,000
Noncurrent Liabilities	122,262,000
<b>Total Liabilities</b>	<b>128,100,000</b>
Preferred Stock	1,000
Non-controlling interest (in consolidated investments)	104,000
Invested Equity	80,828,000
<b>Total Equity</b>	<b>\$ 80,933,000</b>



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (concluded)

December 31, 2019

Highland Income Fund

	NFRO REIT Sub, LLC
	For the Year Ended December 31, 2019
Summary of Operations:	
Net Sales	\$ 7,168,000
Gross Profit (Loss)	(13,105,000)
Net Income (Loss)	(13,105,000)
Net Income (Loss) attributable to non-controlling interest (in consolidated investments), preferred shares, and other comprehensive income	—

**Note 15. Subsequent Events**

The Investment Adviser has evaluated the impact of all subsequent events on the Fund through the date the consolidated financial statements were issued, and has determined that there were no such subsequent events to report which have not already been recorded or disclosed in these financial statements and accompanying notes.

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread internationally. This coronavirus has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this coronavirus may be short term or may last for an extended period of time and result in a substantial economic downturn. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could negatively affect the worldwide economy, as well as the economies of individual countries, individual companies and the market in general in significant and unforeseen ways. Any such impact could adversely affect a Fund's performance, the performance of the securities in which the Fund invests, lines of credit available to the Fund and may lead to losses on your investment in the Fund.

As a result of the decreases in market value of the Fund's assets pledged at derivative counterparties, the Fund has been required to post additional collateral relating to its margin requirements. The Fund has posted all required collateral; however, the Fund's ability to meet future margin calls may be impacted by continued unfavorable market conditions.



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****To the Board of Trustees and Shareholders of Highland Income Fund***Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated statement of assets and liabilities, including the consolidated investment portfolio, of Highland Income Fund and its subsidiary (the "Fund") as of December 31, 2019, the related consolidated statements of operations and cash flows for the year ended December 31, 2019, the consolidated statement of changes in net assets for the year ended December 31, 2019 and the period July 1, 2018 through December 31, 2018, including the related notes, and the consolidated financial highlights for the year ended December 31, 2019, the period July 1, 2018 through December 31, 2018, and for the year ended June 30, 2015 (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, and the results of its operations and its cash flows for the year then ended, the changes in its net assets for the year ended December 31, 2019 and the period July 1, 2018 through December 31, 2018, and the financial highlights for the year ended December 31, 2019, the period July 1, 2018 through December 31, 2018 and for the year ended June 30, 2015 in conformity with accounting principles generally accepted in the United States of America.

The financial statements of the Fund as of and for the year ended June 30, 2018 and the financial highlights for each of the years ended June 30, 2018, 2017 and 2016 (not presented herein, other than the statement of changes in net assets and the financial highlights) were audited by other auditors whose report dated September 24, 2018 expressed an unqualified opinion on those financial statements and financial highlights.

*Basis for Opinion*

These consolidated financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

April 10, 2020

We have served as the auditor of one or more investment companies of Highland Capital Management Fund Advisors, L.P. and its affiliates since 2004.

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**ADDITIONAL INFORMATION (unaudited)****December 31, 2019****Highland Income Fund****Additional Portfolio Information**

The Investment Adviser and its affiliates manage other accounts, including registered and private funds and individual accounts. Although investment decisions for the Fund are made independently from those of such other accounts, the Investment Adviser may, consistent with applicable law, make investment recommendations to other clients or accounts that may be the same or different from those made to the Fund, including investments in different levels of the capital structure of a company, such as equity versus senior loans, or that involve taking contradictory positions in multiple levels of the capital structure. The Investment Adviser has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, this may create situations where a client could be disadvantaged because of the investment activities conducted by the Investment Adviser for other client accounts. When the Fund and one or more of such other accounts is prepared to invest in, or desire to dispose of, the same security, available investments or opportunities for each will be allocated in a manner believed by the Investment Adviser to be equitable to the Fund and such other accounts. The Investment Adviser also may aggregate orders to purchase and sell securities for the Fund and such other accounts. Although the Investment Adviser believes that, over time, the potential benefits of participating in volume transactions and negotiating lower transaction costs should benefit all accounts including the Fund, in some cases these activities may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

**Tax Information**

For shareholders that do not have a December 31, 2019 tax year end, this notice is for informational purposes only. For shareholders with a December 31, 2019 tax year end, please consult your tax adviser as to the pertinence of this notice. For the fiscal year ended December 31, 2019, the Fund hereby designates the following items with regard to distributions paid during the year.

Return of Capital	Ordinary Income Distribution	Total	Qualified Dividends and Corporate Dividends Received Deduction*	Qualified Dividend Income (15% tax rate for QDI)**	Interest Related Dividends***
12.35%	87.65%	100.00%	4.57%	4.63%	38.37%

\* The percentage in this column represents the amount of "Qualifying for Corporate Receivable Deduction Dividends" and is reflected as a percentage of ordinary income distributions.

\*\* The percentage in this column represents the amount of "Qualifying Dividend Income" and is reflected as a percentage of "Ordinary Income Distributions." It is the intention of the Fund to designate the maximum amount permitted by law. The information reported herein may differ from the information and distributions taxable to the shareholders for the calendar year ending December 31, 2019. Complete information will be computed and reported in conjunction with your 2019 Form 1099-DIV.

\*\*\* The percentage in this column represents the amount of "Interest Related Dividends" and is reflected as a percentage of ordinary income distributions exempt from U.S. withholding tax when paid to foreign investors.

The information herein may differ from the information and distributions taxable to the shareholder for the calendar year ended December 31, 2019. Complete information will be computed and reported with your 2019 Form 1099-DIV.

**Dividend Reinvestment Plan**

Unless the registered owner of Common Shares elects to receive cash by contacting American Stock Transfer & Trust Company, LLC ("AST" or the "Plan Agent"), as agent for shareholders in administering the Plan, a registered owner will receive newly issued Common Shares for all dividends declared for Common Shares of the Fund. If a registered owner of Common Shares elects not to participate in the Plan, they will receive all dividends in cash paid by check mailed directly to them (or, if the shares are held in street or other nominee name, then to such nominee) by AST, as dividend disbursing agent. Shareholders may elect not to participate in the Plan and to receive all dividends in cash by sending written instructions or by contacting AST, as dividend disbursing agent, at the address set forth below.

Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by contacting the Plan Agent before the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend. Some brokers may automatically elect to receive cash on the shareholders' behalf and may reinvest that cash in additional Common Shares of the Fund for them. The Plan Agent will open an account for each shareholder under the Plan in the same name in which such shareholder's Common Shares are registered.

Whenever the Fund declares a dividend payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Agent through receipt of additional unissued but authorized Common Shares from the Fund ("newly issued Common Shares"). The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the net asset value per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the New York Stock Exchange (the "NYSE") on the Declaration Date. The



**ADDITIONAL INFORMATION (unaudited) (continued)****December 31, 2019****Highland Income Fund**

Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Agent on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants. In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan. There will be no brokerage charges with respect to Common Shares issued directly by the Fund.

The automatic reinvestment of dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Accordingly, any taxable dividend received by a participant that is reinvested in additional Common Shares will be subject to federal (and possibly state and local) income tax even though such participant will not receive a corresponding amount of cash with which to pay such taxes. Participants who request a sale of shares through the Plan Agent are subject to a \$2.50 sales fee and pay a brokerage commission of \$0.05 per share sold. The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. All correspondence concerning the Plan should be directed to the Plan Agent at American Stock Transfer & Trust Company, LLC 6201 15th Avenue Brooklyn, NY 11219; telephone (718) 921-8200.

### **Approval of Highland Income Fund Advisory Agreement**

The Fund has retained Highland Capital Management Fund Advisors, L.P. (the "Investment Adviser") to manage the assets of the Fund pursuant to an investment advisory agreement between the Investment Adviser and the Investment Adviser and the Fund (the "Advisory Agreement"). The Advisory Agreement has been approved by the Fund's Board of Trustees, including a majority of the Independent Trustees. The Advisory Agreement continues in effect from year-to-year, provided that such continuance is specifically approved at least annually by the vote of holders of at least a majority of the outstanding shares of the Fund or by the Board of Trustees and, in either event, by a majority of the Independent Trustees of the Fund casting votes in person at a meeting called for such purpose.

During a telephonic meeting held on August 15, 2019, the Board of Trustees gave preliminary consideration to information bearing on the continuation of the Agreement for a one-year period commencing November 1, 2019 with respect to the Fund. The primary objective of the meeting was to ensure that the Trustees had the opportunity to consider matters they deemed relevant in evaluating the continuation of the Agreement, and to request any additional information they considered reasonably necessary for their deliberations.

At an in-person meeting held on September 19-20, 2019, the Board of Trustees, including the Independent Trustees, approved the continuance of the Agreement for a one-year period commencing on November 1, 2019. As part of its review process, the Board requested, through its independent legal counsel, and received from the Investment Adviser, various information and written materials, including: (1) information regarding the financial soundness of the Investment Adviser and the profitability of the Advisory Agreement to the Investment Adviser; (2) information on the advisory and compliance personnel of the Investment Adviser, including compensation arrangements; (3) information on internal compliance procedures of the Investment Adviser, including policies and procedures for personal securities transactions and with respect to cybersecurity, business continuity and disaster recovery; (4) comparative information showing how the Fund's fees and expenses compare to those of other registered investment companies and comparable funds managed by the Investment Adviser that follow investment strategies similar to those of the Fund, if any; (5) information regarding the investment performance of the Fund, including comparisons of the Fund's performance against that of other registered investment companies and comparable funds managed by the Investment Adviser that follow investment strategies similar to the Fund, if any; (6) premium and discount information with respect to the Fund; (7) information regarding brokerage and portfolio transactions; and (8) information on any legal proceedings or regulatory audits or investigations affecting the Investment Adviser or its affiliates. After the August 2019 meeting, the Trustees requested that the Investment Adviser provide additional information regarding various matters. In addition, the Board of Trustees received an independent report from FUSE Research Network ("FUSE"), an independent source of investment company data, relating to the Fund's performance and expenses compared to the performance and expenses of a group of funds deemed by FUSE to be comparable to the Fund (the "peer group"), and to a larger group of comparable funds (the "peer universe"). The Board also received data relating to the Fund's leverage and distribution rates as compared to its peer group.

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**ADDITIONAL INFORMATION (unaudited) (continued)****December 31, 2019****Highland Income Fund**

The Board of Trustees' evaluation process with respect to the Investment Adviser is an ongoing one. In this regard, the Board of Trustees also took into account discussions with management and information provided to the Board of Trustees at periodic meetings of the Board of Trustees over the course of the year with respect to the services provided by the Investment Adviser to the Fund, including quarterly performance reports prepared by management containing reviews of investment results and prior presentations from the Investment Adviser with respect to the Fund. The information received and considered by the Board of Trustees in connection with the September 19-20, 2019 meeting and throughout the year was both written and oral.

The Board of Trustees reviewed various factors that were discussed in a legal memorandum provided by independent counsel regarding trustee responsibilities in considering the Advisory Agreement, the detailed information provided by the Investment Adviser and other relevant information and factors. The Board of Trustees also considered other factors (including conditions and trends prevailing generally in the economy, the securities markets, and the industry). The Board of Trustees' conclusions as to the approval of the Advisory Agreement were based on a comprehensive consideration of all information provided to the Trustees without any single factor being dispositive in and of itself.

Some of the factors that figured particularly in the Board of Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. In addition, the Board of Trustees' conclusions may be based in part on its consideration of the advisory arrangements in prior years and on the Board's ongoing regular review of fund performance and operations throughout the year.

Throughout the process, the Board of Trustees had the opportunity to ask questions of and request additional information from the Investment Adviser. The Board of Trustees was assisted by legal counsel for the Trust and the Independent Trustees were also separately assisted by independent legal counsel throughout the process. The Independent Trustees were advised by and met in executive sessions with their independent legal counsel at which no representatives of management were present to discuss the proposed continuation of the Advisory Agreement, including prior to the September 19-20, 2019 meeting.

**The nature, extent, and quality of the services to be provided by the Investment Adviser.**

The Board considered the portfolio management services to be provided by the Investment Adviser under the Advisory Agreement and the activities related to portfolio management, including use of technology, research capabilities and

investment management staff. The Board discussed the relevant experience and qualifications of the personnel who would provide advisory services, including the background and experience of the members of the Fund's portfolio management team. The Trustees reviewed the management structure, assets under management and investment philosophies and processes of the Investment Adviser, including with respect to liquidity management. The Board also reviewed and discussed information regarding the Investment Adviser's compliance policies, procedures and personnel, including compensation arrangements and with respect to valuation, cybersecurity, business continuity and disaster recovery. The Board also considered the Investment Adviser's risk management processes. The Board of Trustees took into account the terms of the Advisory Agreement and considered that, the Investment Adviser, subject to the direction of the Board of Trustees, is responsible for providing advice and guidance with respect to the Fund and for managing the investment of the assets of the Fund. The Board of Trustees also took into account that the scope of services provided by the Investment Adviser and the undertakings required of the Investment Adviser in connection with those services, including maintaining and monitoring its own and the Fund's compliance program, had expanded over time as a result of regulatory, market and other developments. In this regard, they considered the Adviser's preparation with respect to the reporting modernization and liquidity risk management requirements required by new SEC regulations. The Board of Trustees also considered the quality of the Investment Adviser's compliance oversight program with respect to the Fund's service providers. The Board of Trustees also considered both the investment advisory services and the nature, quality and extent of any administrative and other non-advisory services, including shareholder servicing and distribution support services, provided to the Fund and its shareholders by the Investment Adviser and its affiliates. The Board also considered the significant risks assumed by the Investment Adviser in connection with the services provided to the Fund, including entrepreneurial risk and ongoing risks including investment, operational, enterprise, litigation, regulatory and compliance risks with respect to the Fund. The Board of Trustees also noted various cost-savings initiatives that had been implemented by the Adviser with respect to the Fund and the other funds in the Highland complex over the years.

The Board of Trustees also noted that on a regular basis it receives and reviews information from the Fund's Chief Compliance Officer (CCO) regarding the Fund's compliance policies and procedures established pursuant to Rule 38a-1 under the Investment Company Act of 1940.

In considering the nature, extent, and quality of the services provided by the Investment Adviser, the Board also took into



**ADDITIONAL INFORMATION (unaudited) (continued)****December 31, 2019****Highland Income Fund**

account its knowledge of the Investment Adviser's management and the quality of the performance of its duties, through discussions and reports during the preceding year and in past years.

The Board took into account the Investment Adviser's risk assessment, monitoring process and regulatory history. The Board concluded that the Investment Adviser had the quality and depth of personnel and investment methods essential to performing its duties under the Advisory Agreement, and that the nature and the quality of such advisory services supported the approval of the Advisory Agreement.

**The Investment Adviser's historical performance.**

In considering the Fund's performance, the Board of Trustees noted that it reviews at its regularly scheduled meetings information about the Fund's performance results. The Board of Trustees reviewed the historical performance of the Fund over various time periods and reflected on previous discussions regarding matters bearing on the Investment Adviser's performance at its meetings throughout the year. The Board of Trustees discussed the performance of the Fund and considered the relative performance of the Fund and its portfolio management team as compared to that of the Fund's peer group as selected by FUSE, as well as comparable indices. Among other data, the Board of Trustees also received data with respect to the Fund's leverage and distribution rates as compared to its peer group. The Board of Trustees noted that while it found the data provided by FUSE, the independent third-party data provider, generally useful, it recognized its limitations, including in particular that the data may vary depending on the end date selected and the results of the performance comparisons may vary depending on the selection of the peer group. The Board of Trustees also took into account management's discussion of the category in which the Fund was placed for comparative purposes, including any differences between the Fund's investment strategy and the strategy of the funds in the Fund's respective category, as well as compared to the peer group selected by FUSE.

Among other data relating specifically to the Fund's performance, the Board took note of FUSE's explanatory note that the peer group and universe consist of bank loan funds with similar pricing characteristics. The Board took into account that the Fund had changed its name from the Highland Floating Rate Opportunities Fund, expanded its investment strategy and removed the policy to invest at least 80% of net assets in floating rate securities in May 2019. The Board took into account the differences in the Fund's strategy from the funds in its peer group constructed by FUSE.

The Board of Trustees then considered that the Fund had outperformed the Credit Suisse Leveraged Loan USD Index and universe for three- and ten-year periods and had

underperformed its index and universe for one- and five-year periods. The Board also took into account management's discussion of the Fund's performance, including that the Fund's performance does not generally move with the market, as well as the differences in the Fund's strategy from its peer group.

The Board of Trustees concluded that the Fund's overall performance and other relevant factors, including the Adviser's actions to address any underperformance, supported the continuation of the Agreement with respect to the Fund for an additional one-year period.

**The costs of the services to be provided by the Investment Adviser and the profits to be realized by the Investment Adviser and its affiliates from the relationship with the Fund.**

The Board of Trustees also gave consideration to the fees payable under the Agreement, the expenses the Investment Adviser incur in providing advisory services and the profitability to the Investment Adviser from managing the Fund, including: (1) information regarding the financial condition of the Investment Adviser; (2) information regarding the total fees and payments received by the Investment Adviser for its services and, with respect to the Investment Adviser, whether such fees are appropriate given economies of scale and other considerations; (3) comparative information showing (a) the fees payable under the Agreement versus the investment advisory fees of certain registered investment companies and comparable funds that follow investment strategies similar to those of the Fund and (b) the expense ratios of the Fund versus the expense ratios of certain registered investment companies and comparable funds that follow investment strategies similar to those of the Fund; and (4) information regarding the total fees and payments received and the related amounts waived and/or reimbursed by the Investment Adviser for providing administrative services with respect to the Fund under separate agreements and whether such fees are appropriate. The Board of Trustees took into account the management fee structure, including that management fees for the Fund were based on the Fund's total managed assets.

Among other data, the Board of Trustees considered that the Fund's net management fee (including administrative fees) was lower than its peer group median and that the Fund's total net expense was about equal to both its peer group and its peer universe. The Board of Trustees also took into account management's discussion of the Fund's expenses.

The Board of Trustees also considered the so-called "fall-out benefits" to the Investment Adviser with respect to the Fund, such as the reputational value of serving as Investment Adviser to the Fund, potential fees paid to the Investment Adviser's affiliates by the Fund or portfolio companies for

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**ADDITIONAL INFORMATION (unaudited) (concluded)**

December 31, 2019

Highland Income Fund

services provided, including administrative services provided to the Fund by the Investment Adviser pursuant to separate agreements, the benefits of scale from investment by the Fund in affiliated funds, and the benefits of research made available to the Investment Adviser by reason of brokerage commissions (if any) generated by the Fund’s securities transactions. The Board of Trustees concluded that the benefits received by the Investment Adviser and its affiliates were reasonable in the context of the relationship between the Investment Adviser and the Fund.

After such review, the Board of Trustees determined that the profitability to the Investment Adviser and its affiliates from their relationship with the Fund was not excessive. The Trustees also took into consideration the amounts waived and/or reimbursed, if any, where expense caps or advisory fee waivers had been implemented.

**The extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of shareholders.**

The Board considered the effective fee under the Advisory Agreement for the Fund as a percentage of assets at different asset levels and possible economies of scale that may be realized if the assets of the Fund grow. The Board noted that the advisory fee for the Fund includes breakpoints. The Board considered the Investment Adviser’s discussion of the Fund’s advisory fee structure. The Board of Trustees concluded that the fee structure is reasonable, and with respect to the Investment Adviser, should result in a sharing of economies of scale in view of the information provided. The Board determined to continue to review ways, and the extent to which, economies of scale might be shared between the Investment Adviser on the one hand and shareholders of the Fund on the other.

**Conclusion.**

Following a further discussion of the factors above, it was noted that in considering the approval of the Advisory Agreement, no single factor was determinative to the decision of the Board of Trustees. Rather, after weighing all factors and considerations, including those discussed above, the Board of Trustees, including separately, the Independent Trustees, unanimously agreed that the Advisory Agreement, including the advisory fee to be paid to the Investment Adviser, is fair and reasonable to the Fund in light of the services that the Investment Adviser proposes to provide, the expenses that it incurs and the reasonably foreseeable asset levels of the Fund.

**Submission of Proposal to a Vote of Shareholders**

The annual meeting of shareholders of the Fund was held on June 14, 2019. The following is a summary of the proposal submitted to shareholders for a vote at the meeting and the votes cast.

<u>Proposal</u>	<u>Votes For</u>	<u>Votes Withheld</u>
To elect Ethan Powell as a Class I Trustee of the Fund, to serve for a three-year term expiring at the 2022 Annual Meeting.	43,068,510	3,817,939
To elect Bryan A. Ward as a Class I Trustee of the Fund, to serve for a three-year term expiring at the 2022 Annual Meeting.	43,087,170	3,799,278
<u>Proposal</u>	<u>Votes For</u>	<u>Votes Against</u>
To approve a change to the Fund’s fundamental policy regarding concentration such that the Fund will invest at least 25% of the value of its total assets in the real estate industry	32,441,337	4,121,423

In addition to the two Trustees who were elected at the annual meeting, as noted above, the following other Trustees continued in office after the Fund’s annual meeting: Dr. Bob Froehlich, Dustin Norris, Ethan Powell and Bryan A. Ward.



## ADDITIONAL INFORMATION (unaudited) (continued)

December 31, 2019

Highland Income Fund

### Trustees and Officers

The Board is responsible for the overall management of the Fund, including supervision of the duties performed by the Investment Adviser. The names and birth dates of the Trustees and officers of the Fund, the year each was first elected or appointed to office, their principal business occupations during the last five years, the number of funds overseen by each Trustee and other directorships they hold are shown below. The business address for each Trustee and officer of the Fund is c/o Highland Capital Management Fund Advisors, L.P., 300 Crescent Court, Suite 700, Dallas, TX 75201.

The "Highland Funds Complex," as referred to herein consists of: the Fund, each series of Highland Funds I ("HFI"), each series of Highland Funds II ("HFII"), Highland Global Allocation Fund ("GAF"), NexPoint Strategic Opportunities Fund ("NHF"), NexPoint Event-Driven Fund ("NEDF"), NexPoint Latin American Opportunities Fund ("NLAF"), NexPoint Real Estate Strategies Fund ("NRESF"), NexPoint Strategic Income Fund ("NSIF"), NexPoint Energy and Materials Opportunities Fund ("NEMO"), NexPoint Discount Strategies Fund ("NDSF"), NexPoint Healthcare Opportunities Fund ("NHOF", and together with NEDF, NLAF, NRESF, NSIF, NEMO, and NDSF, the "Interval Funds"), and NexPoint Capital, Inc. (the "BDC"), a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act.

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
<b>Independent Trustees</b>						
Dr. Bob Froehlich (4/28/1953)	Trustee	3 year term (expiring at 2020 annual meeting); Trustee since August 2017.	Retired.	20	Trustee of ARC Realty Finance Trust, Inc. (from January 2013 to May 2016); Director of KC Concessions, Inc. (since January 2013); Trustee of Realty Capital Income Funds Trust (from January 2014 to December 2016); Director of American Realty Capital Healthcare Trust II (from January 2013 to June 2016); Director, American Realty Capital Daily Net Asset Value Trust, Inc. (from November 2012 to July 2016); Director of American Sports Enterprise, Inc. (since January 2013); Director of Davidson Investment Advisors (from July 2009 to July 2016); Chairman and owner, Kane County Cougars Baseball Club (since January 2013); Advisory Board of Directors, Internet Connectivity Group, Inc. (from January 2014 to April 2016); Director of AXAR Acquisition Corp. (formerly AR Capital Acquisition Corp.) (from October 2014 to October 2017); Director of The Midwest League of Professional Baseball Clubs, Inc.; Director of Kane County Cougars Foundation, Inc.; Director of Galen Robotics, Inc.; Chairman and Director of FC Global Realty, Inc. (from May 2017 to June 2018); and Chairman; Director of First Capital Investment Corp. (from March 2017 to March 2018); and Director and Special Advisor to Vault Data, LLC (since February 2018).	Significant experience in the financial industry; significant managerial and executive experience; significant experience on other boards of directors, including as a member of several audit committees.







**ADDITIONAL INFORMATION (unaudited) (continued)**

**December 31, 2019** **Highland Income Fund**

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
<b>Independent Trustees</b>						
John Honis <sup>2</sup> (6/16/1958)	Trustee	3 year term (expiring at 2021 annual meeting); Trustee since August 2017.	President of Rand Advisors, LLC since August 2013; and Partner of Highland Capital Management, L.P. ("HCMLP") from February 2007 until his resignation in November 2014.	20	Manager of Turtle Bay Resort, LLC (August 2011 — December 2018); Manager of American Home Patient (November 2011 to February 2016).	Significant experience in the financial industry; significant managerial and executive experience, including experience as president, chief executive officer or chief restructuring officer of five telecommunication firms; experience on other boards of directors.
Ethan Powell <sup>3</sup> (6/20/1975)	Trustee; Chairman of the Board	3 year term (expiring at 2022 annual meeting); Trustee since August 2017; Chairman of the Board since December 2013; and Executive Vice President and Principal Executive Officer from June 2012 until December 2015.	CEO, Chairman and Founder of Impact Shares LLC since December 2015; Trustee/Director of the Highland Funds Complex from June 2012 until July 2013 and since December 2013; Chief Product Strategist of HCMFA from 2012 until December 2015; Senior Retail Fund Analyst of HCMLP from 2007 until December 2015 and HCMFA from its inception until December 2015; President and Principal Executive Officer of NHF from June 2012 until May 2015; Secretary of NHF from May 2015 until December 2015; Executive Vice President and Principal Executive Officer of HFI and HFII from June 2012 until December 2015; and Secretary of HFI and HFII from November 2010 to May 2015.	20	Trustee of Impact Shares Funds I Trust	Significant experience in the financial industry; significant executive experience including past service as an officer of funds in the Highland Funds Complex; significant administrative and managerial experience.



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**ADDITIONAL INFORMATION (unaudited) (continued)**

**December 31, 2019** **Highland Income Fund**

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
<b>Independent Trustees</b>						
Bryan A. Ward (2/4/1955)	Trustee	3 year term (expiring at 2022 annual meeting); Trustee since August 2017.	Senior Advisor, CrossFirst Bank since April 2019; Private Investor, BW Consulting, LLC since 2014; Senior Manager, Accenture, LLP (a consulting firm) from 1991 until retirement in 2014.	20	Director of Equity Metrix, LLC	Significant experience in the financial industry; significant executive experience including past service as an officer of funds in the Highland Funds Complex; significant administrative and managerial experience.



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**ADDITIONAL INFORMATION (unaudited) (continued)**

**December 31, 2019** **Highland Income Fund**

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
<b>Interested Trustees</b>						
Dustin Norris (1/6/1984)	Trustee	Initial 3 year term (expiring at 2022 annual meeting); Trustee since February 2018.	Head of Distribution and Chief Product Strategist at NexPoint since March 2019; President of NexPoint Securities, Inc. ("NSI") (formerly, Highland Capital Funds Distributor, Inc.) since April 2018; Head of Distribution at HCMFA from November 2017 until March 2019; Secretary of HFRO, GAF, HFI and HFII from October 2017 until April 2019; Assistant Secretary of HFRO and GAF II from August 2017 to October 2017; Chief Product Strategist at HCMFA from September 2015 to March 2019; Director of Product Strategy at HCMFA from May 2014 to September 2015; Assistant Secretary of HFI and HFII from March 2017 to October 2017; Secretary of NHF from December 2015 until April 2019; Assistant Treasurer of NexPoint Real Estate Advisors, L.P. since May 2015; Assistant Treasurer of NexPoint Real Estate Advisors II, L.P. since June 2016; Assistant Treasurer of HFI and HFII from November 2012 to March 2017; Assistant Treasurer of NHF from November 2012 to December 2015; Secretary of the BDC from 2014 until April 2019; and Secretary of the Interval Funds from March 2016 until April 2019.	20	None	Significant experience in the financial industry; significant managerial and executive experience, including experience as an officer of the Highland Funds Complex since 2012.



# **ADDITIONAL INFORMATION (unaudited) (concluded)**

**December 31, 2019**

**Highland Income Fund**

- 1 On an annual basis, as a matter of Board policy, the Governance and Compliance Committee reviews each Trustee's performance and determines whether to extend each such Trustee's service for another year. Effective June 2013, the Board adopted a retirement policy wherein the Governance and Compliance Committee shall not recommend the continued service as a Trustee of a Board member who is older than 80 years of age at the time the Governance and Compliance Committee reports its findings to the Board.
- 2 Since May 1, 2015, Mr. Honis has been treated as an Independent Trustee of the Trust. Prior to that date, Mr. Honis was treated as an Interested Trustee because he was a partner of an investment adviser affiliated with the Adviser until his resignation in November 2014. As of September 30, 2019, Mr. Honis was entitled to receive aggregate severance and/or deferred compensation payments of approximately \$230,000 from another affiliate of the Adviser. Mr. Honis also serves as a director of a portfolio company affiliated with the Adviser.  
In addition, Mr. Honis serves as a trustee of a trust that owns substantially all of the economic interest in an investment adviser affiliated with the Adviser. Mr. Honis indirectly receives an asset-based fee in respect of such interest, which is projected to range from \$450,000-\$550,000 annually. Additionally, an investment adviser controlled by Mr. Honis has entered into a shared services arrangement with an affiliate of the Adviser, pursuant to which the affiliate provides back office support in exchange for approximately \$50,000 per quarter. The affiliated adviser was paid \$147,000 and \$208,000 in 2017 and 2018, respectively. In light of these relationships between Mr. Honis and affiliates of the Adviser, it is possible that the SEC might in the future determine Mr. Honis to be an interested person of the Trust.
- 3 Prior to December 8, 2017, Mr. Powell was treated as an Interested Trustee of the Trust for all purposes other than compensation and the Trust's code of ethics.

Name and Date of Birth	Position(s) with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
<b>Officers</b>			
Frank Waterhouse (4/14/1971)	Treasurer, Principal Accounting Officer, Principal Financial Officer and Principal Executive Officer	Indefinite Term; Treasurer since May 2015. Principal Financial Officer and Principal Accounting Officer since October 2017. Principal Executive Officer since February 2018.	Partner and Chief Financial Officer of HCMLP; Treasurer of the Highland Funds Complex since May 2015.
Clifford Stoops (11/17/1970)	Assistant Treasurer	Indefinite Term; Assistant Treasurer since March 2017.	Chief Accounting Officer at HCMLP; Assistant Treasurer of the Highland Funds Complex since March 2017.
Jason Post (1/9/1979)	Chief Compliance Officer	Indefinite Term; Chief Compliance Officer since September 2015.	Chief Compliance Officer for HCMFA and NexPoint since September 2015; Chief Compliance Officer and Anti-Money Laundering Officer of the Highland Funds Complex since September 2015. Prior to his current role at HCMFA and NexPoint, Mr. Post served as Deputy Chief Compliance Officer and Director of Compliance for HCMLP.
Dustin Norris (1/6/1984)	Executive Vice President; Trustee	Indefinite Term; Executive Vice President since April 2019; Trustee since February 2018	Head of Distribution and Chief Product Strategist at NexPoint since March 2019; President of NexPoint Securities, Inc. since April 2018; Head of Distribution at HCMFA from November 2017 until March 2019; Chief Product Strategist at HCMFA from September 2015 to March 2019; Director of Product Strategy at HCMFA from May 2014 to September 2015; Officer of the Highland Funds Complex since November 2012.
Lauren Thedford (1/7/1989)	Secretary since April 2019	Indefinite Term; Secretary since April 2019	Associate General Counsel at HCMLP since September 2017; In-House Counsel at HCMLP from January 2015 until September 2017; Secretary of the Highland Funds Complex since April 2019; member of the AT&T Performance Arts Center, Education and Community Committee since March 2019.



## IMPORTANT INFORMATION ABOUT THIS REPORT

### Investment Adviser

Highland Capital Management Fund Advisors, L.P.  
300 Crescent Court, Suite 700  
Dallas, TX 75201

### Transfer Agent

American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219

### Underwriter

NexPoint Securities, Inc.  
200 Crescent Court, Suite 700  
Dallas, TX 75201

### Custodian

Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
2121 N. Pearl Street, Suite 2000  
Dallas, TX 75201

### Fund Counsel

K&L Gates LLP  
1 Lincoln Street  
Boston, MA 02111

This report has been prepared for shareholders of Highland Income Fund (the "Fund"). The Fund mails one shareholder report to each shareholder address. If you would like more than one report, please call shareholder services at 1-800-357-9167 to request that additional reports be sent to you.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to their portfolio securities, and the Fund's proxy voting records for the most recent 12-month period ended June 30, are available (i) without charge, upon request, by calling 1-800-357-9167 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Fund files its complete schedules of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year as an exhibit to its report on Form N-PORT. The Fund's Form N-PORT are available on the Commission's website at <http://www.sec.gov> and also may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the Public Reference Room may be obtained by calling 1-800-SEC-0330. Shareholders may also obtain the Form N-PORT by visiting the Fund's website at [www.highlandfunds.com](http://www.highlandfunds.com).

The Statement of Additional Information includes additional information about the Fund's Trustees and is available upon request without charge by calling 1-800-357-9167.



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**Highland Funds**  
**c/o American Stock Transfer & Trust Company, LLC**  
**6201 15th Avenue**  
**Brooklyn, NY 11219**

**Highland Income Fund**

Annual Report, December 31, 2019

[www.highlandfunds.com](http://www.highlandfunds.com)



## Item 2. Code of Ethics.

- (a) Highland Income Fund (formerly, Highland Floating Rate Opportunities Fund) (the "Registrant"), as of the end of the period covered by this report, has adopted a code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party.
- (b) Not applicable.
- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party, and that relates to any element of the code of ethics description.
- (d) The Registrant has not granted any waiver, including any implicit waiver, from a provision of the code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this Item's instructions.
- (e) Not applicable.
- (f) The Registrant's code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions is filed herewith as Exhibit (a)(1).

## Item 3. Audit Committee Financial Expert.

As of the end of the period covered by the report, the Registrant's Board of Trustees (the "Board") has determined that Bryan A. Ward, a member of the Audit & Qualified Legal Compliance Committee of the Board (the "Audit Committee"), is an audit committee financial expert as defined by the Securities and Exchange Commission (the "SEC") in Item 3 of Form N-CSR. Mr. Ward is "independent" as defined by the SEC for purposes of this Item 3 of Form N-CSR.

## Item 4. Principal Accountant Fees and Services.

### Audit Fees

- (a) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$255,000 for the fiscal year ended December 31, 2018 and \$357,000 for the fiscal year ended December 31, 2019.

### Audit-Related Fees

- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the Registrant's financial statements and are not reported under paragraph (a) of this Item are \$55,000 for the fiscal year ended December 31, 2018 and \$20,000 for the fiscal year ended December 31, 2019.

### Tax Fees

- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning are \$10,000 for the fiscal year ended December 31, 2018 and \$20,000 for the fiscal year ended December 31, 2019. The nature of the services related to assistance on the Registrant's tax returns and excise tax calculations.

### All Other Fees

- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$0 for the fiscal year ended December 31, 2018 and \$0 for the fiscal year ended December 31, 2019.

- (e)(1) Disclose the Audit Committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X:

The Audit Committee shall:

- (a) have direct responsibility for the appointment, compensation, retention and oversight of the Registrant's independent auditors and, in connection therewith, to review and evaluate matters potentially affecting the independence and capabilities of the auditors; and



(b) review and pre-approve (including associated fees) all audit and other services to be provided by the independent auditors to the Registrant and all non-audit services to be provided by the independent auditors to the Registrant's investment adviser or any entity controlling, controlled by or under common control with the investment adviser (an "Adviser Affiliate") that provides ongoing services to the Registrant, if the engagement relates directly to the operations and financial reporting of the Registrant; and

(c) establish, to the extent permitted by law and deemed appropriate by the Audit Committee, detailed pre-approval policies and procedures for such services; and

(d) review and consider whether the independent auditors' provision of any non-audit services to the Registrant, the Registrant's investment adviser or an Adviser Affiliate not pre-approved by the Audit Committee are compatible with maintaining the independence of the independent auditors.

(e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X are as follows:

(b) 100%

(c) 100%

(d) 100%

(f) The percentage of hours expended on the principal accountant's engagement to audit the Registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was less than fifty percent.

(g) The aggregate non-audit fees billed by the Registrant's accountant for services rendered to the Registrant, and rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and an Adviser Affiliate that provides ongoing services to the Registrant for each of the last two fiscal years of the Registrant was \$357,000 for the fiscal year ended December 31, 2018 and \$665,000 for the fiscal year ended December 31, 2019.

(h) The Registrant's Audit Committee has considered whether the provision of non-audit services that were rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and an Adviser Affiliate that provides ongoing services to the Registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

#### **Item 5. Audit Committee of Listed Registrants.**

(a) The Registrant has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It is composed of the following Trustees, each of whom is not an "interested person" as defined in the 1940 Act:

Dr. Bob Froehlich  
Timothy K. Hui\*  
Bryan A. Ward  
Ethan Powell

\*During the period covered by the report Timothy K. Hui was a member of the Audit Committee. Effective March 1, 2019, Mr. Hui retired and Ethan Powell was appointed to the Audit Committee. Mr. Powell is not an "interested person" as defined in the 1940 Act.

#### **Item 6. Investments.**

(a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the Annual Report to shareholders filed under Item 1 of this form.

(b) Not applicable.

#### **Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**



## **PROXY VOTING POLICY**

### **Purpose and Scope**

The purpose of these voting policies and procedures (the "Policy") is to set forth the principles and procedures by which HCMFA (the "Company") votes or gives consents with respect to the securities owned by Clients for which the Company exercises voting authority and discretion. For avoidance of doubt, this includes any proxy and any shareholder vote or consent, including a vote or consent for a private company or other issuer that does not involve a proxy. These policies and procedures have been designed to help ensure that votes are cast in the best interests of Clients in accordance with the Company's fiduciary duties and Rule 206(4)-6 under the Investment Advisers Act of 1940 (the "Advisers Act").

This Policy applies to securities held in all Client accounts (including Retail Funds and other pooled investment vehicles) as to which the Company has explicit or implicit voting authority. Implicit voting authority exists where the Company's voting authority is implied by a general delegation of investment authority without reservation of proxy voting authority to the Client.

If the Company has delegated voting authority to an investment sub-adviser with respect to any Retail Fund, such sub-adviser will be responsible for voting all proxies for such Retail Funds in accordance with the sub-adviser's proxy voting policies. The Compliance Department, to provide oversight over the proxy voting by sub-advisers and to ensure that votes are executed in the best interests of the Retail Funds, shall (i) review the proxy voting policies and procedures of each Retail Fund sub-adviser to confirm that they comply with Rule 206(4)-6, both upon engagement of the sub-adviser and upon any material change to the sub-adviser's proxy voting policies and procedures, and (ii) require each such sub-adviser to provide quarterly certifications that all proxies were voted pursuant to the sub-adviser's policies and procedures or to describe any inconsistent votes.

### **General Principles**

The Company and its affiliates engage in a broad range of activities, including investment activities for their own accounts and for the accounts of various Clients and providing investment advisory and other services to Clients. In the ordinary course of conducting the Company's activities, the interests of a Client may conflict with the interests of the Company, other Clients and/or the Company's affiliates and their clients. Any conflicts of interest relating to the voting of proxies, regardless of whether actual or perceived, will be addressed in accordance with these policies and procedures. The guiding principle by which the Company votes all proxies is to vote in the best interests of each Client by maximizing the economic value of the relevant Client's holdings, taking into account the relevant Client's investment horizon, the contractual obligations under the relevant advisory agreements or comparable documents and all other relevant facts and circumstances at the time of the vote. The Company does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

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<sup>1</sup> In any case where a Client has instructed the Company to vote in a particular manner on the Client's behalf, those instructions will govern in lieu of parameters set forth in the Policy.

### **Voting Procedures**

#### *Third-Party Proxy Advisors*

The Company may engage a third-party proxy advisor ("Proxy Advisor") to provide proxy voting recommendations with respect to Client proxies. Proxy Advisor voting recommendation guidelines are generally designed to increase investors' potential financial gain. When considering whether to retain or continue retaining any particular Proxy Advisor, the Compliance Department will ascertain, among other things, whether the Proxy Advisor has the capacity and competency to adequately analyze proxy issues. In this regard, the Compliance Department will consider, among other things: the adequacy and quality of the Proxy Advisor's staffing and personnel; the robustness of its policies and procedures regarding its ability to (a) ensure that its proxy voting recommendations are based on current and accurate information and (b) identify and address any conflicts of interest and any other considerations that the Compliance Department determines would be appropriate in considering the nature and quality of the services provided by the Proxy Advisor. To identify and address any conflicts that may arise on the part of the Proxy Advisor, the Compliance Department will ensure that the Proxy Advisor notifies the Compliance Department of any relevant business changes or changes to its policies and procedures regarding conflicts.

#### *Third-Party Proxy Voting Services*

The Company may utilize a third-party proxy voting service ("Proxy Voting Service") to monitor holdings in Client accounts for purposes of determining whether there are upcoming shareholder meetings or similar corporate actions and to execute Client proxies on behalf of the Company pursuant to the Company's instructions, which shall be given in a manner consistent with this Policy. The



Compliance Department will oversee each Proxy Voting Service to ensure that proxies have been voted in a manner consistent with the Company's instructions.

#### *Monitoring*

Subject to the procedures regarding Nonstandard Proxy Notices described below, the Compliance Department of the Company shall have responsibility for monitoring Client accounts for proxy notices. Except as detailed below, if proxy notices are received by other employees of the Company, such employees must promptly forward all proxy or other voting materials to the Compliance Department.

#### *Portfolio Manager Review and Instruction*

From time to time, the settlement group of the Company may receive nonstandard proxy notices, regarding matters including, but not limited to, proposals regarding corporate actions or amendments ("Nonstandard Proxy Notices") with respect to securities held by Clients. Upon receipt of a Nonstandard Proxy Notice, a member of the settlement group (the "Settlement Designee") shall send an email notification containing all relevant information to the Portfolio Manager(s) with responsibility for the security and [ .com]. Generally, the relevant Portfolio Manager(s) shall deliver voting instructions for Nonstandard Proxy Notices by replying to the email notice sent to the Portfolio Manager(s) and [ .com] by the Settlement Designee or by sending voting instructions to [ .com] and [ .com]. Any conflicts for Nonstandard Proxy Notices should also be disclosed to the Compliance Department. In the event a Portfolio Manager orally conveys voting instructions to the Settlement Designee or any other member of the Company's settlement group, that Settlement Designee or member of the Company's settlement group shall respond to the original notice email sent to [ .com] detailing the Portfolio Manager(s) voting instructions.

With regard to standard proxy notices, on a weekly basis, the Compliance Department will send a notice of upcoming proxy votes related to securities held by Clients and the corresponding voting recommendations of the Proxy Advisor to the relevant Portfolio Manager(s). Upon receipt of a proxy notice from the Compliance Department, the Portfolio Manager(s) will review and evaluate the upcoming votes and recommendations. The Portfolio Managers may rely on any information and/or research available to him or her and may, in his or her discretion, meet with members of an issuer's management to discuss matters of importance to the relevant Clients and their economic interests. Should the Portfolio Manager determine that deviating from the Proxy Advisor's recommendation is in a Client's best interest, the Portfolio Manager shall communicate his or her voting instructions to the Compliance Department.

In the event that more than one Portfolio Manager is responsible for making a particular voting decision and such Portfolio Managers are unable to arrive at an agreement as to how to vote with respect to a particular proposal, they should consult with the applicable Chief Compliance Officer (the "CCO") for guidance.

#### *Voting*

Upon receipt of the relevant Portfolio Managers' voting instructions, if any, the Compliance Department will communicate the instructions to the Proxy Voting Service to execute the proxy votes.

#### *Non-Votes*

It is the general policy of the Company to vote or give consent on all matters presented to security holders in any vote, and these policies and procedures have been designated with that in mind. However, the Company reserves the right to abstain on any particular vote if, in the judgment of the CCO, or the relevant Portfolio Manager, the effect on the relevant Client's economic interests or the value of the portfolio holding is insignificant in relation to the Client's portfolio, if the costs associated with voting in any particular instance outweigh the benefits to the relevant Clients or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Clients not to vote. Such determination may apply in respect of all Client holdings of the securities or only certain specified Clients, as the Company deems appropriate under the circumstances. As examples, a Portfolio Manager may determine: (a) not to recall securities on loan if, in his or her judgment, the matters being voted upon are not material events affecting the securities and the negative consequences to Clients of disrupting the securities lending program would outweigh the benefits of voting in the particular instance or (b) not to vote proxies relating to certain foreign securities if, in his or her judgment, the expense and administrative inconvenience outweighs the benefits to Clients of voting the securities.

#### *Conflicts of Interest*

The Company's Compliance Department is responsible for monitoring voting decisions for any conflicts of interest, regardless of whether they are actual or perceived. All voting decisions contrary to the recommendation of a Proxy Advisor require a mandatory conflicts of interest review by the Compliance Department, which will include a consideration of whether the Company or any Portfolio Manager or other person recommending or providing input on how to vote has an interest in the vote that may present a conflict of interest.

In addition, all Company investment professionals are expected to perform their tasks relating to the voting of proxies in accordance with the principles set forth above, according the first priority to the best interest of the relevant Clients. If at any time a



Portfolio Manager or any other investment professional becomes aware of a potential or actual conflict of interest regarding any particular voting decision, he or she must contact the Compliance Department promptly and, if in connection with a proxy that has yet to be voted, prior to such vote. If any investment professional is pressured or lobbied, whether from inside or outside the Company, with respect to any particular voting decision, he or she should contact the Compliance Department promptly. The CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the relevant Clients.

In the event of a conflict, the Company may choose to address such conflict by: (i) voting in accordance with the Proxy Advisor's recommendation; (ii) the CCO determining how to vote the proxy (if the CCO approves deviation from the Proxy Advisor's recommendation, then the CCO shall document the rationale for the vote); (iii) "echo voting" or "mirror voting" the proxy in the same proportion as the votes of other proxy holders that are not Clients; or (iv) with respect to Clients other than Retail Funds, notifying the affected Client of the material conflict of interest and seeking a waiver of the conflict or obtaining such Client's voting instructions. Where the Compliance Department deems appropriate, third parties may be used to help resolve conflicts. In this regard, the CCO or his or her delegate shall have the power to retain fiduciaries, consultants or professionals to assist with voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Where a conflict of interest arises with respect to a voting decision for a Retail Fund, the Company shall disclose the conflict and the rationale for the vote taken to the Retail Fund's Board of Directors/Trustees at the next regularly scheduled quarterly meeting. The Compliance Department will maintain a log documenting the basis for the decision and will furnish the log to the Board of Trustees.

#### *Material Conflicts of Interest*

The following relationships or circumstances are examples of situations that may give rise to a material conflict of interest for purposes of this Policy. This list is not exclusive or determinative; any potential conflict (including payments of the types described below but less than the specified threshold) should be identified to the Company's Compliance Department:

- (i) The issuer is a Client of the Company, or of an affiliate, accounting for more than 5% of the Company's or affiliate's annual revenues.
- (ii) The issuer is an entity that reasonably could be expected to pay the Company or its affiliates more than \$1 million through the end of the Company's next two full fiscal years.
- (iii) The issuer is an entity in which a "Covered Person" (as defined in the Company's Policies and Procedures Designed to Detect and Prevent Insider Trading and to Comply with Rule 17j-1 of the Investment Company Act of 1940, as amended (the "Code of Ethics")) has a beneficial interest contrary to the position held by the Company on behalf of Clients.
- (iv) The issuer is an entity in which an officer or partner of the Company or a relative of any such person is or was an officer, director or employee, or such person or relative otherwise has received more than \$150,000 in fees, compensation and other payment from the issuer during the Company's last three fiscal years; provided, however, that the Compliance Department may deem such a relationship not to be a material conflict of interest if the Company representative serves as an officer or director of the issuer at the direction of the Company for purposes of seeking control over the issuer.
- (v) The matter under consideration could reasonably be expected to result in a material financial benefit to the Company or its affiliates through the end of the Company's next two full fiscal years (for example, a vote to increase an investment advisor fee for a Retail Fund advised by the Company or an affiliate).
- (vi) Another Client or prospective Client of the Company, directly or indirectly, conditions future engagement of the Company on voting proxies in respect of any Client's securities on a particular matter in a particular way.
- (vii) The Company holds various classes and types of equity and debt securities of the same issuer contemporaneously in different Client portfolios.
- (viii) Any other circumstance where the Company's duty to serve its Clients' interests, typically referred to as its "duty of loyalty," could be compromised.

Notwithstanding the foregoing, a conflict of interest described above shall not be considered material for the purposes of this Policy in respect of a specific vote or circumstance if:

The securities in respect of which the Company has the power to vote account for less than 1% of the issuer's outstanding voting securities, but only if: (i) such securities do not represent one of the 10 largest holdings of such issuer's outstanding voting securities and (ii) such securities do not represent more than 2% of the Client's holdings with the Company.



The matter to be voted on relates to a restructuring of the terms of existing securities or the issuance of new securities or a similar matter arising out of the holding of securities, other than common equity, in the context of a bankruptcy or threatened bankruptcy of the issuer.

#### **Recordkeeping**

Following the submission of a proxy vote, the Fund will maintain a report of the vote and all relevant documentation.

The Fund shall retain records relating to the voting of proxies and the Company shall conduct due diligence, including on Proxy Voting Services and Proxy Advisors, as applicable, to ensure the following records are adequately maintained by the appropriate party:

- (i) Copies of this Policy and any amendments thereto.
- (ii) A current copy of the Proxy Advisor's voting guidelines, as amended.
- (iii) A copy of each proxy statement that the Company receives regarding Client securities. The Company may rely on a third party to make and retain, on the Company's behalf, a copy of a proxy statement, provided that the Company has obtained an undertaking from the third party to provide a copy of the proxy statement promptly upon request.
- (iv) Records of each vote cast by the Company on behalf of Clients. The Company may satisfy this requirement by relying on a third party to make and retain, on the Company's behalf, a record of the vote cast, provided that the Company has obtained an undertaking from the third party to provide a copy of the record promptly upon request.
- (v) A copy of any documents created by the Company that were material to making a decision how to vote or that memorializes the basis for that decision.
- (vi) A copy of each written request for information on how the Company voted proxies on behalf of the Client, and a copy of any written response by the Company to any (oral or written) request for information on how the Company voted.

These records shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the Company's fiscal year during which the last entry was made in the records, the first two years in an appropriate office of the Company.

#### **Enforcement of this Policy**

It shall be the responsibility of the Compliance Department to handle or coordinate the enforcement of this Policy. The Compliance Department will periodically sample proxy voting records to ensure that proxies have been voted in accordance with this Policy, with a particular focus on any proxy votes that require additional analysis (e.g., proxies voted contrary to the recommendations of a Proxy Advisor).

If the Compliance Department determines that a Proxy Advisor or Proxy Voting Service may have committed a material error, the Compliance Department will investigate the error, taking into account the nature of the error, and seek to determine whether the Proxy Advisor or Proxy Voting Service is taking reasonable steps to reduce similar errors in the future.

In addition, no less frequently than annually, the Compliance Department will review the adequacy of this Policy to ensure that it has been implemented effectively and to confirm that this Policy continues to be reasonably designed to ensure that proxies are voted in the best interest of Clients.

#### **Disclosures to Clients and Investors**

The Company includes a description of its policies and procedures regarding proxy voting in Part 2 of Form ADV, along with a statement that Clients can contact the CCO to obtain a copy of these policies and procedures and information about how the Company voted with respect to a Client's securities. This Policy is, however, subject to change at any time without notice.

As a matter of policy, the Company does not disclose how it expects to vote on upcoming proxies. Additionally, the Company does not disclose the way it voted proxies to unaffiliated third parties without a legitimate need to know such information.



- 2 If the Company has essentially immediate access to a book or record (on the Company's proprietary system or otherwise) through a computer located at an appropriate office of the Company, then that book or record will be considered to be maintained at an appropriate office of the Company. "Immediate access" to books and records includes that the Company has the ability to provide promptly to Securities and Exchange Commission (the "SEC") examination staff hard copies of the books and records or access to the storage medium. The party responsible for the applicable books and records as described above shall also be responsible for ensuring that those books and records for the first two years are either physically maintained in an appropriate office of the Company or that the Company otherwise has essentially immediate access to the required books and records for the first two years.

#### Item 8. Portfolio Managers of Closed-End Management Investment Companies.

##### (a)(1) Identification of Portfolio Manager(s) or Management Team Members and Description of Role of Portfolio Manager(s) or Management Team Members

The Registrant's portfolio managers, who are primarily responsible for the day-to-day management of the Registrant's portfolio, are James Dondero and Jon Poglitsch.

*James Dondero* – Mr. Dondero has over 25 years of experience in credit markets. In addition to his role at NexPoint Advisors, L.P. ("NexPoint"), Mr. Dondero is the co-founder of Highland Capital Management, L.P. ("HCMLP") and founder and President of NexPoint. Mr. Dondero has over 30 years of experience investing in credit and equity markets and has helped pioneer credit asset classes. Prior to founding HCMLP in 1993, Mr. Dondero served as Chief Investment Officer of Protective Life's GIC subsidiary and helped grow the business from concept to over \$2 billion between 1989 and 1993. His portfolio management experience includes mortgage-backed securities, investment grade corporate bonds, leveraged bank loans, high-yield bonds, emerging market debt, real estate, derivatives, preferred stocks and common stocks. From 1985 to 1989, he managed approximately \$1 billion in fixed income funds for American Express. Mr. Dondero received a BS in Commerce (Accounting and Finance) from the University of Virginia, and is a Certified Managerial Accountant. Mr. Dondero has also earned the right to use the Chartered Financial Analyst designation. He also serves as President of NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund and NexPoint Healthcare Opportunities Fund. Mr. Dondero currently serves as Chairman of NexBank SSB and NexPoint Residential Trust, Inc. and serves on the Board of Directors of American Banknote Corporation, Metro-Goldwyn-Mayer, NexPoint Hospitality Trust, NexPoint Real Estate Finance, Inc., Jernigan Capital, Inc., Cornerstone Healthcare Group, SeaOne Holdings, LLC and Texmark Timber Treasury, L.P.

*Jon Poglitsch* – Mr. Poglitsch is the Head of Credit at HCM. Prior to his current position, Mr. Poglitsch served as a Managing Director at HCFMA, where he spent a substantial amount of time covering the Energy, Competitive Power, Utilities, and Transportation industries; he also served as a Senior Portfolio Analyst on both the Institutional and Retail fund research teams. Prior to joining HCM in 2007, Mr. Poglitsch was a consultant for Muse Stancil and Co. ("Muse"), where he provided mergers and acquisition, valuation, and strategic advisory services to a variety of clients in the midstream and downstream energy sectors, including integrated oil, independent refinery, pipeline, power, and renewable fuel companies. Prior to joining Muse, Mr. Poglitsch was a senior financial analyst for American Airlines. He received an MBA with a concentration in Finance from the University of Texas at Austin and a BS in Chemical Engineering from the University of Oklahoma. Mr. Poglitsch has earned the right to use the Chartered Financial Analyst designation.

##### (a)(2) Other Accounts Managed by Portfolio Manager(s) or Management Team Member and Potential Conflicts of Interest

###### Other Accounts Managed by Portfolio Manager(s) or Management Team Member

The following table provides information about funds and accounts, other than the Registrant, for which the Registrant's portfolio managers are primarily responsible for the day-to-day portfolio management as of December 31, 2019.

###### *James Dondero*

Type of Accounts	Total # of Accounts Managed	Total Assets (millions)	# of Accounts Managed with Performance- Based Advisory Fee	Total Assets with Performance- Based Advisory Fee (millions)
Registered Investment Companies:	11	\$ 1,570	1	\$ 88
Other Pooled Investment Vehicles:	1	\$ 1,974	1	\$ 1,974
Other Accounts:	—	\$ —	—	\$ —

###### *Jon Poglitsch*



Type of Accounts	Total # of Accounts Managed	Total Assets (millions)	# of Accounts Managed with Performance- Based Advisory Fee	Total Assets with Performance- Based Advisory Fee (millions)
Registered Investment Companies:	2	\$ 294	—	\$ —
Other Pooled Investment Vehicles:	—	\$ —	—	\$ —
Other Accounts:	1	\$ 422	—	\$ —

### Potential Conflicts of Interests

The Adviser and/or its general partner, limited partners, officers, affiliates and employees provide investment advice to other parties and manage other accounts and private investment vehicles similar to the Registrant. For the purposes of this section, the term "Highland" shall include the Adviser and its affiliated investment advisors, including HCMLP and its affiliates. In connection with such other investment management activities, the Adviser and/or its general partner, limited partners, officers, affiliates and employees may decide to invest the funds of one or more other accounts or recommend the investment of funds by other parties, rather than the Registrant's monies, in a particular security or strategy. In addition, the Adviser and such other persons will determine the allocation of funds from the Registrant and such other accounts to investment strategies and techniques on whatever basis they consider appropriate or desirable in their sole and absolute discretion.

Highland has built a professional working environment, a firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. Highland has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, Highland furnishes advisory services to numerous clients in addition to the Registrant, and Highland may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts that have performance or higher fees paid to Highland or in which portfolio managers have a personal interest in the receipt of such fees) that may be the same as or different from those made to the Registrant. In addition, Highland, its affiliates and any of their partners, directors, officers, stockholders or employees may or may not have an interest in the securities whose purchase and sale the Adviser recommends to the Registrant. Actions with respect to securities of the same kind may be the same as or different from the action that the Adviser, or any of its affiliates, or any of their partners, directors, officers, stockholders or employees or any member of their families may take with respect to the same securities. Moreover, the Adviser may refrain from rendering any advice or services concerning securities of companies of which any of the Adviser's (or its affiliates') partners, directors, officers or employees are directors or officers, or companies as to which the Adviser or any of its affiliates or partners, directors, officers and employees of any of them has any substantial economic interest or possesses material non-public information. In addition to its various policies and procedures designed to address these issues, Highland includes disclosure regarding these matters to its clients in both its Form ADV and investment advisory agreements.

The Adviser, its affiliates or their partners, directors, officers or employees similarly serve or may serve other entities that operate in the same or related lines of business, including accounts managed by an investment adviser affiliated with the Adviser. Accordingly, these individuals may have obligations to investors in those entities or funds or to other clients, the fulfillment of which might not be in the best interests of the Registrant. As a result, the Adviser will face conflicts in the allocation of investment opportunities to the Registrant and other funds and clients. In order to enable such affiliates to fulfill their fiduciary duties to each of the clients for which they have responsibility, the Adviser will endeavor to allocate investment opportunities in a fair and equitable manner, pursuant to policies and procedures adopted by the Adviser and its advisory affiliates that are designed to manage potential conflicts of interest, which may, subject to applicable regulatory constraints, involve pro rata co-investment by the funds and such other clients or may involve a rotation of opportunities among the funds and such other clients. The Registrant will only make investments in which the Adviser or an affiliate hold an interest to the extent permitted under the 1940 Act and SEC staff interpretations or pursuant to the terms and conditions of the exemptive order received by certain advisers and funds affiliated with the Registrant, dated April 19, 2016. For example, exemptive relief is not required for the Registrant to invest in syndicated deals and secondary loan market transactions in which the Adviser or an affiliate has an interest where price is the only negotiated point. The order applies to all "Investment Companies," which includes future closed-end investment companies registered under the 1940 Act that are managed by affiliated advisers, which includes the Registrant. The Registrant, therefore, may in the future invest in accordance with the terms and conditions of the exemptive order. To mitigate any actual or perceived conflicts of interest, allocation of limited offering securities (such as IPOs and registered secondary offerings) to principal accounts that do not include third party investors may only be made after all other client account orders for the security have been filled. However, there can be no assurance that such policies and procedures will in every case ensure fair and equitable allocations of investment opportunities, particularly when considered in hindsight.

Conflicts may arise in cases when clients and/or the Adviser and other affiliated entities invest in different parts of an issuer's capital structure, including circumstances in which one or more clients own private securities or obligations of an issuer and other clients may own public securities of the same issuer. In addition, one or more clients may invest in securities, or other financial instruments, of an issuer that are senior or junior to securities, or financial instruments, of the same issuer that are held by or acquired for, one or more other clients. For example, if such issuer encounters financial problems, decisions related to such securities (such as over the terms of any workout or proposed waivers and amendments to debt covenants) may raise conflicts of interests. In such a distressed situation, a client



holding debt securities of the issuer may be better served by a liquidation of the issuer in which it may be paid in full, whereas a client holding equity securities of the issuer might prefer a reorganization that holds the potential to create value for the equity holders. In the event of conflicting interests within an issuer's capital structure, Highland generally will pursue the strategy that Highland believes best reflects what would be expected to be negotiated in an arm's length transaction, but in all instances with due consideration being given to Highland's fiduciary duties to each of its accounts (without regard to the nature of the accounts involved or fees received from such accounts). This strategy may be recommended by one or more Highland investment professionals. A single person may represent more than one part of an issuer's capital structure. The recommended course of action will be presented to the conflicts committee for final determination as to how to proceed. Highland may elect, but is not required, to assign different teams to make recommendations for different parts of the capital structure as the conflicts committee determines in its discretion. In the event any Highland personnel serve on the board of the subject company, they generally recuse themselves from voting on any board matter with respect to a transaction that has an asymmetrical impact on the capital structure. Highland personnel board members may still make recommendations to the conflicts committee. If any such persons are also on the conflicts committee, they may recuse themselves from the committee's determination. A portfolio manager with respect to any applicable Highland registered investment company clients ("Retail Accounts") participates in such discussions, but makes an independent determination as to which course of action he or she determines is in the best interest of the applicable Retail Accounts. Highland may use external counsel for guidance and assistance.

The Adviser and its affiliates have both subjective and objective procedures and policies in place designed to manage potential conflicts of interest involving clients so that, for example, investment opportunities are allocated in a fair and equitable manner among the Registrant and such other clients. An investment opportunity that is suitable for multiple clients of the Adviser and its affiliates may not be capable of being shared among some or all of such clients due to the limited scale of the opportunity or other factors, including regulatory restrictions imposed by the 1940 Act. There can be no assurance that the Adviser's or its affiliates' efforts to allocate any particular investment opportunity fairly among all clients for whom such opportunity is appropriate will result in an allocation of all or part of such opportunity to the Registrant. Not all conflicts of interest can be expected to be resolved in favor of the Registrant.

Another type of conflict may arise if one client account buys a security and another client account sells or shorts the same security. Currently, such opposing positions are generally not permitted within the same account without prior trade approval by the Adviser's Chief Compliance Officer. However, a portfolio manager may enter into opposing positions for different clients to the extent each such client has a different investment objective and each such position is consistent with the investment objective of the applicable client. In addition, transactions in investments by one or more affiliated client accounts may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of other client accounts.

Because certain client accounts may have investment objectives, strategies or legal, contractual, tax or other requirements that differ (such as the need to take tax losses, realize profits, raise cash, diversification, etc.), an affiliated advisor may purchase, sell or continue to hold securities for certain client accounts contrary to other recommendations. In addition, an affiliated advisor may be permitted to sell securities or instruments short for certain client accounts and may not be permitted to do so for other affiliated client accounts.

As a result of the Fund's arrangements with Highland, there may be times when Highland, the Adviser or their affiliates have interests that differ from those of the Fund's shareholders, giving rise to a conflict of interest. The Fund's officers serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as the Fund does, or of investment funds managed by the Adviser or its affiliates. Similarly, the Adviser or its affiliates may have other clients with similar, different or competing investment objectives. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of the Fund or its shareholders. For example, the Fund's officers have, and will continue to have, management responsibilities for other investment funds, accounts or other investment vehicles managed or sponsored by the Adviser and its affiliates. The Fund's investment objective may overlap, in part or in whole, with the investment objective of such affiliated investment funds, accounts or other investment vehicles. As a result, those individuals may face conflicts in the allocation of investment opportunities among the Registrant and other investment funds or accounts advised by or affiliated with the Adviser. The Adviser will seek to allocate investment opportunities among eligible accounts in a manner that is fair and equitable over time and consistent with its allocation policy. However, the Fund can offer no assurance that such opportunities will be allocated to it fairly or equitably in the short-term or over time.

In addition, it is anticipated that a portion of the Registrant's assets will be represented by real estate investment trusts ("REITs"), asset backed securities and/or collateralized loan obligations ("CLOs") sponsored, organized and/or managed by the Adviser and its affiliates. The Adviser will monitor for conflicts of interest in accordance with its fiduciary duties and will provide the independent trustees of the Registrant with an opportunity to periodically review the Registrant's investments in such REITs, asset-backed securities and/or CLOs and assure themselves that continued investment in such securities remains in the best interests of the Registrant and its shareholders. The Adviser may effect client cross-transactions where it causes a transaction to be effected between the Registrant and another client advised by the Adviser or any of its affiliates. The Adviser may engage in a client cross-transaction involving the Registrant any time that the Adviser believes such transaction to be fair to the Registrant and the other client of the Adviser or its affiliates. As further described below, the Adviser may effect principal transactions where the Registrant may make and/or hold an investment, including an investment in securities, in which the Adviser and/or its affiliates have a debt, equity or participation interest, in each case in accordance



with applicable law, which may include the Adviser obtaining the consent and approval of the Registrant prior to engaging in any such principal transaction between the Registrant and the Adviser or its affiliates.

The Adviser may direct the Registrant to acquire or dispose of investments in cross trades between the Registrant and other clients of the Adviser or its affiliates in accordance with applicable legal and regulatory requirements. In addition, to the extent permitted by the 1940 Act and SEC staff interpretations, the Registrant may make and/or hold an investment, including an investment in securities, in which the Adviser and/or its affiliates have a debt, equity or participation interest, and the holding and sale of such investments by the Registrant may enhance the profitability of the Adviser's own investments in such companies.

HCMFA has been historically affiliated through common control with HCMLP, an SEC-registered investment adviser. On October 16, 2019, HCMLP filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the United States Bankruptcy Court for the Northern District of Texas. On January 9, 2020, the bankruptcy court approved a change of control of HCMLP, which involved the resignation of James Dondero as the sole director of, and the appointment of an independent board to, HCMLP's general partner. Mr. Dondero will, however, remain as an employee of HCMLP and as portfolio manager for all funds and vehicles for which he currently holds such titles. Nevertheless, given Mr. Dondero's historic role with HCMLP and his continued ownership interest and roles with respect to the Highland platform as a whole, as well as the shared services agreements between HCMLP and HCMFA, we still treat HCMLP and its affiliates as our affiliates for purposes hereof.

HCMFA is not a party to HCMLP's bankruptcy filing. HCMFA is a party to a shared services arrangement with HCMLP. Under this arrangement our Adviser may utilize employees from HCMLP in connection with various services such as human resources, accounting, tax, valuation, information technology services, office space, employees, compliance and legal. We do not expect HCMLP's bankruptcy filings to impact its provision of services to HCMFA at this time.

#### (a)(3) Compensation Structure of Portfolio Manager(s) or Management Team Members

HCMFA's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors, including the pre-tax relative performance of a portfolio manager's underlying account, the pre-tax combined performance of the portfolio manager's underlying accounts, and the pre-tax relative performance of the portfolio manager's underlying accounts measured against other employees. Portfolio managers are compensated generally based on their investment performance. The portfolio managers and other investment professionals are ranked based on the alpha generated by their portfolio versus their target index benchmark. Their investment performance is evaluated both versus a target index benchmark return and also compared to the returns of their peers at HCMFA and its affiliates. Other attributes which may be considered in the evaluation process are communication, teamwork, attitude and leadership.

The target indices for the Registrant's portfolio managers are the Morningstar Bank Loan Fund Category and CS Leveraged Loan Index.

HCMFA is owned by Highland Capital Management Services, Inc., a Delaware corporation ("HCM Services") and its general partner, Strand Advisors XVI, Inc., of which Mr. James Dondero is the sole stockholder. HCM Services is controlled by Mr. Dondero and Mr. Mark Okada by virtue of their respective share ownership. Mr. Okada does not receive compensation based upon investment performance of the fund for which he serves as portfolio manager and instead shares in the profits of HCMFA.

The principal components of compensation include a base salary, a discretionary bonus and various retirement benefits.

*Base compensation.* Generally, portfolio managers receive base compensation based on their seniority and/or their position with HCMFA, which may include the amount of assets supervised and other management roles within HCMFA. Base compensation is determined by taking into account current industry norms and market data to ensure that HCMFA pays a competitive base compensation.

*Discretionary compensation.* In addition to base compensation, portfolio managers may receive discretionary compensation, which can be a substantial portion of total compensation. Discretionary compensation can include a discretionary cash bonus paid to recognize specific business contributions and to ensure that the total level of compensation is competitive with the market.

Because each person's compensation is based on his or her individual performance, HCMFA does not have a typical percentage split among base salary, bonus and other compensation. Senior portfolio managers who perform additional management functions may receive additional compensation in these other capacities. Compensation is structured such that key professionals benefit from remaining with HCMFA.

#### (a)(4) Disclosure of Securities Ownership



The following table sets forth the dollar range of equity securities beneficially owned by the portfolio managers in the Registrant as of December 31, 2019.

Name of Portfolio Managers	Dollar Ranges of Equity Securities Beneficially Owned by Portfolio Managers
James Dondero	Over \$1,000,000
Jon Poglitsch	\$10,001-\$50,000

(b) Not applicable.

#### Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

No such purchases were made by or on behalf of the Registrant or any "affiliated purchaser" during the period covered by this report.

#### Item 10. Submission of Matters to a Vote of Security Holders.

There have been no material changes to the procedures by which the shareholders may recommend nominees to the Registrant's Board.

#### Item 11. Controls and Procedures.

##### Assessment of the Registrant's Control Environment

##### (a) Evaluation of Disclosure Controls and Procedures.

The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Investment Company Act of 1940, as amended, is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of the Shareholder Report on Form N-CSR, Management carried out an evaluation of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures as of December 31, 2019. Based on such evaluation, the principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures were not effective due to a material weakness relating to controls over the application of fair value accounting with respect to the validation of fair value methodologies. The controls were not sufficiently designed to ensure the appropriateness of the fair value determinations reached for Level 3 real estate-related holdings. A material weakness (as defined in Rule 12b-2 under the Exchange Act) is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Registrant's annual or interim financial statements will not be prevented or detected on a timely basis. While this material weakness did not result in a misstatement, it could result in a misstatement to the investment balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected.

Management has developed a plan to remediate the material weakness described above. Management utilizes one or more independent valuation experts as part of its existing valuation process for Level 3 real estate-related holdings. Management will undertake additional review procedures by designating a member of the Valuation Committee of the Advisor to monitor and report to the Valuation Committee to ensure that for significant real estate-related holdings, fair values for such holdings are validated through one or more other valuation techniques that are acceptable under ASC 820.

(b) Changes in Internal Controls. Other than the planned enhancements to controls noted above, there have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Shareholder Report on Form N-CSR.

#### Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.

(a)

(1) Gross income from securities lending activities: \$0

(2) All fees and/or compensation for securities lending activities and related services: \$0



(3) Aggregate fees/compensation: \$0

(4) Net income from securities lending activities: \$0

- (b) "The Registrant's most recent fiscal year ended December 31, 2019, The Bank of New York ("BNY") served as the Registrant's securities lending agent. "

As a securities lending agent, BNY is responsible for the implementation and administration of the Registrant's securities lending program. Pursuant to its respective Securities Lending Agreement ("Securities Lending Agreement") with the Registrant, BNY, as a general matter, performs various services, including the following:

- Locating borrowers;
- Monitoring daily the value of the loaned securities and collateral (i.e. the collateral posted by the party borrowing);
- Negotiation of loan terms;
- Selection of securities to be loaned;
- Recordkeeping and account servicing;
- Monitoring of dividend activity and material proxy votes relating to loaned securities, and;
- Arranging for return of loaned securities to the registrant at loan termination.

BNY is compensated for the above-described services from its securities lending revenue split. The table above shows what the Registrant earned and the fees and compensation it paid in connection with its securities lending activities during its most recent fiscal year.

#### Item 13. Exhibits.

- (a)(1) [The code of ethics, or any amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto.](#)
- (a)(2) [Certification pursuant to Rule 30a-2\(a\) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.](#)
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (b) [Certification pursuant to Rule 30a-2\(b\) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.](#)







### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

#### HIGHLAND INCOME FUND

By (Signature and Title): /s/ Frank Waterhouse \_\_\_\_\_  
Frank Waterhouse  
Treasurer, Principal Accounting Officer, Principal Financial Officer,  
and Principal Executive Officer

Date: April 10, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, this report has been signed below by the following person(s) on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title): /s/ Frank Waterhouse \_\_\_\_\_  
Frank Waterhouse  
Treasurer, Principal Accounting Officer, Principal Financial Officer,  
and Principal Executive Officer

Date: April 10, 2020



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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM N-CSR**

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**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-23268

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**HIGHLAND INCOME FUND**

(Exact name of registrant as specified in charter)

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**300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Address of principal executive offices)(Zip code)

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**Highland Capital Management Fund Advisors, L.P.  
300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Name and Address of Agent for Service)

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**Registrant's telephone number, including area code: (866) 351-4440**

**Date of fiscal year end: December 31**

**Date of reporting period: June 30, 2020**

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**Item 1. Reports to Stockholders.**

A copy of the Semi-Annual Report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the “1940 Act”), is attached herewith.



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# Highland Income Fund

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## Semi-Annual Report June 30, 2020

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Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website ([highlandfunds.com](http://highlandfunds.com)), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by contacting the Fund's transfer agent at 1-800-357-9167.

You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you can call 1-800-357-9167 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with the Fund.



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# **Highland Income Fund**

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Economic and market conditions change frequently.  
There is no assurance that the trends described in this report will continue or commence.



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## CONSOLIDATED FUND PROFILE (unaudited)

### Highland Income Fund

#### Objective

Highland Income Fund seeks to provide a high level of current income, consistent with preservation of capital.

Net Assets as of June 30, 2020

**\$911.6 million**

Portfolio Data as of June 30, 2020

The information below provides a snapshot of Highland Income Fund at the end of the reporting period. Highland Income Fund is actively managed and the composition of its portfolio will change over time. Current and future holdings are subject to risk.

#### Quality Breakdown as of 6/30/2020 (%)<sup>(1)</sup>

AAA	0.80
BBB	0.93
BB	15.50
B	38.70
CCC	9.00
CC	0.61
D	1.31
NR	33.15

#### Sectors as of 6/30/2020 (%)<sup>(1)(2)</sup>

Real Estate	34.8
Financials	23.7
Information Technology	5.9
Healthcare	5.2
Communication Services	4.3

#### Top 10 Holdings as of 6/30/2020 (%)<sup>(2)(3)</sup>

Creek Pine 10.25%, (Preferred Stock)	24.0
NFRO REIT SUB, LLC (Common Stock)	10.9
CCS Medical, Inc., Term Loan 12.25%, 5/31/2021 (U.S. Senior Loans)	5.9
EDS Legacy Partners 7.50%, 12/14/2023 (U.S. Senior Loans)	5.7
FREMF Mortgage Trust, 11/25/2029 (Agency Collateralized Mortgage Obligations)	5.3
SFR WLIF II, LLC, (LLC Interest)	4.8
Metro-Goldwyn-Mayer, Inc. (Common Stock)	4.5
Creative Science Properties, Inc., (Preferred Stock)	3.9
SFR WLIF III, LLC, (LLC Interest)	2.4
FREMF Mortgage Trust, 1/25/2030 (Agency Collateralized Mortgage Obligations)	2.2

<sup>(1)</sup> Quality is calculated as a percentage of total credit instruments held by the portfolio. Sectors and holdings are calculated as a percentage of total net assets. The quality ratings reflected were issued by Standard & Poors, a nationally recognized statistical rating organization. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Quality ratings reflect the credit quality of the underlying bonds in the Fund's portfolio and not that of the Fund itself. Credit quality ratings assigned by a rating agency are subjective opinions, not statements of fact, and are subject to change, including daily. The ratings assigned by credit rating agencies are but one of the considerations that the Fund's investment adviser incorporates into its credit analysis process, along with such other issuer specific factors as cash flows, capital structure and leverage ratios, ability to deleverage through free cash flow, quality of management, market positioning and access to capital, as well as such security-specific factors as the terms of the security (e.g., interest rate, and time to maturity) and the amount of any collateral.

<sup>(2)</sup> Sectors and holdings are calculated as a percentage of total net assets.

<sup>(3)</sup> Excludes the Fund's investment in a cash equivalent.



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## CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020

Highland Income Fund

### A guide to understanding the Fund's consolidated financial statements

<b>Consolidated Investment Portfolio</b>	The Investment Portfolio details all of the Fund's holdings and its market value as of the last day of the reporting period. Portfolio holdings are organized by type of asset and industry to demonstrate areas of concentration and diversification.
<b>Consolidated Statement of Assets and Liabilities</b>	This statement details the Fund's assets, liabilities, net assets and share price for each share class as of the last day of the reporting period. Net assets are calculated by subtracting all of the Fund's liabilities (including any unpaid expenses) from the total of the Fund's investment and noninvestment assets. The net asset value per share for each class is calculated by dividing net assets allocated to that share class by the number of shares outstanding in that class as of the last day of the reporting period.
<b>Consolidated Statement of Operations</b>	This statement reports income earned by the Fund and the expenses incurred by the Fund during the reporting period. The Statement of Operations also shows any net gain or loss the Fund realized on the sales of its holdings during the period as well as any unrealized gains or losses recognized over the period. The total of these results represents the Fund's net increase or decrease in net assets from operations.
<b>Consolidated Statements of Changes in Net Assets</b>	These statements detail how the Fund's net assets were affected by its operating results, distributions to shareholders and shareholder transactions (e.g., subscriptions, redemptions and distribution reinvestments) during the reporting periods. The Statement of Changes in Net Assets also details changes in the number of shares outstanding.
<b>Consolidated Statement of Cash Flows</b>	This statement reports net cash and foreign currency provided or used by operating, investing and financing activities and the net effect of those flows on cash and foreign currency during the period.
<b>Consolidated Financial Highlights</b>	The Financial Highlights demonstrate how the Fund's net asset value per share was affected by the Fund's operating results. The Financial Highlights also disclose the classes' performance and certain key ratios (e.g., net expenses and net investment income as a percentage of average net assets).
<b>Notes to Consolidated Financial Statements</b>	These notes disclose the organizational background of the Fund, certain of its significant accounting policies (including those surrounding security valuation, income recognition and distributions to shareholders), federal tax information, fees and compensation paid to affiliates and significant risks and contingencies.







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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

Highland Income Fund

Principal Amount (\$)	Value (\$)	Principal Amount (\$)	Value (\$)
<b>U.S. Senior Loans (continued)</b>		<b>UTILITIES (continued)</b>	
<b>REAL ESTATE - 2.2%</b>		Lightstone Holdco LLC, Refinancing	
		Term Loan C, VAR LIBOR USD	
9,092,308	8,546,769	664,412	568,657
		3 Month+3.750%, 01/30/24	
		PG&E Corp, Term Loan, 1st Lien, 06/18/25	
11,850,000	11,316,750	5,000,000	4,920,000
	19,863,519	59,127,210	44,346
		Texas Competitive Electric Holdings Co., LLC, Extended Escrow Loan, (f)	
			17,902,711
		Total U.S. Senior Loans (Cost \$503,969,693)	
			363,262,851
<b>RETAIL - 4.8%</b>		<b>Shares</b>	
		<b>Preferred Stock - 37.0%</b>	
		<b>ENERGY - 1.1%</b>	
		1,790,983	9,796,677
		<b>FINANCIALS - 9.1%</b>	
		2,356,665	35,349,975
13,468,126	10,909,182	34,500	11,442,500
15,651,350	14,999,158	3,980	1,320,033
		525,000	5,985,000
1,178,368	1,129,272	162,000	1,850,075
		225,315	1,435,257
9,069,634	6,613,260	69,500	483,025
		252,000	2,699,760
10,073,808	6,296,130	59,449	2,418,260
9,554,955	3,583,108	25,000	181,750
	43,530,110	3,840	46,080
		30,000	372,000
		62,600	19,321,490
			82,905,205
<b>SERVICE - 2.2%</b>		<b>REAL ESTATE - 26.8%</b>	
		645,161	6,509,674
		180,008	218,952,776
3,621,602	3,328,198	249,514	249,514
		17,755	17,311,009
13,710,000	11,444,148	97,992	690,844
		74,600	901,789
5,929,827	5,504,837		244,615,606
	20,277,183		337,317,488
<b>TRANSPORTATION - 1.2%</b>			
11,608,587	10,810,497		
<b>UTILITIES - 2.0%</b>			
2,319,304	2,287,413		
11,780,034	10,082,295		

4 | See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

Highland Income Fund

Shares		Value (\$)		Principal Amount (\$)		Value (\$)
<b>Common Stocks - 18.0%</b>						
<b>COMMUNICATION SERVICES - 5.7%</b>						
49,600	Loral Space & Communications, Inc.	968,192		Acis CLO, Ltd., Series 2017-7A, Class E VAR ICE LIBOR USD 3 Month+6.000%, 6.69%, 5/1/2027 (b)(c) (j)	10,500,000	8,664,540
502,161	Metro-Goldwyn-Mayer, Inc. (i)(m)	41,344,422		Acis CLO, Ltd., Series 2015-6A, Class E VAR ICE LIBOR USD 3 Month+5.490%, 6.18%, 5/1/2027 (j)	7,500,000	4,715,625
27,134	TerreStar Corporation (b)(c)(i)(m)	9,205,209		Acis CLO, Ltd., Series 2014-4A, Class E VAR ICE LIBOR USD 3 Month+4.800%, 5.49%, 5/1/2026 (j)	14,750,000	11,505,000
		<u>51,517,823</u>		Acis CLO, Ltd., Series 2015-6A, Class D VAR ICE LIBOR USD 3 Month+3.770%, 4.46%, 5/1/2027 (j)	1,000,000	897,500
<b>CONSUMER DISCRETIONARY - 0.2%</b>						
1,450	Toys 'R' Us (i)	152,819		Acis CLO, Ltd., Series 2014-3A, Class E VAR ICE LIBOR USD 3 Month+4.750%, 5.44%, 2/1/2026 (j)	4,000,000	2,793,400
1,450	Tru Kids, Inc. (i)	1,375,385		AMMC CLO XIV, Series 2017-14A, Class B2L2 VAR ICE LIBOR USD 3 Month+6.530%, 7.52%, 7/25/2029 (j)	1,000,000	715,000
		<u>1,528,204</u>		Apex Credit CLO 2019, Series 2019-1A, Class D VAR ICE LIBOR USD 3 Month+7.100%, 8.24%, 4/18/2032 (j)	2,000,000	1,500,000
<b>ENERGY - 0.0%</b>						
167,419	Fieldwood Energy LLC (i)	16,742		Apidos CLO XV, Series 2018-15A, Class ERR VAR ICE LIBOR USD 3 Month+5.700%, 6.84%, 4/20/2031 (j)	1,400,000	1,176,000
1,118,286	Value Creation, Inc. (b)(c)(i)	<u>1</u>		Apidos CLO XXI, Series 2018-21A, Class ER VAR ICE LIBOR USD 3 Month+8.250%, 9.39%, 7/18/2027 (j)	1,750,000	1,104,687
		<u>16,743</u>		Apidos CLO XXIX, Series 2018-29A, Class D VAR ICE LIBOR USD 3 Month+5.250%, 6.24%, 7/25/2030 (j)	3,800,000	3,078,000
<b>FINANCIALS - 0.0%</b>						
17,630	NexPoint Real Estate Finance (e)	<u>295,302</u>		Atlas Senior Loan Fund, Series 2017-8A, Class F VAR ICE LIBOR USD 3 Month+7.150%, 8.33%, 1/16/2030 (j)	1,500,000	840,000
<b>GAMING/LEISURE - 0.0%</b>						
34,512	LLV Holdco LLC - Series A, Membership Interest (b)(c)(e)(i)	—		Atlas Senior Loan Fund XII, Series 2018-12A, Class E VAR ICE LIBOR USD 3 Month+5.950%, 6.97%, 10/24/2031 (j)	2,400,000	1,680,000
436	LLV Holdco LLC - Series B, Membership Interest (b)(c)(e)(i)	—		Babson CLO, Series 2017-2A, Class ER VAR ICE LIBOR USD 3 Month+6.450%, 7.59%, 10/20/2030 (j)	3,000,000	2,550,000
<b>HEALTHCARE - 0.0%</b>						
207,031	CCS Medical Inc. (b)(c)(e)(i)	<u>122,976</u>		Benefit Street Partners CLO XI, Series 2017-11A, Class E VAR ICE LIBOR USD 3 Month+7.200%, 8.42%, 4/15/2029 (j)	2,000,000	1,180,000
<b>HOUSING - 0.0%</b>						
1,648,350	Westgate Investments LLC (b)(c)(i)	—		BlueMountain CLO, Ltd., Series 2018-3A, Class ER VAR ICE LIBOR USD 3 Month+8.080%, 9.22%, 4/20/2031 (j)	3,500,000	1,989,750
<b>INDUSTRIALS - 0.0%</b>						
250,627	Remington Outdoor Co., Inc. (i)	<u>203,635</u>		California Street CLO IX, Series 2019-9A, Class FR2 VAR ICE LIBOR USD 3 Month+8.520%, 10.36%, 7/16/2032 (j)	3,500,000	2,467,500
<b>MATERIALS - 0.2%</b>						
299,032	MPM Holdings, Inc. (i)	1,495,160				
14,621	Omnimax International, Inc. (b)(c)(e)(i)	<u>585</u>				
		<u>1,495,745</u>				
<b>REAL ESTATE - 11.9%</b>						
1,437,555	Allenby (b)(c)(e)(i)	1				
10,119,979	Claymore (b)(c)(e)(i)	10				
331,800	Independence Realty Trust, Inc., REIT	3,812,382				
31,232	Jernigan Capital, Inc., REIT	427,254				
147,489	NexPoint Residential Trust, REIT (e)	5,213,736				
5,425,728	NFRO REIT SUB, LLC (b)(c)(e)(i)	<u>99,391,206</u>				
		<u>108,844,589</u>				
	Total Common Stocks (Cost \$458,004,553)	<u>164,025,017</u>				
<b>Principal Amount (\$)</b>						
<b>Collateralized Loan Obligations - 16.7%</b>						
750,000	Acis CLO, Ltd., Series 2014-4A, Class D VAR ICE LIBOR USD 3 Month+3.100%, 3.79%, 5/1/2026 (j)	670,036				

See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements. 5



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

Highland Income Fund

Principal Amount (\$)	Value (\$)	Principal Amount (\$)	Value (\$)
<b>Collateralized Loan Obligations (continued)</b>			
2,000,000	1,680,000	8,000,000	5,600,000
1,875,000	1,401,562	2,000,000	1,400,000
3,000,000	1,862,400	2,100,000	1,879,500
2,250,000	1,597,500	1,000,000	750,000
4,000,000	2,680,000	5,450,000	3,733,250
1,250,000	983,500	3,000,000	1,500,000
1,500,000	1,128,750	3,500,000	2,380,000
1,000,000	973,800	3,500,000	2,502,500
1,000,000	880,000	2,000,000	1,710,000
1,225,000	1,058,400	5,500,000	4,665,810
4,000,000	2,200,000	4,000,000	3,080,000
4,250,000	2,550,000	3,000,000	2,430,000
2,000,000	1,690,000	2,000,000	1,360,000
2,000,000	1,480,000	1,400,000	1,120,000
1,500,000	1,080,000	2,000,000	1,870,000
		1,000,000	817,500

6 | See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

Highland Income Fund

Principal Amount (\$)	Value (\$)	Principal Amount (\$)	Value (\$)
<b>Collateralized Loan Obligations (continued)</b>			
1,000,000	710,000	2,160,000	1,684,800
490,000	367,500	1,500,000	1,386,750
4,500,000	3,037,500	1,000,000	850,000
500,000	320,700	1,750,000	1,723,750
5,800,000	2,978,880	2,238,503	1,670,371
4,250,000	2,600,316	4,150,000	3,098,390
4,000,000	1,600,000	2,035,800	916,110
1,000,000	810,000	5,000,000	3,416,667
1,250,000	1,250,000	1,000,000	720,000
2,900,000	2,129,470	3,200,000	1,436,122
1,000,000	800,000	1,000,000	810,000
3,110,000	1,586,100	3,000,000	1,275,000
1,750,000	1,602,125	3,359,069	1,477,991
3,219,235	1,330,286		152,445,338
5,000,000	3,285,000		
		<b>LLC INTEREST - 10.3%</b>	
		624,311	10,457,205
		489,109	8,192,574
		11,854,986	9,786,173
		52,666,032	43,737,559
		25,478,982	22,057,409
			94,230,920

See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements. | 7



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

Highland Income Fund

Principal Amount (\$)	Value (\$)
<b>Collateralized Loan Obligations (continued)</b>	
<b>AGENCY COLLATERALIZED MORTGAGE OBLIGATIONS - 8.1%</b>	
114,251,407	FREMF Mortgage Trust, Series 2019-K99, Class D 0.00%, 11/25/2029 (j)(n)(o) 47,962,741
54,160,055	FREMF Mortgage Trust, Series 2019-K97, Class D 0.00%, 1/25/2030 (j)(n)(o) 20,271,025
588,310,827	FREMF Mortgage Trust, Series 2019-K97, Class X2A 0.10%, 7/25/2029 (j)(n)(p) 4,718,253
133,593,827	FREMF Mortgage Trust, Series 2019-K97, Class X2B 0.10%, 1/25/2030 (j)(n)(p) 1,047,375
	Total Agency Collateralized Mortgage Obligations (Cost \$80,305,458) 73,999,394
<b>Shares</b>	
<b>Registered Investment Companies - 1.4%</b>	
48,649	Highland Global Allocation Fund (e)(k) 313,300
1,156,943	NexPoint Strategic Opportunities Fund (e) 12,171,040
	Total Registered Investment Companies (Cost \$19,726,415) 12,484,340
<b>Principal Amount (\$)</b>	
<b>Corporate Bonds &amp; Notes - 0.1%</b>	
<b>ENERGY - 0.0%</b>	
15,600,000	Ocean Rig UDW, Inc. 7.25%, 04/01/19 (b)(c)(d)(j) —
<b>INDUSTRIALS - 0.0%</b>	
7,500,000	American Airlines (d)(f) 119,168
<b>REAL ESTATE - 0.1%</b>	
2,000,000	CBL & Associates 5.95%, 12/15/26 580,810
<b>UTILITIES - 0.0%</b>	
15,222,107	Bruce Mansfield Pass-Through Trust 6.85%, 06/01/34 (d) —
8,000,000	Texas Competitive Electric Holdings Co., LLC 11.50%, (d)(f) 20,000
	Total Corporate Bonds & Notes (Cost \$15,012,949) 719,978
<b>Contracts</b>	
<b>Purchased Call Options (i) - 0.0%</b>	
	Total Purchased Call Options (Cost \$1,300,000) 213,400

Principal Amount (\$)	Value (\$)
<b>Claims (q) - 0.0%</b>	
<b>COMMUNICATION SERVICES - 0.0%</b>	
3,791,858	Lehman Brothers Commercial Paper LCPI Claim Facility (b)(c)(d) 52,138
	Total Claims (Cost \$1,814,883) 52,138
<b>Units</b>	
<b>Warrants - 0.0%</b>	
<b>ENERGY - 0.0%</b>	
5,801	Arch Resources, Expires 10/08/2023 (i) 14,503
<b>INDUSTRIALS - 0.0%</b>	
453	Omnimax International, Inc., Expires 12/31/2049 (b)(c)(e)(i) 18
178,140	Remington Outdoor Co., Inc., Expires (b)(c)(i) —
	Total Warrants (Cost \$264,794) 14,521
<b>Shares</b>	
<b>Cash Equivalents - 18.2%</b>	
<b>MONEY MARKET FUND (r) - 18.2%</b>	
165,786,201	Dreyfus Treasury & Agency Cash Management, Institutional Class 0.100% 165,786,201
	Total Cash Equivalents (Cost \$165,786,201) 165,786,201
<b>Principal Amount (\$)</b>	
<b>Repurchase Agreement (s)(t) - 0.0%</b>	
63,675	Citigroup Global Markets 0.120%, dated 06/30/20, to be repurchased on 07/01/20, repurchase price \$63,675 (collateralized by various U.S. Government Agency and U.S. Treasury Obligations, par value \$2 - \$37,487, 0.000% - 3.750%, 07/08/20 - 11/15/2043, with a total market value of \$64,953) 63,675
	Total Repurchase Agreement (Cost \$63,675) 63,675
<b>Total Investments - 149.7%</b>	
<b>Securities Sold Short - (0.7)%</b>	
<b>Common Stock - (0.7)%</b>	
<b>INFORMATION TECHNOLOGY - (0.7)%</b>	
(53,300)	Texas Instruments, Inc. (6,767,501)
	Total Common Stocks (Proceeds \$6,381,954) (6,767,501)
	Total Securities Sold Short - (0.7)% (Proceeds \$6,381,954) (6,767,501)
<b>Other Assets &amp; Liabilities, Net - (49.0)% (u)</b>	
<b>Net Assets - 100.0%</b>	
	<b>911,594,142</b>

8 See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

Highland Income Fund

- (a) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR") or (iii) the Certificate of Deposit rate. As of June 30, 2020, the LIBOR USD 3 Month rate was 0.30% and the Prime Rate was 3.25%. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturity shown.
- (b) Securities with a total aggregate value of \$613,977,756, or 67.4% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Investment Portfolio for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- (c) Represents fair value as determined by the Fund's Board of Trustees (the "Board"), or its designee in good faith, pursuant to the policies and procedures approved by the Board. The Board considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$613,977,756, or 67.4% of net assets, were fair valued under the Fund's valuation procedures as of June 30, 2020. Please see Notes to Investment Portfolio.
- (d) The issuer is, or is in danger of being, in default of its payment obligation.
- (e) Affiliated issuer. Assets with a total aggregate market value of \$329,894,563, or 36.2% of net assets, were affiliated with the Fund as of June 30, 2020.
- (f) Represents value held in escrow pending future events. No interest is being accrued.
- (g) Perpetual security with no stated maturity date.
- (h) There is currently no rate available.
- (i) Non-income producing security.
- (j) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transaction exempt from registration to qualified institutional buyers. At June 30, 2020, these securities amounted to \$247,086,255 or 27.1% of net assets.
- (k) Securities (or a portion of securities) on loan. As of June 30, 2020, the market value of securities loaned was \$60,938. The loaned securities were secured with cash and securities collateral of \$63,675. Collateral is calculated based on prior day's prices.
- (l) Step Bonds - Represents the current rate, the step rate, and the step date.
- (m) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:
- (n) As of June 30, 2020, investments with a total aggregate value of \$29,260,775 were fully or partially segregated with broker(s)/custodian as collateral for reverse repurchase agreements.
- (o) Principal only security ("PO"). These types of securities represent the right to receive the monthly principal payments on an underlying pool of mortgages. No payments of interest on the pool are passed through to the "principal only" holder.
- (p) Interest only security ("IO"). These types of securities represent the right to receive the monthly interest payments on an underlying pool of mortgages. Payments of principal on the pool reduce the value of the "interest only" holding.
- (q) These positions represent claims that have been filed with the United States Bankruptcy Court Southern District of New York against Lehman Commercial Paper, Inc. UKBranch.
- (r) Rate shown is 7 day effective yield.
- (s) This security was purchased with cash collateral held from securities on loan. The total value of such securities as of June 30, 2020 was \$63,675.
- (t) Tri-Party Repurchase Agreement.
- (u) As of June 30, 2020, \$22,369,153 in cash was segregated or on deposit with the brokers to cover investments sold short and is included in "Other Assets & Liabilities, Net".

Restricted Security	Security Type	Acquisition Date	Cost of Security	Market Value at Period End	Perc of I Ass
Metro-Goldwyn-Mayer, Inc.	Common Stocks	12/20/2010	\$21,845,688	\$ 41,344,422	
TerreStar Corporation	Common Stocks	3/16/2018	\$ 3,093,276	\$ 9,205,209	

See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements. | 9



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## CONSOLIDATED INVESTMENT PORTFOLIO (unaudited) (concluded)

As of June 30, 2020

Highland Income Fund

Futures contracts outstanding as of June 30, 2020 were as follows:

Description	Expiration Date	Number of Contracts	Notional Value	Unrealized Depreciation	Value
<b>Short Futures:</b>					
Russell 2000 Index E-MINI	September 2020	1,674	\$ 192,724,329	\$ (895,601)	\$(193,619,930)

Purchased options contracts outstanding as of June 30, 2020 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium	Value
<b>PURCHASED CALL OPTIONS:</b>							
USD Call/CNH Put	\$ 7.70	BNP	October 2020	200,000,000	\$1,414,000,000	\$1,300,000	\$213,400

The average amount of borrowing by the Fund on reverse repurchase agreements outstanding during the period ended June 30, 2020 was \$80,596,300 at a weighted average interest rate of 2.25%.

Reverse Repurchase Agreements outstanding as of June 30, 2020 were as follows:

Counterparty	Collateral Pledged	Interest Rate	Trade Date	Maturity Date	Repurchase Amount	Principal Amount	Value
Mizuho	FREMF Mortgage Trust, Series 2019-K99, Class D, 0.00%, 11/25/2029	2.70	6/19/2020	7/17/2020	\$ 24,960,307	\$42,505,341	\$24,908,000
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class D, 0.00%, 1/25/2030	3.10	5/1/2020	12/31/2049	25,690,899	20,271,025	13,290,000
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class X2A, 0.10%, 7/25/2029	2.70	6/19/2020	7/9/2020	2,681,016	4,718,253	2,677,000
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class X2B, 0.10%, 1/25/2030	2.70	6/19/2020	7/9/2020	521,782	1,047,376	521,000
<b>Total Reverse Repurchase Agreements</b>							<b>\$41,396,000</b>

10 | See Glossary on page 11 for abbreviations along with accompanying Notes to Consolidated Financial Statements.



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## GLOSSARY: (abbreviations that may be used in the preceding statements)(unaudited)

### Other Abbreviations:

CLO	Collateralized Loan Obligation
FREMF	Freddie Mac Multi-Family
ICE	Intercontinental Exchange
LIBOR	London Interbank Offered Rate
PIK	Payment In-Kind
REIT	Real Estate Investment Trust
USD	United States Dollar
VAR	Variable

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## CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (unaudited)

As of June 30, 2020

Highland Income Fund

	(\$)
<b>Assets</b>	
Investments from unaffiliated issuers, at value (a)	868,870,822
Affiliated investments, at value (Note 10)	329,894,563
Total Investments, at value (Cost \$1,712,919,149)	1,198,765,385
Cash equivalents (Note 2)	165,786,201
Repurchase Agreements, at value	63,675
Cash	6,229,265
Restricted Cash — Securities Sold Short (Note 2)	6,664,584
Restricted Cash — Futures (Note 3)	17,248,880
Receivable for:	
Investments sold and principal paydowns	6,394,077
Dividends and interest	9,601,455
Fund shares sold	124,646
Prepaid expenses and other assets	814,621
Total assets	<u>1,412,582,749</u>
<b>Liabilities:</b>	
Line of credit (Note 6)	300,000,000
Securities sold short, at value (Proceeds \$6,381,954) (Notes 2 and 8)	6,767,501
Reverse repurchase agreements (Note 3)	41,396,000
Payable for:	
Upon return of securities loaned (Note 4)	63,675
Investments purchased	8,377,720
Payable for variation margin	2,451,515
Investment advisory and administration fees (Note 7)	1,021,043
Interest expense and commitment fee payable (Note 6)	120,665
Accrued expenses and other liabilities	1,034,239
Total liabilities	<u>361,232,358</u>
<b>Mezzanine Equity:</b>	
Cumulative preferred shares (Series A), net of deferred financing costs (Notes 1 and 2)	139,756,249
<b>Net Assets</b>	<u><b>911,594,142</b></u>
<b>Net Assets Consist of:</b>	
Paid-in capital	1,614,644,629
Total accumulated losses	(703,050,487)
<b>Net Assets</b>	<u><b>911,594,142</b></u>
Investments, at cost	1,041,069,421
Affiliated investments, at cost (Note 10)	671,849,728
Cash equivalents, at cost (Note 2)	165,786,201
Repurchase Agreements, at cost	63,675
Proceeds from securities sold short	6,381,954
(a) Includes market value of securities on loan	60,938
<b>Common Shares</b>	
Shares outstanding (\$0.001 par value; unlimited authorization)	71,409,281
Net asset value per share (Net assets/shares outstanding)	12.77

12 | See accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED STATEMENT OF OPERATIONS (unaudited)

For the Period Ended June 30, 2020

Highland Income Fund

	(\$)
<b>Investment Income</b>	
<b>Income:</b>	
Dividends from unaffiliated issuers	6,270,807
Dividends from affiliated issuers (Note 10).	199,335
Securities lending income (Note 4)	504
Interest from unaffiliated issuers	10,413,841
Interest from affiliated issuers	20,983,587
Interest paid in kind from unaffiliated issuers	820,899
Interest paid in kind from affiliated issuers (Note 10)	3,923,248
Total income	<u>42,612,221</u>
<b>Expenses:</b>	
Investment advisory (Note 7)	4,430,926
Administration fees (Note 7)	1,419,531
Interest expense, commitment fees, and financing costs (Note 6)	5,105,031
Legal fees	738,720
Accounting services fees	365,014
Dividends and fees on securities sold short (Note 2)	283,663
Expedited settlement facility (Note 7)	197,167
Reports to shareholders	187,317
Audit fees	176,432
Transfer agent fees	103,982
Trustees fees (Note 6)	103,081
Insurance	91,599
Pricing fees	55,577
Registration fees	43,867
Custodian/wire agent fees	41,121
Other	545,095
Total operating expenses	<u>13,888,123</u>
Net investment income	<u>28,724,098</u>
Preferred dividend expense	(7,182,289)
<b>Net Realized and Unrealized Gain (Loss) on Investments</b>	
<b>Realized gain (loss) on:</b>	
Investments from unaffiliated issuers	(59,945,867)
Investments in affiliated issuers	1,843,260
Securities sold short (Note 2)	34,650,098
Written options contracts (Note 3)	18,882,098
Futures contracts (Note 3)	66,579,079
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>	
Investments	(84,879,244)
Investments in affiliated issuers	(42,494,340)
Securities sold short (Note 2)	218,347
Written options contracts (Note 3)	(4,437,523)
Futures contracts (Note 3)	1,393,763
Net realized and unrealized gain (loss) on investments	<u>(68,190,329)</u>
Total decrease in net assets resulting from operations	<u>(46,648,520)</u>

See accompanying Notes to Consolidated Financial Statements. | 13



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## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

		Highland Income Fund
	Six Months Ended June 30, 2020 (unaudited) (\$)	Year Ended December 31, 2019 (\$)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	28,724,098	60,675,649
Preferred dividend expense	(7,182,289)	(3,285,411)
Net realized gain (loss) on investments, securities sold short, written options, futures contracts and foreign currency transactions	62,008,668	(74,038,344)
Net increase (decrease) in unrealized appreciation (depreciation) on investments, securities sold short, written options, futures contracts and foreign currency transactions	(130,198,997)	53,928,243
Net increase (decrease) from operations	(46,648,520)	37,280,137
<b>Distributions</b>		
Shares of closed-end fund	(33,095,689)	(58,214,363)
<b>Return of capital:</b>		
Shares of closed-end fund	—	(8,201,030)
<b>Total distributions</b>	(33,095,689)	(66,415,393)
Decrease in net assets from operations and distributions	(79,744,209)	(29,135,256)
<b>Share transactions:</b>		
Shares of closed-end fund		
Value of distributions reinvested	787,019	1,291,961
Shares repurchased of closed-end fund (Note 1)	(4,853,593)	(3,163,298)
Net decrease from shares transactions	(4,066,574)	(1,871,337)
<b>Total decrease in net assets</b>	(83,810,783)	(31,006,593)
<b>Net Assets</b>		
Beginning of period	995,404,925	1,026,411,518
End of period	911,594,142	995,404,925
<b>Change in Common Shares:</b>		
Issued for distribution reinvested	85,214	98,540
Shares redeemed	(412,008)	(235,049)
Net Decrease in fund shares	(326,794)	(136,509)

14 | See accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED STATEMENT OF CASH FLOWS (unaudited)

For the Period Ended June 30, 2020

Highland Income Fund

	(\$)
<b>Cash Flows Provided by Operating Activities:</b>	
Net decrease in net assets resulting from operations	(46,648,520)
<b>Adjustments to Reconcile Net Investment Gain to Net Cash Provided by Operating Activities:</b>	
Purchases of investment securities from unaffiliated issuers	(290,553,899)
Purchases of investment securities from affiliated issuers	(55,588,557)
Interest paid in kind from unaffiliated issuers	(820,899)
Interest paid in kind from affiliated issuers	(3,923,248)
Proceeds from disposition of investment securities from unaffiliated issuers	441,344,834
Proceeds from disposition of investment securities from affiliated issuers	14,549,927
Purchases to cover securities sold short	328,821,964
Proceeds from securities sold short	(296,262,535)
Purchases to cover written options	(46,934,154)
Proceeds from written options	59,860,728
Paydowns at cost	3,244,994
Net accretion of discount	(1,329,114)
Net realized loss on Investments from unaffiliated issuers	59,945,867
Net realized gain on Investments from affiliated issuers	(1,843,260)
Net realized gain on securities sold short, written options contracts, futures contracts, and foreign currency transactions	(53,532,196)
Net change in unrealized appreciation/(depreciation) on investments, securities sold short, and foreign currency related transactions	131,592,760
Decrease in receivable for investments sold and principal paydowns	2,984,408
Decrease in receivable for dividends and interest	3,521,020
Decrease in receivable for variation margin	783,337
Decrease in due from broker	3,734,575
Decrease in prepaid expenses and other assets	121,366
Increase in payable for investments purchased	8,362,610
Decrease in payable to investment advisory	(114,725)
Decrease due to broker	(3,324,533)
Increase in payable for upon return of securities loaned	63,675
Increase in payable for variation margin	2,451,515
Decrease in payable to custody	(123,375)
Decrease in payable for commitment fees and interest expense	(889,095)
Increase in accrued expenses and other liabilities	512,446
Net cash flow provided by operating activities	<u>260,007,916</u>
<b>Cash Flows Used In Financing Activities:</b>	
Distributions paid in cash, net of receivable	(32,308,670)
Shares repurchased of closed-end fund	(4,853,593)
Proceeds from shares sold	(23,080)
Proceeds from reverse repurchase agreements, net	(78,400,600)
Net cash flow used by financing activities	<u>(115,585,943)</u>
Net increase in cash	<u>144,421,973</u>
<b>Cash, cash equivalents and Restricted Cash:</b>	
Beginning of period	<u>51,506,957</u>
End of period	<u>195,928,930</u>
<b>Supplemental disclosure of cash flow information:</b>	
Reinvestment of distributions	<u>787,019</u>
Cash paid during the period for interest expense and commitment fees	<u>5,994,126</u>

See accompanying Notes to Consolidated Financial Statements. | 15



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## CONSOLIDATED FINANCIAL HIGHLIGHTS

### Highland Income Fund

Selected data for a share outstanding throughout each period is as follows:

	For the Period Ended June 30, 2020 (unaudited)	For the Year Ended December 31, 2019	For the Period Ended December 31, 2018**	2018*†	2017*†	2016*†	2015*†
For the Years Ended June 30,							
<b>Net Asset Value, Beginning of Period</b>	\$ 13.88	\$ 14.28	\$ 15.12	\$ 15.01	\$ 14.33	\$ 16.17	\$ 16.91
<b>Income from Investment Operations:</b>							
Net investment income <sup>(a)</sup>	0.40	0.85	0.42	0.75	0.68	0.89	0.74
Preferred dividend expense	(0.10)	(0.05)	—	—	—	—	—
Net realized and unrealized gain (loss)	(0.95)	(0.28)	(0.80)	0.18	0.74	(1.84)	(0.74)
Total Income from Investment Operations	(0.65)	0.52	(0.38)	0.93	1.42	(0.95)	— <sup>(b)</sup>
<b>Less Distributions Declared to shareholders:</b>							
From net investment income	(0.46)	(0.81)	(0.45)	(0.72)	(0.74)	(0.89)	(0.74)
From return of capital	—	(0.11)	(0.01)	(0.10)	—	—	—
Total distributions declared to shareholders	(0.46)	(0.92)	(0.46)	(0.82)	(0.74)	(0.89)	(0.74)
<b>Net Asset Value, End of Period<sup>(c)</sup></b>	\$ 12.77	\$ 13.88	\$ 14.28	\$ 15.12	\$ 15.01	\$ 14.33	\$ 16.17
<b>Market Value, End of Period</b>	\$ 8.05	\$ 12.43	\$ 12.80	\$ 15.62	\$ —	\$ —	\$ —
Total Return <sup>(d)</sup>	(31.87)%	4.30%	(15.44)% <sup>(e)</sup>	9.77%	10.05%	(5.77)%	0.11%
<b>Ratios to Average Net Assets / Supplemental Data:<sup>(f)(g)</sup></b>							
Net Assets, End of Period (000's)	\$ 911,594	\$ 995,405	\$ 1,026,412	\$1,085,547	\$389,278	\$241,197	\$283,673
Gross operating expenses <sup>(h)(i)</sup>	3.02%	3.39%	3.10%	1.79%	1.20% <sup>(j)</sup>	1.38%	1.03%
Net investment income <sup>(l)</sup>	6.25%	5.93%	5.48%	4.98%	4.61%	5.65%	4.55%
Portfolio turnover rate	25%	18%	27% <sup>(e)</sup>	177%	63%	53%	55%



Average commission rate paid <sup>(k)</sup>	\$	0.0067	\$	0.0032	\$	0.0243	\$	0.0300
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- \* Per share data prior to November 3, 2017 has been adjusted to give effect to an approximately 2 to 1 reverse stock split as part of the conversion to a closed-end fund. (Note 1)
- \*\* For the six month period ended December 31, 2018. Effective April 11, 2019, the Fund had a fiscal year change from June 30 to December 31 (Note 1).
- ‡ Reflects the financial highlights of Class Z of the open-end fund prior to the conversion.
- (a) Per share data was calculated using average shares outstanding during the period.
- (b) Represents less than \$0.005 per share.
- (c) The Net Asset Value per share and total return have been calculated based on net assets which include adjustments made in accordance with U.S. Generally Accepted Accounting Principles required at period end for financial reporting purposes. These figures do not necessarily reflect the Net Asset Value per share or total return experienced by the shareholder at period end
- (d) Total return is based on market value per share for periods after November 3, 2017. Distributions are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan. Prior to November 3, 2017, total return is at net asset value assuming all distributions are reinvested. For periods with waivers/reimbursements, had the Fund's investment adviser not waived or reimbursed a portion of expenses, total return would have been lower.
- (e) Not annualized.
- (f) All ratios for the period have been annualized, unless otherwise indicated.
- (g) Supplemental expense ratios are shown below.
- (h) Includes dividends and fees on securities sold short.
- (i) Excludes 12b-1 fees from partial period operating as an open-end fund. Following the conversion on November 3, 2017, the Fund is no longer subject to 12b-1fees.
- (j) Refer to Note 7 in the Notes to the Financial Statements for discussion of prior period custodian out-of-pocket expenses that were communicated to the Fund in the current period. The amount of the reimbursement was immaterial on a per share basis and did not impact the total return of the Fund. The Ratios of Gross Operating Expenses and Net Operating Expenses to Average Net Assets would be unchanged as the reimbursement of custodian fees was offset against current period expense waivers/ reimbursements with no impact to net expenses or net investment income.
- (k) Represents the total dollar amount of commissions paid on portfolio transactions divided by total number of portfolio shares purchased and sold for which commissions were charged. The period prior to the Conversion Date is not presented.

16 | See accompanying Notes to Consolidated Financial Statements.



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## CONSOLIDATED FINANCIAL HIGHLIGHTS (continued)

### Highland Income Fund

#### Supplemental Expense Ratios:

	For the Period Ended June 30, 2020 (unaudited)	For the Year Ended December 31, 2019	For the Period Ended December 31, 2018**	For the Years Ended June 30,			
				2018*‡	2017*‡	2016*‡	2015*‡
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	3.02%	3.39%	3.10%	1.79%	1.12%	1.11%	1.04%
Interest expense and commitment fees, and preferred dividend expense	2.67%	1.90%	1.63%	0.49%	0.01%	0.15%	0.04%
Dividends and fees on securities sold short	0.06%	0.01%	—%(l)	—%(l)	0.01%	0.01%	0.05%

(l) Represents less than 0.005%.

See accompanying Notes to Consolidated Financial Statements. | 17



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

June 30, 2020

Highland Income Fund

### Note 1. Organization

Highland Income Fund (the "Fund") is organized as an unincorporated business trust under the laws of The Commonwealth of Massachusetts. The Fund is registered with the U.S. Securities and Exchange Commission (the "SEC") under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed-end management investment company. On September 25, 2017, the Fund acquired the assets of Highland Floating Rate Opportunities Fund (the "Predecessor Fund"), a series of Highland Funds I, a Delaware statutory trust. The Fund is the successor to the accounting and performance information of the Predecessor Fund.

Effective April 11, 2019, the Fund changed its fiscal year end to December 31. The previous fiscal year end was June 30.

On May 20, 2019, the Fund changed its name from Highland Floating Rate Opportunities Fund to Highland Income Fund.

On November 3, 2017, shareholders of the Fund approved a proposal authorizing the Board of Trustees (the "Board") of the Fund to convert the fund from an open-end fund to a closed-end fund at a special meeting of shareholders. The Board took action to convert the Fund to a closed-end fund effective shortly after 4:00 p.m. Eastern Time on November 3, 2017 (the "Conversion Date"). The Fund also effected an approximately 1-for-2 reverse stock split of the Fund's issued and outstanding shares on November 3, 2017, thereby reducing the number of shares outstanding. Shareholders were paid cash for any fractional shares resulting from the reverse stock split. The Fund began listing its shares for trading on the New York Stock Exchange (the "NYSE") on November 6, 2017 under the ticker symbol "HFRO". The Fund may issue an unlimited number of common shares, par value \$0.001 per share ("Common Shares"). Prior to the Conversion Date, the Fund issued Class A, Class C, and Class Z shares. The Fund incurred \$1,076,274 in Conversion costs related to the fund conversion to a closed-end fund.

On October 29, 2019, the Board of the Fund authorized the repurchase of up to \$25 million of the Fund's shares. Under this program, the Fund repurchased 235,049 shares through December 2019. Upon retirement of the repurchased shares, the net asset value ("NAV") was \$3.2 million, or \$13.46 per share.

On July 29, 2019, the Fund issued 5.4 million 5.375% Series A Cumulative Preferred shares (NYSE: HFRO.PR.A) with an aggregate liquidation value of \$135 million. Subsequently on August 9, 2019, the underwriters exercised their option to purchase additional over-allotment shares of \$10mm, resulting in a total Preferred outstanding offering of \$145mm.

The Series A Preferred shares are perpetual, non-callable for five years, and have a liquidation preference of \$25.00 per

share. Distributions are scheduled quarterly, with payments beginning on September 30, 2019. Series A Preferred shares trade on the NYSE. Moody's Investors Service has assigned an A1 rating to the preferred shares.

On October 14, 2019, the Board of the Fund approved an amendment to the Third Amended and Restated Agreement and Declaration of Trust of the Fund to require the affirmative vote or consent of the holders of 75% of each class of shares outstanding (with each such class voting separately thereon) for certain transactions involving a Principal Shareholder. For purposes of this requirement, Principal Shareholder is defined any person which is the beneficial owner, directly or indirectly, of more than 5% of the outstanding shares of the Fund or of any class and shall include any "affiliate" or "associate", as such terms are defined in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended. The certain transactions covered by this requirement include: (i) a merger or consolidation of the Fund or any subsidiary of the Fund with or into any Principal Shareholder; (ii) the issuance of any securities of the Fund to any Principal Shareholder for cash; (iii) the sale, lease or exchange of all or any substantial part of the assets of the Fund to any Principal Shareholder (except assets determined by the Board to have an aggregate fair market value of less than \$1,000,000, aggregating for the purpose of such computation all assets sold, leased or exchanged in any series of similar transactions within a twelve-month period or assets sold in the ordinary course of business); and (iv) the sale, lease or exchange to or with the Fund or any subsidiary thereof, in exchange for securities of the Fund, of any assets of any Principal Shareholder (except assets determined by the Board to have an aggregate fair market value of less than \$1,000,000 aggregating for the purpose of such computation all assets sold, leased or exchanged in any series of similar transactions within a twelve-month period).

On April 24, 2020, the Board of the Fund authorized the repurchase of up to 10% of the Fund's shares over a twelve-month period. Under this program, the Fund repurchased 412,008 shares through June 2020, at an average price of \$7.3, for a total investment of \$3.0 million.

On August 13, 2020, the Board of the Fund approved an amendment to the Third Amended and Restated Agreement and Declaration of Trust of the Fund to provide that holders of control shares of the Fund acquired in a control share acquisition have no voting rights with respect to the control shares except to the extent approved by the shareholders by the affirmative vote of at least two-thirds of all votes entitled to be cast on the matter, excluding all interested shares. For such purposes, "control shares" are shares of the Funds that, when aggregated with other shares controlled by the



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

shareholder, entitle the person to exercise voting power in electing directors within certain ranges of voting power (i.e., 10-33%, 33-50%, greater than 50%). Control shares include shares only to the extent that the “acquiring person,” following the acquisition of shares, is entitled to exercise voting power in electing directors within any of these levels of voting power for which shareholder approval has not been obtained. An “acquiring person” is a person who makes or proposes to make a “control share acquisition,” which in turn is defined as the direct or indirect acquisition of ownership or control of control shares.

### Note 2. Significant Accounting Policies

The following summarizes the significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

#### Use of Estimates

The Fund is an investment company that applies the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The Fund's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”), which require Highland Capital Management Fund Advisors, L.P., the Fund's investments adviser (“HCMFA” or the “Investment Adviser”) to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

#### Basis of Consolidation

The Fund consolidates HFRO Sub, LLC (“HFRO Sub”), a Delaware wholly owned subsidiary, for financial reporting, and the holdings of HFRO Sub, LLC are included within the Consolidated Financial Statements for the Fund. HFRO Sub is a bankruptcy remote financing vehicle used to obtain leverage with the portfolio of bank loans serving as collateral. All inter-company accounts and transactions have been eliminated in the consolidation.

#### Fund Valuation

The net asset value (“NAV”) of the Fund's common shares is calculated daily on each day that the NYSE is open for business as of the close of the regular trading session on the NYSE, usually 4:00 PM, Eastern Time. The NAV is calculated by dividing the value of the Fund's net assets attributable to common shares by the numbers of common shares outstanding.

### Valuation of Investments

In computing the Fund's net assets attributable to shares, securities with readily available market quotations on the NYSE, National Association of Securities Dealers Automated Quotation (“NASDAQ”) or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund's Board of Trustees (the “Board”). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund's loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is “stale” or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund's net asset value (“NAV”), will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund's consolidated financial statements may vary from the NAV published by the Fund as of its period end because portfolio



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

securities transactions are accounted for on the trade date (rather than the day following the trade date) for financial statement purposes.

### Deferred Financing Costs on the Preferred Stock

Deferred financing costs on the preferred shares consist of fees and expenses incurred in connection with the closing of the preferred stock offerings, and are capitalized at the time of payment. Based on ASC 480-10-S99, preferred stock that, by its terms, is contingently redeemable upon the

occurrence of an event that is outside of the issuer's control should be classified as mezzanine equity; therefore, these costs are only amortized once it is probable the shares will become redeemable. As of June 30, 2020, the Fund is compliant with all contingent redemption provisions of the preferred offering, therefore the financing costs are currently unamortized until probable. Deferred financing costs of \$5.2 million are presented net with the mezzanine equity on the Consolidated Statement of Assets and Liabilities.

Issuer	Shares at December 31, 2019	Beginning Value as of December 31, 2019	Issuance Net Liquidation Value	Deferred Issuance Costs	Paydowns	Balance net of Deferred Financing Costs at June 30, 2020	Shares at June 30, 2020
Cumulative preferred shares (Series A)	5,800,000	\$ 139,756,249	\$ 145,000,000	\$ 5,243,571	\$ —	\$ 139,756,249	5,800,000

### Fair Value Measurements

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1** — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;
- Level 2** — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and
- Level 3** — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable

inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of June 30, 2020, the Fund's investments consisted of senior loans, foreign denominated or domiciled senior loans, collateralized loan obligations, corporate bonds and notes, U.S. asset-backed securities, non-U.S. asset-backed securities, claims, common stocks, registered investment companies, cash equivalents, rights, warrants, preferred stock, agency collateralized mortgage obligations, LLC interests, purchased call options, and registered investment companies. The fair value of the Fund's senior loans and bonds are generally based on quotes received from brokers or independent pricing services. Loans, bonds and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Loans and bonds that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

The fair value of the Fund's common stocks, registered investment companies, rights and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and con-

sistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of the levels are recognized at the value at the end of the period. A summary of the inputs used to value the Fund's assets as of June 30, 2020 is as follows:

	Total value at June 30, 2020	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>Highland Income Fund</b>				
<b>Assets</b>				
U.S. Senior Loans				
Business Equipment & Services	\$ 9,386,832	\$ —	\$ 9,386,832	\$ —
Commercial Services	3,302,944	—	3,302,944	—
Communication Services	6,479,098	—	—	6,479,098
Consumer Discretionary	22,704,106	—	22,704,106	—
Consumer Products	2,118,743	—	2,118,743	—
Energy	13,615,473	—	13,615,473	—
Financials	9,555,342	—	9,555,342	—
Gaming/Leisure	11,478,220	—	—	11,478,220
Healthcare	70,168,171	—	16,791,894	53,376,277
Industrials	16,252,477	—	13,698,201	2,554,276
Information Technology	85,817,425	—	34,346,425	51,471,000
Real Estate	19,863,519	—	19,863,519	—
Retail	43,530,110	—	43,530,110	—
Service	20,277,183	—	20,277,183	—
Transportation	10,810,497	—	10,810,497	—
Utilities	17,902,711	—	17,902,711	—
Preferred Stock				
Energy	9,796,677	9,796,677	—	—
Financials	82,905,205	1,129,510	27,104,230	54,671,465
Real Estate	244,615,606	—	8,351,821	236,263,785
Common Stocks				
Communication Services	51,517,823	968,192	41,344,422	9,205,209
Consumer Discretionary	1,528,204	—	1,528,204	—
Energy	16,743	—	16,742	1
Financials	295,302	295,302	—	—
Gaming/Leisure <sup>(1)</sup>	—	—	—	—
Healthcare	122,976	—	—	122,976
Housing <sup>(1)</sup>	—	—	—	—
Industrials	203,635	—	203,635	—
Materials	1,495,745	—	1,495,160	585
Real Estate	108,844,589	9,453,372	—	99,391,217
Collateralized Loan Obligations	152,445,338	—	139,114,988	13,330,350

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

	Total value at June 30, 2020	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
LLC Interest	\$ 94,230,920	\$ —	\$ 18,649,779	\$ 75,581,141
Agency Collateralized Mortgage Obligations	73,999,394	—	73,999,394	—
Registered Investment Companies	12,484,340	12,484,340	—	—
Corporate Bonds & Notes				
Energy <sup>(1)</sup>	—	—	—	—
Industrials	119,168	—	119,168	—
Real Estate	580,810	—	580,810	—
Utilities	20,000	—	20,000	—
Purchased Call Options	213,400	—	213,400	—
Claims	52,138	—	—	52,138
Warrants				
Energy	14,503	—	14,503	—
Industrials	18	—	—	18
Cash Equivalents	165,786,201	165,786,201	—	—
Repurchase Agreement	63,675	—	63,675	—
<b>Total Assets</b>	<b>1,364,615,261</b>	<b>199,913,594</b>	<b>550,723,911</b>	<b>613,977,756</b>
<b>Liabilities</b>				
Securities Sold Short <sup>(2)</sup>	(6,767,501)	(6,767,501)	—	—
<b>Total Liabilities</b>	<b>(6,767,501)</b>	<b>(6,767,501)</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>\$ 1,357,847,760</b>	<b>\$ 193,146,093</b>	<b>\$ 550,723,911</b>	<b>\$ 613,977,756</b>

(1) This category includes securities with a value of zero.

(2) See Investment Portfolio detail for industry breakout.

The table below sets forth a summary of changes in the Fund's assets measured at fair value using significant unobservable inputs (Level 3) for the period ended June 30, 2020.

	Balance as of December 31, 2019 \$	Transfers into Level 3 \$	Transfers Out of Level 3 \$	Net Amortization (Accretion) of Premium/ (Discount) \$	Net Realized Gains/ (Losses) \$	Net Unrealized Gains/ (Losses) \$	Net Purchases \$	Net (Sales) \$	Distribution to Return Capital \$	Balance as of June 30, 2020 \$	Change in Unrealized Appreciation (Depreciation) from Investments at June 30, 2020 \$
U.S. Senior Loans											
Communication											
Services	6,107,407	—	—	(495)	—	321,926	50,260	—	—	6,479,098	321,926
Gaming/Leisure	10,753,914	—	—	(58,674)	4,211	924,670	—	(145,901)	—	11,478,220	924,670
Healthcare	47,733,657	—	—	—	—	2,404,179	3,238,441	—	—	53,376,277	2,404,179
Industrials	8,105,187	—	—	190,143	—	(5,741,054)	—	—	—	2,554,276	(5,741,054)
Information											
Technology	56,829,000	—	—	—	—	(5,358,000)	—	—	—	51,471,000	(5,358,000)
Preferred Stock											
Financial	—	7,749,990	—	—	—	(397,510)	47,318,985	—	—	54,671,465	(397,510)
Real Estate	233,025,297	—	—	—	351,780	(11,963,354)	22,668,666	(7,314,604)	(504,000)	236,263,785	(11,963,354)
Common Stocks											
Communication											
Services	7,520,731	—	—	—	—	1,684,478	—	—	—	9,205,209	1,684,478
Energy	1	—	—	—	—	—	—	—	—	1	—
Healthcare	72,254	—	—	—	—	50,722	—	—	—	122,976	50,722
Materials	45,617	—	—	—	—	(45,032)	—	—	—	585	(45,032)
Real Estate	95,747,531	—	—	—	—	(19,024,980)	22,668,666	—	—	99,391,217	(19,024,980)
Collateralized Loan											
Obligations	—	5,354,559	—	—	—	2,095,791	5,880,000	—	—	13,330,350	2,095,791



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

	Balance as of December 31, 2019 \$	Transfers into Level 3 \$	Transfers Out of Level 3 \$	Net Amortization (Accretion) of Premium/ (Discount) \$	Net Realized Gains/ (Losses) \$	Net Unrealized Gains/ (Losses) \$	Net Purchases \$	Net (Sales) \$	Distribution to Return Capital \$	Balance as of June 30, 2020 \$	Change in Unrealized Appreciation (Depreciation) from Investments at June 30, 2020 \$
Corporate Bonds & Notes											
Energy	1,076,400	—	—	—	—	(1,076,400)	—	—	—	—	(1,076,400)
LLC Interest	88,777,470	—	—	99,131	—	(13,295,460)	—	—	—	75,581,141	(13,295,460)
Warrants											
Industrials	1,412	—	—	—	—	(1,394)	—	—	—	18	(1,394)
Claims	52,138	—	—	—	—	—	—	—	—	52,138	—
<b>Total</b>	<b>555,848,016</b>	<b>13,104,549</b>	<b>—</b>	<b>230,105</b>	<b>355,991</b>	<b>(49,421,418)</b>	<b>101,825,018</b>	<b>(7,460,505)</b>	<b>(504,000)</b>	<b>613,977,756</b>	<b>(49,421,418)</b>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments. Determination of fair values is uncertain because it involves subjective judgments and estimates that are unobservable.

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Market Value at 06/30/2020 \$	Valuation Technique	Unobservable Inputs	Input Value(s)
U.S. Senior Loans	125,358,871	Adjusted Appraisal	Liquidity Discount	10%
			Asset Specific Discount	10%
		Multiples Analysis	Multiple of EBITDA less CAPEX	6.50x - 10.50x
		Transaction Analysis	Multiple of EBITDA less CAPEX	8.50x - 10.50x
		Transaction Indication of Value	% of Par	20%
		Black-Scholes Model	Volatility Assumption	25% - 60%
		Discounted Cash Flow	Discount Rate	11.00% - 11.35%
			Spread Adjustment	0.35%
Preferred Stock	290,935,250	Transaction Indication of Value	Enterprise Value (\$mm)	\$13.25
		Discounted Cash Flow	Discount Rate	11% - 13%
		Transaction Indication of Value	Transaction Price per Share	\$15.00
Common Stocks	108,719,988	Third Party Indication of Value	Broker Quote	Various
		Multiples Analysis	Multiple of EBITDA less CAPEX	6.50x-10.50x
			Multiple of EBITDA	6.25x- 7.00x
			Unadjusted Price/MHz-PoP	\$0.10 - \$0.95
		Discounted Cash Flow	Discount Rate	11.00% - 21.50%
			Capitalization Rate	6.75% - 7.75%
		Transaction Analysis	Multiple of EBITDA	6.25x- 6.75x
			Multiple of EBITDA less CAPEX	8.50x- 10.50x
		Transaction Indication of Value	Enterprise Value (\$mm)	\$771
		Black-Scholes Model	Volatility Assumption	25%- 60%
		Net Asset Value	N/A	N/A
LLC Interest	75,581,141	Discounted Cash Flow	Discount Rate	1.30% - 6.93%
		Net Asset Value	N/A	N/A
Collateralized Loan Obligations	13,330,350	Third Party Indication of Value	Broker Quote	Various
Warrants	18	Discounted Cash Flow	Discount Rate	20%
		Multiples Analysis	Multiple of EBITDA	6.25x - 7.00x
		Transaction Analysis	Multiple of EBITDA	6.25x- 6.75x
		Black-Scholes Model	Volatility Assumption	50%- 60%
Claims	52,138	Pricing Feed	Indication of Value	1.375
<b>Total</b>	<b>613,977,756</b>			

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

In addition to the unobservable inputs utilized for various valuation methodologies, the Fund frequently uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Fund assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 5% to as high as 95% as of June 30, 2020. The selection of weightings is an inherently subjective process, dependent on professional judgement. These selections may have a material impact to the concluded fair value for such holdings.

The significant unobservable inputs used in the fair value measurement of the Fund's preferred stock assets are the discount rate, broker quotes, and transaction price per share. Significant decreases (increases) in any of those inputs in isolation could result in a significantly higher (lower) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Fund's bank loan securities are: liquidity discount, asset specific discount, multiple of adjusted EBITDA, volatility assumption, transaction indication of value, discount rate and spread adjustment. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Fund's common equity securities are: multiple of EBITDA, multiple of adjusted EBITDA, price/MHz-PoP multiple, capitalization rate, discount rate, volatility assumption and transaction indication of value. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement.

### Security Transactions

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

### Income Recognition

Corporate actions (including cash dividends) are recorded on the ex-dividend date, net of applicable withholding taxes, except for certain foreign corporate actions, which are recorded as soon after ex-dividend date as such information becomes available and is verified. Interest income is recorded on the accrual basis.

Accretion of discount on taxable bonds and loans is computed to the call date, while amortization of premium on

taxable bonds and loans is computed to the call or maturity date, whichever is shorter, both using the effective yield method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

The Fund records distributions received from investments in REITs and partnerships in excess of income from underlying investments as a reduction of cost of investments and/or realized gain. Such amounts are based on estimates if actual amounts are not available, and actual amounts of income, realized gain and return of capital may differ from the estimated amounts. The Fund adjusts the estimated amounts once the issuers provide information about the actual composition of the distributions.

### U.S. Federal Income Tax Status

The Fund is treated as a separate taxpayer for U.S. federal income tax purposes. The Fund intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and will distribute substantially all of its taxable income and gains, if any, for the tax year, and as such will not be subject to U.S. federal income taxes. In addition, the Fund intends to distribute, in each calendar year, all of its net investment income, capital gains and certain other amounts, if any, such that the Fund should not be subject to U.S. federal excise tax. Therefore, no U.S. federal income or excise tax provisions are recorded.

The Investment Adviser has analyzed the Fund's tax positions taken on U.S. federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for U.S. federal income tax is required in the Fund's consolidated financial statements. The Fund's U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. Furthermore, the Investment Adviser of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expenses in the Statement of Operations. During the period ended June 30, 2020, the Fund did not incur any interest or penalties.

### Distributions to Shareholders

The Fund plans to pay distributions from net investment income monthly and net realized capital gains annually to common shareholders. To permit the Fund to maintain more stable monthly distributions and annual distributions, the Fund may from time to time distribute less than the entire



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

amount of income and gains earned in the relevant month or year, respectively. The undistributed income and gains would be available to supplement future distributions. In certain years, this practice may result in the Fund distributing, during a particular taxable year, amounts in excess of the amount of income and gains earned therein. Such distributions would result in a portion of each distribution occurring in that year to be treated as a return of capital to shareholders. Shareholders of the Fund will automatically have all distributions reinvested in Common Shares of the Fund issued by the Fund in accordance with the Fund's Dividend Reinvestment Plan (the "Plan") unless an election is made to receive cash. The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the NAV per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the NYSE on the Declaration Date. Participants in the Plan requesting a sale of securities through the plan agent of the Plan are subject to a sales fee and a brokerage commission.

### Cash & Cash Equivalents

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of the Consolidated Statement of Assets and Liabilities.

### Foreign Currency

Accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates using the current 4:00 PM London Time Spot Rate. Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates, between trade and settlement dates on securities transactions and between the accrual and payment dates on dividends, interest income and foreign withholding taxes, are recorded as unrealized foreign currency gains/(losses). Realized gains/(losses) and unrealized appreciation/(depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Consolidated Statement of Operations from the effects of changes in market prices of those

securities, but are included with the net realized and unrealized gain or loss on investment securities.

### Securities Sold Short

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. The Fund may have to pay a fee to borrow particular securities and is obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances, the Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Cash held as collateral for securities sold short and written options contracts is classified as restricted cash on the Consolidated Statement of Assets and Liabilities, as applicable. Restricted cash in the amount of \$6,664,584 was held with the broker for the Fund. Securities valued at \$22,369,153 were posted in the Fund's segregated account as collateral.

### Other Fee Income

Fee income may consist of origination/closing fees, amendment fees, administrative agent fees, transaction break-up fees and other miscellaneous fees. Origination fees, amendment fees, and other similar fees are non-recurring fee sources. Such fees are received on a transaction by transaction basis and do not constitute a regular stream of income and are recognized when incurred.

### Note 3. Derivative Transactions

The Fund is subject to equity securities risk, interest rate risk and currency risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments. As of June 30, 2020 we had no hedge accounting derivatives.

### Futures Contracts

A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. The Fund may invest in interest rate, financial and stock or bond index futures contracts subject to certain limitations. The Fund invests in futures contracts to manage its exposure to the stock and bond markets and fluctuations in currency values. Buying futures tends to increase the Fund's exposure to the underlying instrument while selling futures tends to decrease the Fund's exposure to the underlying



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

instrument, or economically hedge other Fund investments. With futures contracts, there is minimal counterparty credit risk to the Fund since futures contracts are exchange-traded and the exchange's clearinghouse, as counterparty to all traded futures, guarantees the futures against default. The Fund's risks in using these contracts include changes in the value of the underlying instruments, non-performance of the counterparties under the contracts' terms and changes in the liquidity of the secondary market for the contracts. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they principally trade.

Upon entering into a financial futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount, known as initial margin deposit. Subsequent payments, known as variation margins, are made or can be received by the Fund each day, depending on the daily fluctuation in the fair value of the underlying security. The Fund records an unrealized gain/(loss) equal to the daily variation margin. Should market conditions move unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may incur a loss. The Fund recognizes a realized gain/(loss) on the expiration or closing of a futures contract.

During the period ended June 30, 2020, the Fund entered into futures transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, and to gain market exposure for residual and accumulating cash positions. Cash held as collateral for futures contracts is shown on the Consolidated Statement of Assets and Liabilities as "Restricted Cash—Futures."

### Options

The Fund may utilize options on securities or indices to varying degrees as part of their principal investment strategy. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by the Fund expires unexercised, the Fund realizes on the expiration date a capital gain equal to the premium received by the Fund at the time the option was written. If an option purchased by the Fund expires unexercised, the Fund realizes a capital loss equal to the

premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when the Fund desires.

The Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. The Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid.

For the period ended June 30, 2020, the Fund had written options to provide leveraged short exposure, and purchased options to provide leveraged long exposure, to the underlying equity, which is consistent with the investment strategies of the Fund.

### Reverse Repurchase Agreements

The Fund engages in reverse repurchase agreement transactions with respect to instruments that are consistent with the Fund's investment objective or policies. This creates leverage for the Fund because the cash received can be used to purchase other securities. See Note 6 for additional information on the Fund's reverse repurchase agreements.

### Additional Derivative Information

The Fund follows adopted amendments to authoritative guidance on disclosures about derivative instruments and hedging activities which require that the Fund disclose: a) how and why an entity uses derivative instruments; b) how derivative instruments and related hedged items are accounted for; c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows; and d) how the netting of derivatives subject to master netting arrangements (if applicable) affects the net exposure of the Fund related to the derivatives.

The fair value of derivative instruments on the Statement of Assets and Liabilities have the following risk exposure at June 30, 2020:

Risk Exposure	Fair Value	
	Asset Derivative	Liability Derivative
Equity Price Risk	\$ —	\$(895,601) <sup>(2)</sup>
Foreign Currency Risk	213,400 <sup>(1)</sup>	—



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

- (1) Statement of Assets and Liabilities location: Investments, at value. Purchased options only.  
 (2) Includes cumulative unrealized depreciation of futures contracts as reported in the Investment Portfolio and within the components of net assets section of the Statement of Assets and Liabilities. Only the current day's variation margin is reported within the receivables and/or payables of the Statement of Assets and Liabilities.

The effect of derivative instruments on the Statement of Operations for the six months ended June 30, 2020, is as follows:

	Net Realized Gain/(Loss) on Derivatives	Net Change in Unrealized Appreciation/(Depreciation) on Derivatives
Risk Exposure		
Equity Price Risk	\$70,538,291 <sup>(1)(2)(3)</sup>	\$ (13,515,764) <sup>(4)(5)</sup>
Foreign Currency Risk	(1,582,250) <sup>(1)</sup>	761,050 <sup>(4)</sup>

- (1) Statement of Operations location: Realized gain (loss) on investments from unaffiliated issuers. Purchased options only.  
 (2) Statement of Operations location: Realized gain (loss) on written options contracts.  
 (3) Statement of Operations location: Realized gain (loss) on futures contracts.  
 (4) Statement of Operations location: Net increase (decrease) in unrealized appreciation (depreciation) on investments. Purchased options only.  
 (5) Statement of Operations location: Net increase (decrease) in unrealized appreciation (depreciation) on futures contracts.

The average monthly volume of derivative activity for the period ended June 30, 2020 is as follows:

	Units/Contracts	Appreciation/(Depreciation)
Income Fund		
Purchased Options Contracts	354,205,867	—
Written Options Contracts	1,197	—
Futures Contracts	—	\$ (7,995,953)

### Note 4. Securities Lending

Effective January, 7, 2020, the Fund entered into a securities lending agreement with The Bank of New York Mellon ("BNY" or the "Lending Agent"). Securities lending transactions are entered into by the Fund under the Securities Lending Agreement, which permits the Fund, under certain circumstances such as an event of default, to offset amounts payable by the Fund to the same counterparty against amounts receivable from the counterparty to create a net payment due to or from the Fund.

The following is a summary of securities lending agreements held by the Fund, with cash collateral of overnight maturities and non-cash collateral, which would be subject to offset as of June 30, 2020:

Gross Amount of Recognized Assets (Value of Securities on Loan)	Value of Cash Collateral Received <sup>(1)</sup>	Value of Non-Cash Collateral Received	Net Amount
\$60,938	\$ 60,938	\$ —	\$ —

- (1) Collateral received in excess of market value of securities on loan is not presented in this table. The total cash collateral received by the Fund is disclosed in the Statement of Assets and Liabilities.

The value of loaned securities and related collateral outstanding at June 30, 2020 are shown in the Schedule of Investments. The value of the collateral held may be temporarily less than that required under the lending contract. As of June 30, 2020, the cash collateral was invested in repurchase agreements with the following maturities:

	Overnight and Continuous	<30 Days	Between 30 & 90 Days	>90 Days	Total
Repurchase Agreements	\$ 63,675	\$ —	\$ —	\$ —	\$63,675

The Fund could seek additional income by making secured loans of its portfolio securities through its custodian. Such loans would be in an amount not greater than one-third of the value of the Fund's total assets. BNY would charge a fund fees based on a percentage of the securities lending income. The market value of the loaned securities is determined at the close of each business day of the Fund and any additional required collateral is delivered to the Fund, or excess collateral is returned by the Fund, on the next business day. The Fund would receive collateral consisting of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, sovereign debt, convertible bonds, irrevocable bank letters of credit or such other collateral as may be agreed on by the parties to a securities lending arrangement, initially with a value of 102% or 105% of the market value of the loaned securities and thereafter maintained at a value of 100% of the market value of the loaned securities. If the collateral consists of non-cash collateral, the borrower would pay the Fund a loan premium fee. If the collateral consists of cash, BNY would reinvest the cash in repurchase agreements and money market accounts. Although voting rights, or rights to consent, with respect to the loaned securities pass to the borrower, the Fund would recall the loaned securities upon reasonable notice in order that the securities could be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Fund also could call such loans in order to sell the securities involved.

Securities lending transactions were entered into pursuant to Securities Loan Agreements ("SLA"), which would provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaulted, the Fund, as lender, would offset the market value of the collateral received against the market value of



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the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an SLA counterparty's bankruptcy or insolvency. Under the SLA, the Fund can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate this risk, the Fund benefits from a borrower default indemnity provided by BNY. BNY's indemnity generally provides for replacement of securities lent or the approximate value thereof.

### Note 5. U.S. Federal Income Tax Information

The character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from U.S. GAAP. These differences include (but are not limited to) investments organized as partnerships for tax purposes, tax treatment of organizational start-up costs, losses deferred due to wash sale transactions, and tax attributes from Fund reorganizations. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. These reclassifications have no impact on net investment income, realized gains or losses, or NAV of the Fund. The calculation of net investment income per share in the Financial Highlights table excludes these adjustments.

For the year ended December 31, 2019, permanent differences chiefly resulting from partnership basis adjustments, return of capital distributions paid by the fund, differences in premium amortization methods for book and tax, foreign currency gains and losses, reorganization expenses, and paydown reclasses were identified and reclassified among the components of the Fund's net assets as follows:

Distributable Earnings (Accumulated Losses)	Paid-in-Capital
\$(162,876)	\$ 162,876

At December 31, 2019, the Fund's most recent tax year end, components of distributable earnings on a tax basis are as follows:

Other Temporary Differences	Accumulated Capital and Other Losses	Unrealized Appreciation (Depreciation) (1)
\$—	\$(213,623,033)	\$(409,683,245)

(1) Any differences between book-basis and tax-basis net unrealized appreciation/(depreciation) are primarily due to wash sales, non-taxable dividends, partnership, REIT basis adjustments and difference in premium amortization methods for book and tax.

As of December 31, 2019, the Fund has capital loss carryovers as indicated below. The capital loss carryovers are available to offset future realized capital gains to the extent provided in the Code and regulations promulgated thereunder. To the extent that these carryover losses are used to offset future capital gains, the gains offset will not be distributed to shareholders.

No Expiration Short-Term(1)	No Expiration Long-Term	Total
\$38,056,401	\$175,566,632	\$213,623,033

During the year ended December 31, 2019, the Fund did not utilize capital carryforwards to offset capital gains.

The tax character of distributions paid during the last two fiscal year/period ended December 31, and the year ended June 30, 2018 is as follows:

	Ordinary Income	Long-term Capital Gain	Return of Capital
2019	\$58,214,363	\$ —	\$8,201,030
2018	32,468,254	—	720,948
2018*	49,645,426	—	6,936,337

(1) For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

\* Year ended June 30.

Unrealized appreciation and depreciation at June 30, 2020, based on cost of investments for U.S. federal income tax purposes was:

Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation)	Cost
\$83,439,072	\$(597,592,836)	\$(514,153,764)	\$1,878,769,025

### Qualified Late Year Ordinary and Post October Losses

Under current laws, certain capital losses and specified losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal year ended December 31, 2019, the Fund did not elect to defer net realized losses incurred from November 1, 2019 through December 31, 2019.

### Note 6. Credit Agreement and Reverse Repurchase Agreement

On February 2, 2018, HFRO Sub, LLC a wholly-owned subsidiary of the Fund entered into a financing arrangement (the "Financing Arrangement") with Bank of America Merrill Lynch and Bank of America, N.A. The Fund is in compliance with the Financing Arrangement.



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Pursuant to the terms of the Financing Arrangement, and subject to certain customary conditions, HFRO Sub, LLC may borrow on a revolving basis a maximum of \$350 million, with a maturity date of February 2, 2022. In connection with the Financing Arrangement, HFRO Sub, LLC and the Fund have made representations and warranties regarding the loans and underlying collateral and are required to comply with various covenants, reporting requirements and other customary requirements. The Financing Arrangement also limits the recourse of the lender to the assets of HFRO Sub, LLC and includes usual and customary events of default for senior secured revolving facilities of this nature. At June 30, 2020, current outstanding and fair value amounts were \$300,000,000 and \$300,751,153, respectively, and would be categorized as Level 3 within the fair value hierarchy. The Fund's average daily balance was \$300,000,000 at a weighted average interest rate of 3.02% for the days outstanding.

On March 21, 2017, the Fund entered into a leverage facility agreement (the "BNP Agreement") with BNP Paribas Prime Brokerage International, Ltd., BNP Prime Brokerage, Inc., acting through its New York Branch, and BNP Paribas (together, the "BNPP Entities"). Under the BNP Agreement, the BNPP Entities may make margin loans to Fund at a rate of one-month LIBOR + 0.50%. The BNP Agreement may be terminated by either the Fund or the BNPP Entities with 30 days' notice. As of May 15, 2020, this BNP Agreement was terminated with the BNP Entities.

On February 9, 2018, the Fund entered into an agreement with BNP Paribas Securities Corporation ("BNP Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to BNP Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from BNP Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities. As of May 15, 2020, this Repurchase Agreement was terminated with BNP Securities.

On March 6, 2019, the Fund entered into an agreement with Mizuho Securities USA LLC ("Mizuho Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master

repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to Mizuho Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from Mizuho Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities.

At June 30, 2020, the Fund's outstanding balance on the Mizuho Securities was \$41,396,000. The Fund's average daily balance was \$37,890,456 at a weighted average interest rate of 3.02% for the days outstanding.

### Note 7. Investment Advisory, Administration and Trustee Fees

For its investment advisory services, the Fund pays the Investment Adviser a monthly fee, computed and accrued daily, based on an annual rate of the Fund's Average Daily Managed Assets. Average Daily Managed Assets of a Fund means the average daily value of the total assets of a Fund less all accrued liabilities of a Fund (other than the aggregate amount of any outstanding borrowings constituting financial leverage).

The table below shows the Fund's contractual advisory fee with the Investment Adviser for the year ended June 30, 2020:

Annual Fee Rate to the Investment Adviser	>1 Billion	> 2 Billion
0.65%	0.60%	0.55%

### Administration Fee

The Investment Adviser provides administrative services to the Fund. For its services, the Investment Adviser receives an annual fee, payable monthly, in an amount equal to 0.20% of the average weekly value of the Fund's Managed Assets. Under a separate sub-administration agreement, the Investment Adviser delegates certain administrative functions and pays the sub-administrator directly for these sub-administration services. Effective October 1, 2018, the Investment Adviser entered into an administrative services agreement with SEI Investments Global Funds Services, a wholly owned subsidiary of SEI Investments Company. Prior to October 1, 2018, State Street served as sub-administrator to the Fund.



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### Fees Paid to Officers and Trustees

Each Trustee receives an annual retainer of \$150,000 payable in quarterly installments and allocated among each portfolio in the Highland Funds Complex overseen by such Trustee based on relative net assets. Trustees are reimbursed for actual out-of-pocket expenses relating to attendance at meetings, however, the Chairman of the Board and the Chairman of the Audit Committee each receive an additional payment of \$10,000 payable in quarterly installments and allocated among each portfolio in the Highland Funds Complex based on relative net assets. The Trustees do not receive any separate compensation in connection with service on Committees or for attending Board or Committee Meetings. The Trustees do not have any pension or retirement plan. The "Highland Funds Complex" consists of all of the registered investment companies advised by the Investment Adviser or its affiliated advisers and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act as of the date of this report.

The Fund pays no compensation to its officers, all of whom are employees of the Investment Adviser or one of its affiliates.

### Expedited Settlement Agreements

On June 15, 2017 and May 14, 2019, the Fund entered into Expedited Settlement Agreements with two major dealers in the floating rate loan market, pursuant to which the Fund has the right to designate certain loans it sells to the dealer to settle on or prior to three days from the trade date in exchange for a quarterly fee (the "Expedited Settlement Agreements"). The Expedited Settlement Agreements are designed to reduce settlement times from the standard seven days to three days for eligible loans. For the period ended June 30, 2020, the Fund paid \$197,167 to the dealers as part of the Expedited Settlement Agreements.

While the Expedited Settlement Agreements are intended to provide the Fund with additional liquidity with respect to such loans, and may not represent the exclusive method of expedited settlement of such loans, no assurance can be given that the Expedited Settlement Agreements or other methods for expediting settlements will provide the Fund with sufficient liquidity in the event of abnormally large redemptions.

### Indemnification

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

### Note 8. Disclosure of Significant Risks and Contingencies

The primary risks of investing in the Fund are described below in alphabetical order:

#### Counterparty Risk

Counterparty risk is the potential loss the Fund may incur as a result of the failure of a counterparty or an issuer to make payments according to the terms of a contract. Counterparty risk is measured as the loss the Fund would record if its counterparties failed to perform pursuant to the terms of their obligations to the Fund. Because the Fund may enter into over-the-counter forwards, options, swaps and other derivative financial instruments, the Fund may be exposed to the credit risk of its counterparties. To limit the counterparty risk associated with such transactions, the Fund conducts business only with financial institutions judged by the Investment Adviser to present acceptable credit risk.

#### 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. Investments in high yield debt and high yield Senior Loans may result in greater NAV fluctuation than if the Fund did not make such investments.

Corporate debt obligations, including Senior Loans, are subject to the risk of non-payment of scheduled interest and/or principal. Non-payment would result in a reduction of income to the Fund, a reduction in the value of the corporate debt obligation experiencing non-payment and a potential decrease in the NAV of the Fund.

Loans in which the Fund invests include covenant-lite loans, which carry more risk to the lender than traditional loans as they may contain fewer or less restrictive covenants on the borrower than traditionally included in loan documentation or may contain other borrower-friendly characteristics. The Fund may experience relatively greater difficulty or delays in enforcing its rights on its holdings of certain covenant-lite loans and debt securities than its holdings of loans or securities with the usual covenants.

#### Currency Risk

A portion of the Fund's assets may be quoted or denominated in non-U.S. currencies. These securities may be adversely affected by fluctuations in relative currency exchange rates and by exchange control regulations. The Fund's investment performance may be negatively affected by a devaluation of a currency in which the Fund's investments are quoted or denominated. Further, the Fund's investment performance may be significantly affected, either positively or negatively,



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by currency exchange rates because the U.S. dollar value of securities quoted or denominated in another currency will increase or decrease in response to changes in the value of such currency in relation to the U.S. dollar.

### Derivatives Risk

Derivatives risk is a combination of several risks, including the risks that: (1) an investment in a derivative instrument may not correlate well with the performance of the securities or asset class to which the Fund seeks exposure, (2) derivative contracts, including options, may expire worthless and the use of derivatives may result in losses to the Fund, (3) a derivative instrument entailing leverage may result in a loss greater than the principal amount invested, (4) derivatives not traded on an exchange may be subject to credit risk, for example, if the counterparty does not meet its obligations (see also "Counterparty Risk"), and (5) derivatives not traded on an exchange may be subject to liquidity risk and the related risk that the instrument is difficult or impossible to value accurately. As a general matter, when the Fund establishes certain derivative instrument positions, such as certain futures, options and forward contract positions, it will segregate liquid assets (such as cash, U.S. Treasury bonds or commercial paper) equivalent to the Fund's outstanding obligations under the contract or in connection with the position. In addition, changes in laws or regulations may make the use of derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the use, value or performance of derivatives. A Fund's ability to pursue its investment strategy, including its strategy of investing in certain derivative instruments, may be limited to or adversely affected by the Fund's intention to qualify as a regulated investment company, and its strategy may bear adversely on its ability to so qualify.

### Distressed and Defaulted Securities Risk

The Fund may invest in companies that are troubled, in distress or bankrupt. As such, they are subject to a multitude of legal, industry, market, environmental and governmental forces that make analysis of these companies inherently difficult. Further, the Investment Adviser relies on company management, outside experts, market participants and personal experience to analyze potential investments for the Fund. There can be no assurance that any of these sources will prove credible, or that the resulting analysis will produce accurate conclusions.

### Financial Services Industry Risk

The risk associated with the fact that the Trust's investments in Senior Loans are arranged through private negotiations between a borrower ("Borrower") and several financial institutions. Investments in the financial services sector may be subject to credit risk, interest rate risk, and regulatory risk, among others. Banks and other financial institutions can be affected by such factors as downturns in the U.S. and foreign

economies and general economic cycles, fiscal and monetary policy, adverse developments in the real estate market, the deterioration or failure of other financial institutions, and changes in banking or securities regulations. The financial services industry is subject to extensive government regulation, which can limit both the amounts and types of loans and other financial commitments financial services companies can make and the interest rates and fees they can charge. Profitability is largely dependent on the availability and cost of capital funds, and can fluctuate significantly when interest rates change. Because financial services companies are highly dependent on short-term interest rates, they can be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations. Losses resulting from financial difficulties of Borrowers can negatively affect financial services companies. The financial services industry is currently undergoing relatively rapid change as existing distinctions between financial service segments become less clear. This change may make it more difficult for the Investment Adviser to analyze investments in this industry. Additionally, the recently increased volatility in the financial markets and implementation of the recent financial reform legislation may affect the financial services industry as a whole in ways that may be difficult to predict.

### Hedging Risk

The Fund may engage in "hedging," the practice of attempting to offset a potential loss in one position by establishing an opposite position in another investment. Hedging strategies in general are usually intended to limit or reduce investment risk, but can also be expected to limit or reduce the potential for profit. For example, if the Fund has taken a defensive posture by hedging its portfolio, and stock prices advance, the return to investors will be lower than if the portfolio had not been hedged. No assurance can be given that any particular hedging strategy will be successful, or that the Investment Adviser will elect to use a hedging strategy at a time when it is advisable.

### Illiquid and Restricted Securities Risk

Certain investments made by the Fund are, and others may be, illiquid, and consequently the Fund 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 Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Fund's investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

Restricted securities (i.e., securities acquired in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Fund, however, may not be able to sell these securities when



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the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, if in order to permit resale the securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased. A high percentage of illiquid securities in a Fund creates a risk that such a Fund may not be able to redeem its shares without causing significant dilution to remaining shareholders.

### Interest Rate Risk

The risk that fixed income securities will decline in value because of changes in interest rates. When interest rates decline, the value of fixed rate securities already held by the Funds can be expected to rise. Conversely, when interest rates rise, the value of existing fixed rate portfolio securities can be expected to decline. A fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.

On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Due to this announcement, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Funds or the financial instruments in which the Fund invests can not yet be determined. A successor rate could impact the liquidity and potentially the value of investments that reference LIBOR. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in a change in (i) the value of certain instruments held by the Trust, (ii) the cost of temporary borrowing for the Trust, or (iii) the effectiveness of related Trust transactions such as hedges, as applicable. When LIBOR is discontinued, the LIBOR replacement rate may be lower than market expectations, which could have an adverse impact on the value of preferred and debt-securities with floating or fixed-to-floating rate coupons. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses to the Fund. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

### Leverage Risk

The Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities. While such strategies and techniques increase the

opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged.

### Non-U.S. Securities Risk

The Fund may invest in non-U.S. securities. Investing in non-U.S. securities involves certain risks not involved in domestic investments, including, but not limited to: fluctuations in foreign exchange rates; future foreign economic, financial, political and social developments; different legal systems; the possible imposition of exchange controls or other foreign governmental laws or restrictions; lower trading volume; much greater price volatility and illiquidity of certain non-U.S. securities markets; different trading and settlement practices; less governmental supervision; changes in currency exchange rates; high and volatile rates of inflation; fluctuating interest rates; less publicly available information; and different accounting, auditing and financial recordkeeping standards and requirements.

### Options Risk

There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A transaction in options or securities may be unsuccessful to some degree because of market behavior or unexpected events.

When the Fund writes a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but retains the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation and once an option writer has received an exercise notice, it must deliver the underlying security in exchange for the strike price.

When the Fund writes a covered put option, the Fund bears the risk of loss if the value of the underlying stock declines below the exercise price minus the put premium. If the option is exercised, the Fund could incur a loss if it is required to purchase the stock underlying the put option at a price greater than the market price of the stock at the time of exercise plus the put premium the Fund received when it



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wrote the option. While the Fund's potential gain in writing a covered put option is limited to distributions earned on the liquid assets securing the put option plus the premium received from the purchaser of the put option, the Fund risks a loss equal to the entire exercise price of the option minus the put premium.

### Pandemics and Associated Economic Disruption

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread internationally. This coronavirus has resulted in the closing of borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general anxiety and economic uncertainty. The impact of this coronavirus may be short term or may last for an extended period of time and result in a substantial economic downturn. Health crises caused by outbreaks of disease, such as the coronavirus, may exacerbate other pre-existing political, social and economic risks. This outbreak, and other epidemics and pandemics that may arise in the future, could negatively affect the global economy, as well as the economies of individual countries, individual companies and the market in general in significant and unforeseen ways. For example, a widespread health crisis such as a global pandemic could cause substantial market volatility, exchange trading suspensions and closures, impact the Fund's ability to complete repurchase requests, and affect Fund performance. Any such impact could adversely affect the Fund's performance, the performance of the securities in which the Fund invests, lines of credit available to the Fund and may lead to losses on your investment in the Fund. In addition, the increasing interconnectedness of markets around the world may result in many markets being affected by events or conditions in a single country or region or events affecting a single or small number of issuers.

### Preferred stock risk

Preferred stock, which may include preferred stock in real estate transactions, represents an equity or ownership interest in an issuer that pays dividends at a specified rate and that has precedence over common stock in the payment of dividends. In the event an issuer is liquidated or declares bankruptcy, the claims of creditors and owners of bonds take precedence over the claims of those who own preferred and common stock. If interest rates rise, the fixed dividend on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stock may have mandatory sinking fund provisions, as well as provisions allowing the stock to be called or redeemed prior to its maturity, which can have a negative impact on the stock's price when interest rates decline. Unlike interest on debt securities, preferred stock dividends are payable only if declared by the

issuer's board. The value of convertible preferred stock can depend heavily upon the value of the security into which such convertible preferred stock is converted, depending on whether the market price of the underlying security exceeds the conversion price.

### Preferred Share Risk

The risk associated with the issuance of preferred shares to leverage the common shares. When preferred shares are issued, the NAV and market value of the common shares become more volatile, and the yield to the holders of common shares will tend to fluctuate with changes in the shorter-term dividend rates on the preferred shares. The Trust will pay (and the holders of common shares will bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred shares, including higher advisory fees. Accordingly, the issuance of preferred shares may not result in a higher yield or return to the holders of the common shares. If the dividend rate and other costs of the preferred shares approach the net rate of return on the Trust's investment portfolio, the benefit of leverage to the holders of the common shares would be reduced. If the dividend rate and other costs of the preferred shares exceed the net rate of return on the Trust's investment portfolio, the leverage will result in a lower rate of return to the holders of common shares than if the Trust had not issued preferred shares.

### Real Estate Investment Trust 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. Real estate investment performance is also subject to the success that a particular property manager has in managing the property.

### Real Estate Market Risk

The Trust is exposed to economic, market and regulatory changes that impact the real estate market generally through its investment in NFRO REIT Sub, LLC (the "REIT Subsidiary"), which may cause the Trust's operating results to suffer. A number of factors may prevent the REIT Subsidiary's properties and other real estate-related investments from generating sufficient net cash flow or may adversely affect their value, or both, resulting in less cash available for distribution, or a loss, to us. These factors include: national, regional and local economic conditions; changing demographics; the ability of property managers to provide capable management and adequate maintenance; the quality of a property's construction and design; increases in costs of maintenance, insurance, and operations (including energy costs and real estate taxes); potential environmental and other legal liabilities; the level of financing used by the REIT Subsidiary and the availability and cost of refinancing;



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potential instability, default or bankruptcy of tenants in the properties owned by the REIT Subsidiary; the relative illiquidity of real estate investments in general, which may make it difficult to sell a property at an attractive price or within a reasonable time frame.

### Senior Loans Risk

The Fund's investments in Senior Loans are typically below investment grade and are considered speculative because of the credit risk of their issuers. As with any debt instrument, Senior Loans are generally subject to the risk of price declines and to increases in interest rates, particularly long-term rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may increase the risk of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. Therefore, Senior Loans may not mitigate price declines in a rising long-term interest rate environment. The secondary market for loans is generally less liquid than the market for higher grade debt. Less liquidity in the secondary trading market could adversely affect the price at which the Fund could sell a loan, and could adversely affect the Fund's income. The volume and frequency of secondary market trading in such loans varies significantly over time and among loans. Although Senior Loans in which the Fund will invest will often be secured by collateral, there can be no assurance that liquidation of such collateral would satisfy the Borrower's obligation in the event of a default or that such collateral could be readily liquidated.

LIBOR is the average offered rate for various maturities of short-term loans between major international banks who are members of the British Bankers Association. LIBOR is the most common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments (such as debt instruments and derivatives) and borrowing arrangements.

Due to manipulation allegations in 2012 and reduced activity in the financial markets that it measures, in July 2017, the Financial Conduct Authority (the "FCA"), the United Kingdom financial regulatory body, announced a desire to phase out the use of LIBOR by the end of 2021. Please refer to "Interest Rate Risk" for more information.

### Short Sales Risk

Short sales by the Fund that are not made where there is an offsetting long position in the asset that it is being sold short theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and

costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet margin calls on its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

### Structured Finance Securities Risk

A portion of the Trust's investments may consist of equipment trust certificates, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Such structured finance securities are generally backed by an asset or a pool of assets, which serve as collateral. Depending on the type of security, the collateral may take the form of a portfolio of mortgage loans or bonds or other assets. The Trust and other investors in structured finance securities ultimately bear the credit risk of the underlying collateral. In some instances, the structured finance securities are issued in multiple tranches, offering investors various maturity and credit risk characteristics, often categorized as senior, mezzanine and subordinated/equity according to their degree of risk. The riskiest securities are the equity tranche, which bears the bulk of defaults from the bonds or loans serving as collateral, and thus may protect the other, more senior tranches from default. If there are defaults or the relevant collateral otherwise underperforms, scheduled payments to senior tranches of such securities take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those to subordinated/equity tranches. A senior tranche typically has higher ratings and lower yields than the underlying securities, and may be rated investment grade. Despite the protection from the equity tranche, other tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to previous defaults and the disappearance of protecting tranches, market anticipation of defaults and aversion to certain structured finance securities as a class.

### Valuation Risk

Certain of the Fund's assets are fair valued, including the Fund's investment in equity issued by TerreStar Corporation ("TerreStar"). TerreStar is a nonoperating company that does not currently generate substantial revenue and which primarily derives its value from licenses for use of two spectrum frequencies, the license with respect to one of which



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

was granted a conditional waiver by the FCC on April 30, 2020. The fair valuation of TerreStar involves significant uncertainty as it is materially dependent on estimates of the value of both spectrum licenses.

### Gain Contingency

Claymore Holdings, LLC, a partially-owned affiliate of the Fund, is engaged in ongoing litigation that could result in a possible gain contingency to the Fund. The probability, timing, and potential amount of recovery, if any, are unknown.

### Note 9. Investment Transactions

#### Purchases & Sales of Securities

The cost of purchases and the proceeds from sales of investments, other than short-term securities and short-term options, for the period ended June 30, 2020, were as follows:

U.S Government Securities		Other Securities	
Purchases	Sales	Purchases	Sales
\$—	\$ 77,325,693	\$408,342,079	\$234,483,187

### Note 10. Affiliated Issuers and Other Affiliate Matters

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as “affiliated” if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund as of June 30, 2020:

Issuer	Shares at December 31, 2019	Beginning Value as of December 31, 2019 \$	Purchases at Cost \$	Proceeds from Sales \$	Distribution to Return of Capital \$	Net Realized Gain/(Loss) on Sales of Affiliated Issuers \$	Change in Unrealized Appreciation/ (Depreciation) \$	Ending Value as of June 30, 2020 \$	Shares at June 30, 2020	Affiliated Income \$
<b>Majority Owned, Not Consolidated</b>										
Allenby (Common Stocks)	1,393,678	1	43,877	—	—	—	(43,877)	1	1,437,555	—
Claymore (Common Stocks)	9,370,190	9	749,789	—	—	—	(749,788)	10	10,119,979	—
<b>Other Affiliates</b>										
CCS Medical, Inc. (U.S. Senior Loans & Common Stocks)	58,920,016	47,805,911	3,208,451	—	—	—	2,484,892	53,499,254	62,128,467	6,649,398
EDS Legacy Partners (U.S. Senior Loans)	57,000,000	56,829,000	—	—	—	—	(5,358,000)	51,471,000	57,000,000	4,282,044
Highland Global Allocation Fund (Registered Investment Company)	—	—	197,609	—	—	—	115,691	313,300	48,649	16,346
Highland Income Fund (Registered Investment Company)	—	—	3,009,959	(4,853,219)	—	1,843,260	—	—	—	—
LLV Holdco LLC (U.S. Senior Loans, Common Stocks and Warrants)	13,442,392	10,753,914	—	—	(58,674)	—	58,674	10,753,914	13,477,340	40,103
NREF OP II, IV, L.P. (LLC Interest)	—	—	22,268,393	—	—	—	(3,618,614)	18,649,779	1,113,420	694,914
NexPoint Real Estate Finance (Common Stocks)	—	—	218,169	—	—	—	77,133	295,302	17,630	7,052
NexPoint Residential Trust (Common Stocks)	—	—	5,324,978	(38,049)	—	—	(73,193)	5,213,736	147,489	7,639
NexPoint Strategic Opportunities Fund (Registered Investment Company)	989,143	17,517,723	1,740,630	—	—	—	(7,087,313)	12,171,040	1,156,943	158,188
NFRO REIT SUB, LLC (Common Stocks)	4,328,483	95,747,521	21,875,000	—	(9,599,985)	—	(8,631,330)	99,391,206	5,425,728	10,697
Omnimax International, Inc. (U.S. Senior Loans, Common Stocks, Warrants)	9,629,768	8,152,216	874,950	—	—	—	(6,472,287)	2,554,879	10,299,501	1,512,313



SFR WLIF I, II, III, LLC  
(LLC Interest)

	<u>90,000,000</u>	<u>88,777,470</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(13,196,328)</u>	<u>75,581,142</u>	<u>90,000,000</u>	<u>7,804,228</u>
Total	<u>245,073,670</u>	<u>325,583,765</u>	<u>59,511,805</u>	<u>(4,891,268)</u>	<u>(9,658,659)</u>	<u>1,843,260</u>	<u>(42,494,340)</u>	<u>329,894,563</u>	<u>252,372,701</u>	<u>21,182,922</u>



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

Highland Income Fund

The Investment Adviser has been historically affiliated through common control with Highland Capital Management, L.P. ("HCMLP"), an SEC-registered investment adviser. On October 16, 2019, HCMLP filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the United States Bankruptcy Court for the Northern District of Texas. On January 9, 2020, the bankruptcy court approved a change of control of HCMLP, which involved the resignation of James Dondero as the sole director of, and the appointment of an independent board to, HCMLP's general partner. Mr. Dondero will, however, remain as an employee of HCMLP and as portfolio manager for all funds and vehicles for which he currently holds such titles. Nevertheless, given Mr. Dondero's historic role with HCMLP and his continued ownership interest and roles with respect to the Highland platform as a whole, as well as the shared services agreements between HCMLP and our Investment Adviser, we still treat HCMLP and its affiliates as our affiliates for purposes hereof.

On August 12, 2020, HCMLP filed of a plan of reorganization (the "Filed Plan") with the Court in advance of a mediation process to resolve the case (the "Mediation Plan") involving HCMLP, the official committee of unsecured creditors, and other parties involved in the reorganization proceedings. Under both the Filed Plan and the Mediation Plan (together the "Plans"), HCMLP's investment and business activities are expected to continue without interruption, including the shared services arrangement with HCMFA. Under this arrangement the Investment Adviser may utilize employees from HCMLP in connection with various services such as human resources, accounting, tax, valuation, information technology services, office space, employees, compliance and legal. HCMFA is neither party to HCMLP's bankruptcy filing nor subject to the Plans.

We do not expect HCMLP's bankruptcy filings to impact its provision of services to HCMFA at this time.

### Note 11. New Accounting Pronouncements

In November 2016, the FASB issued Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this update require the statement of cash flows to explain the change during the period in the total of cash, restricted cash and cash equivalents. Amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For public entities this update will be effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and effective April 1, 2018, the Fund no longer reports the

change in restricted cash and cash equivalents in the operating and investing sections in our Consolidated Statement of Cash Flows. Restricted cash and cash equivalents are now included in the beginning and end of the period cash and cash equivalents on the Consolidated Statement of Cash Flows. These changes have been applied using a retrospective transition method to each period presented.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820). The new guidance includes additions and modifications to disclosures requirements for fair value measurements. For public entities, the amendments are effective for consolidated financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years.

### Note 12. Asset Coverage

The Fund is required to maintain 300% asset coverage with respect to amounts outstanding (excluding short-term borrowings) under its various leverage facilities. Additionally the fund is required to maintain 200% asset coverage with respect to the preferred share issuance as well as its various leverage facilities. Asset coverage is calculated by subtracting the Fund's total liabilities, not including any amount representing bank borrowings and senior securities, from the Fund's total assets and dividing the result by the principal amount of the borrowings outstanding. As of the dates indicated below, the Fund's debt outstanding and asset coverage was as follows:

Date	Amount Outstanding Excluding Preferred Shares	% of Asset Coverage of Indebtedness Excluding Preferred Shares	Amount Outstanding Including Preferred Shares	% of Asset Coverage of Indebtedness Including Preferred Shares <sup>(2)</sup>
6/30/2020	341,396,000	367.02%	486,396,000	287.42%
12/31/2019	419,796,600	337.13%	564,796,600	276.25%
12/31/2018 <sup>(1)</sup>	496,141,100	306.80%	496,141,100	306.80%
6/30/2018	498,563,423	317.70%	498,563,423	317.70%
6/30/2017	N/A	N/A	N/A	N/A
6/30/2016	N/A	N/A	N/A	N/A
6/30/2015	51,500,000	1641.40%	51,500,000	1641.40%
6/30/2014	60,000,000	1577.60%	60,000,000	1577.60%
6/30/2013	N/A	N/A	N/A	N/A
6/30/2012	89,000,000	718.40%	89,000,000	718.40%
6/30/2011	135,000,000	659.90%	135,000,000	659.90%
6/30/2010	115,000,000	606.00%	115,000,000	606.00%
6/30/2009	181,000,000	465.80%	181,000,000	465.80%

<sup>1</sup> For the six month period ended December 31, 2018. Effective April 11, 2019, the Fund had a fiscal year change from June 30 to December 31 (Note 1).

<sup>2</sup> As referenced in Note 1, the Fund issued \$145mm in preferred shares subject to the 200% Asset Coverage of Indebtedness requirements under the 40 Act.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited) (concluded)

June 30, 2020

Highland Income Fund

### Note 13. Unconsolidated Significant Subsidiaries

In accordance with Regulation S-X and GAAP, the Fund is not permitted to consolidate any subsidiary or other entity that is not an investment company, including those in which the Fund has a controlling interest unless the business of the controlled subsidiary consists of providing services to the Fund. In accordance with Regulation S-X Rules 3-09 and 4-08(g), the Fund evaluates its unconsolidated controlled subsidiaries as significant subsidiaries under the respective rules. As of June 30, 2020, NFRO REIT Sub LLC was considered a significant unconsolidated subsidiary under Regulation S-X Rule 4-08(g). This subsidiary is wholly owned by the Fund. Based on the requirements under Regulation S-X Rule 4-08(g), the summarized consolidated financial information of these unconsolidated subsidiaries is presented below:

	NFRO REIT Sub, LLC June 30, 2020
<b>Balance Sheet:</b>	
Current Assets	\$ 5,038,000
Noncurrent Assets	215,463,000
<b>Total Assets</b>	220,501,000
Current Liabilities	8,914,000
Noncurrent Liabilities	125,832,000
<b>Total Liabilities</b>	134,746,000
Preferred Stock	1,000
Non-controlling interest (in consolidated investments)	104,000
Invested Equity	85,650,000
<b>Total Equity</b>	85,755,000

	NFRO REIT Sub, LLC For the Year Ended June 30, 2020
<b>Summary of Operations:</b>	
Net Sales	\$ 790,000
Gross Profit	(7,445,000)
Net Income	(7,437,000)
Net Income attributable to non-controlling interest (in consolidated investments), preferred shares, and other comprehensive income	8,000

### Note 14. Subsequent Events

The Investment Adviser has evaluated the impact of all subsequent events on the Fund through the date the consolidated financial statements were issued, and has determined that there were no such subsequent events to report which have not already been recorded or disclosed in these financial statements and accompanying notes except as noted below.

On August 3, 2020, Jernigan Capital, Inc. ("JCAP"), an owner of self-storage facilities and a leading capital partner for self-storage entrepreneurs nationwide, announced that it had entered into a definitive merger agreement with an affiliate of the Fund, pursuant to which JCAP will be acquired by the Fund, certain of its affiliates and certain third parties in an all-cash transaction valued at approximately \$900 million, including debt and preferred stock to be assumed or refinanced.



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## ADDITIONAL INFORMATION (unaudited)

June 30, 2020

Highland Income Fund

### Additional Portfolio Information

The Investment Adviser and its affiliates manage other accounts, including registered and private funds and individual accounts. Although investment decisions for the Fund are made independently from those of such other accounts, the Investment Adviser may, consistent with applicable law, make investment recommendations to other clients or accounts that may be the same or different from those made to the Fund, including investments in different levels of the capital structure of a company, such as equity versus senior loans, or that involve taking contradictory positions in multiple levels of the capital structure. The Investment Adviser has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, this may create situations where a client could be disadvantaged because of the investment activities conducted by the Investment Adviser for other client accounts. When the Fund and one or more of such other accounts is prepared to invest in, or desire to dispose of, the same security, available investments or opportunities for each will be allocated in a manner believed by the Investment Adviser to be equitable to the Fund and such other accounts. The Investment Adviser also may aggregate orders to purchase and sell securities for the Fund and such other accounts. Although the Investment Adviser believes that, over time, the potential benefits of participating in volume transactions and negotiating lower transaction costs should benefit all accounts including the Fund, in some cases these activities may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

### Dividend Reinvestment Plan

Unless the registered owner of Common Shares elects to receive cash by contacting American Stock Transfer & Trust Company, LLC ("AST" or the "Plan Agent"), as agent for shareholders in administering the Plan, a registered owner will receive newly issued Common Shares for all dividends declared for Common Shares of the Fund. If a registered owner of Common Shares elects not to participate in the Plan, they will receive all dividends in cash paid by check mailed directly to them (or, if the shares are held in street or other nominee name, then to such nominee) by AST, as dividend disbursing agent. Shareholders may elect not to participate in the Plan and to receive all dividends in cash by sending written instructions or by contacting AST, as dividend disbursing agent, at the address set forth below.

Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by contacting the Plan Agent before the dividend record date;

otherwise such termination or resumption will be effective with respect to any subsequently declared dividend. Some brokers may automatically elect to receive cash on the shareholders' behalf and may reinvest that cash in additional Common Shares of the Fund for them. The Plan Agent will open an account for each shareholder under the Plan in the same name in which such shareholder's Common Shares are registered.

Whenever the Fund declares a dividend payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Agent through receipt of additional unissued but authorized Common Shares from the Fund ("newly issued Common Shares"). The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the net asset value per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the New York Stock Exchange (the "NYSE") on the Declaration Date. The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Agent on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants. In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan. There will be no brokerage charges with respect to Common Shares issued directly by the Fund.

The automatic reinvestment of dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Accordingly, any taxable dividend received by a participant that is reinvested in additional Common Shares will be subject to federal (and possibly state and local) income tax even though such participant will not receive a corresponding amount of cash with which to pay such taxes. Participants who request a sale of shares through the Plan Agent pay a brokerage commission of \$0.04 per share sold. The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to



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## ADDITIONAL INFORMATION (unaudited) (continued)

June 30, 2020

Highland Income Fund

include a service charge payable by the participants. All correspondence concerning the Plan should be directed to the Plan Agent at American Stock Transfer & Trust Company, LLC 6201 15th Avenue Brooklyn, NY 11219; telephone (718) 921-8200.

To promote loyalty and long-time alignment of interests among the Trust's shareholders, the Investment Adviser offers an incentive to shareholders that buy and hold the Trust's common shares for a period of at least twelve months through its Shareholder Loyalty Plan (the "Plan"). To participate in the Plan, existing shareholders must open an account (the "Account") with the Plan's administrator, Global Shares. Subsequently, if a participant makes contributions to the Account during a defined trading period to purchase shares, Highland will make a corresponding contribution on such participant's behalf (the "Gross-up"). The Gross-up is determined by Highland and may be adjusted at any point without notice by Highland prospectively from time to time in accordance with the terms of the Plan. For example, if a participant contributes \$10,000 to the Account during a defined trading period to purchase shares and Highland has determined the participant's Gross-up will be 2%, Highland will make a corresponding contribution of \$200, or 2% of the total \$10,000, to purchase additional Shares for the participant (the "Gross-up Shares"). In addition, Plan participants will not be required to pay any customary purchase commissions or distribution fees on the purchase of shares under the Plan.

Highland will pay all expenses incident to the purchase of shares under the Plan and for operation of the Plan, including the costs of recordkeeping, accounting fees, legal fees and the costs of delivery of stock certificates, if any, to participants; provided, however, that Highland will not pay any expenses incurred in connection with any sale or transfer of shares credited to a participant's Account. Expenses incurred in connection with any such sales will be deducted from the proceeds of sale prior to any remittance to the participant.

While the portion of the Trust's common shares that are acquired through the participant's contribution will vest immediately, the Gross-up Shares will not vest until the first anniversary of the date that the Gross-up Shares were purchased. Vested shares and Gross-up Shares will be held in the Account with Global Shares' broker, Maxim Group, LLC ("Maxim"). A participant may not sell or otherwise withdraw, pledge, transfer, assign, hypothecate or dispose of any Gross-up Shares prior to the date on which they become vested Shares. Under the Plan, participants must contribute a minimum of \$2,500 for purchases of shares in the initial contribution and each subsequent monthly contribution unless Highland, in its sole discretion, decides to permit contributions for a lesser amount. The maximum monthly

contribution limit under the Plan is \$1,000,000, which amount may be adjusted from time to time by Highland in its sole discretion.

All dividends received on shares that are purchased under the Plan will be automatically reinvested through the Plan. Shares acquired through the reinvestment of dividends paid to the holder of a vested share will vest immediately. Shares acquired through the reinvestment of dividends paid to the holder of a non-vested Gross-up share will vest on the first anniversary of the reinvest date. In addition, for dividends paid to holders of vested shares, Highland will provide a Gross-up on the amount of such reinvested dividends.

Maxim maintains all shareholders' accounts in the Plan and, upon request, furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Shares in the account of each Plan participant will be held by Maxim on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. Maxim will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants.

In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, Global Shares and Maxim will administer the Plan on the basis of the number of common shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan.

Highland reserves the right to amend or terminate the Plan. To help align the interests of Highland's employees with the interests of the Trust's shareholders, Highland also offers the Plan to its employees.

Participants in the Plan should be aware that their receipt of Gross-up Shares under the Plan constitutes taxable income to them. In addition, such participants owe taxes on that portion of any distribution that constitutes taxable income in respect of shares of our common stock held in their Plan accounts, whether or not such shares of common stock have vested in the hands of the participants. To the extent any payments or distributions under the Plan are subject to U.S. federal, state or local taxes, the Trust, any participating affiliate of the Trust or the agent for the Plan may satisfy its tax withholding obligation by (1) withholding shares allocated to the participant's account or (2) deducting cash from the participant's account. Plan participants should consult their tax advisers regarding the tax consequences to them of participating in the Plan.

The Plan may create an incentive for shareholders to invest additional amounts in the Trust. Because the Adviser's management fee is based on a percentage of the assets of



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**ADDITIONAL INFORMATION (unaudited) (continued)**

June 30, 2020

Highland Income Fund

the Trust, the Plan will result in increased net revenues to Highland if the increase in the management fee due to the increased asset base offsets the costs associated with establishing and maintaining the Plan.

**Change in Independent Registered Public Accounting Firms:**

On June 8, 2020, the Fund dismissed PricewaterhouseCoopers LLP ("PwC") as the Fund's independent registered public accounting firm, effective on such date. The decision to dismiss PwC was approved by the audit committee and by the full Board. On June 18, 2020, the Funds approved the appointment of Cohen & Company ("Cohen") as the Fund's independent registered public accounting firm. Cohen was engaged by the Fund on August 7, 2020. During the Fund's year ended December 31, 2019 and the subsequent interim period through June 8, 2020, during which PwC served as the Fund's independent registered public accounting firm, there were no: (1) disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement, or (2) reportable events (as described in Item 304(a)(1)(v) of Regulation S-K). PwC was also the auditor of the Fund for the year ended December 31, 2018. During the year ended December 31, 2019 and the subsequent interim period through June 8, 2020, neither Management, the Fund, nor anyone on its behalf, consulted Cohen regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of

audit opinion that might be rendered on the financial statements of the Fund and no written report or oral advice was provided to the Fund by Cohen or (ii) any matter that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K). The Fund provided PwC with a copy of the disclosure it is making in response to Item 304(a) of Regulation SK and requested that PwC furnish the Fund with letters addressed to the SEC, pursuant to Item 304(a) stating their agreement with the statements made and, if not, stating the respects in which they do not agree, including any new information, clarification of the Fund's expression of its view, or the respects in which it does not agree with the statements made by the Fund in response to Item 304(a).

**Submission of Proposal to a Vote of Shareholders**

The annual meeting of shareholders of the Fund was held on June 12, 2020. The following is a summary of the proposal submitted to shareholders for a vote at the meeting and the votes cast.

<u>Proposal</u>	<u>Votes For</u>	<u>Votes Withheld</u>
To elect Dr. Bob Froehlich as a Class II Trustee of the Fund, to serve for a three-year term expiring at the 2023 Annual Meeting or until his successor is duly elected and qualifies, by the holders of the Fund's 5.375% Series A Cumulative Preferred Shares.	3,911,774	448,495

In addition to the one Trustee who was elected at the annual meeting, as noted above, the following other Trustees continued in office after the Fund's annual meeting: John Honis, Ethan Powell and Bryan A. Ward.



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## ADDITIONAL INFORMATION (unaudited) (concluded)

June 30, 2020

Highland Income Fund

### Privacy Policy

We recognize and respect your privacy expectations, whether you are a visitor to our web site, a potential shareholder, a current shareholder or even a former shareholder.

*Collection of Information.* We may collect nonpublic personal information about you from the following sources:

- **Account applications and other forms, which may include your name, address and social security number, written and electronic correspondence and telephone contacts;**
- **Web site information, including any information captured through the use of “cookies”; and**
- **Account history, including information about the transactions and balances in your accounts with us or our affiliates.**

*Disclosure of Information.* We may share the information we collect with our affiliates. We may also disclose this information as otherwise permitted by law. We do not sell your personal information to third parties for their independent use.

*Confidentiality and Security of Information.* We restrict access to nonpublic personal information about you to our employees and agents who need to know such information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information, although you should be aware that data protection cannot be guaranteed.

**A prospectus must precede or accompany this report. Please read the prospectus carefully before you invest.**

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## IMPORTANT INFORMATION ABOUT THIS REPORT

### Investment Adviser

Highland Capital Management Fund Advisors,  
L.P.  
300 Crescent Court, Suite 700  
Dallas, TX 75201

### Transfer Agent

American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219

### Underwriter

NexPoint Securities, Inc.  
300 Crescent Court, Suite 700  
Dallas, TX 75201

### Custodian

Bank of New York Mellon  
240 Greenwich Street  
New York, NY 10286

### Independent Registered Public Accounting Firm

Cohen & Company, Ltd.  
1350 Euclid Ave., Suite 800  
Cleveland, OH 44115

### Fund Counsel

K&L Gates LLP  
1 Lincoln Street  
Boston, MA 02111

This report has been prepared for shareholders of Highland Income Fund (the "Fund"). The Fund mails one shareholder report to each shareholder address. If you would like more than one report, please call shareholder services at 1-800-357-9167 to request that additional reports be sent to you.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to their portfolio securities, and the Fund's proxy voting records for the most recent 12-month period ended June 30, are available (i) without charge, upon request, by calling 1-800-357-9167 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Fund files its complete schedules of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year as an exhibit to its report on Form N-PORT. The Fund's Form N-PORT are available on the Commission's website at <http://www.sec.gov> and also may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the Public Reference Room may be obtained by calling 1-800-SEC-0330. Shareholders may also obtain the Form N-PORT by visiting the Fund's website at [www.highlandfunds.com](http://www.highlandfunds.com).

The Statement of Additional Information includes additional information about the Fund's Trustees and is available upon request without charge by calling 1-800-357-9167.



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**Highland Funds**  
**c/o American Stock Transfer & Trust Company, LLC**  
**6201 15th Avenue**  
**Brooklyn, NY 11219**

**Highland Income Fund**

Semi-Annual Report, June 30, 2020

[www.highlandfunds.com](http://www.highlandfunds.com)

HIF-SAR-0620



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**Item 2. Code of Ethics.**

Not applicable.

**Item 3. Audit Committee Financial Expert.**

Not applicable.

**Item 4. Principal Accountant Fees and Services.**

Not applicable.

**Item 5. Audit Committee of Listed Registrants.**

Not applicable.

**Item 6. Investments.**

- (a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the Semi-Annual Report to Shareholders filed under Item 1 of this form.
- (b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Not applicable.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

There has been no change, as of the date of this filing, in any of the portfolio managers identified in response to paragraph (a)(1) of this Item in Highland Income Fund's (the "Registrant") most recently filed annual report on Form N-CSR.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

Purchases were made by "affiliated purchasers" during the period covered by this report:

**AFFILIATED PURCHASES OF EQUITY SECURITIES**

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
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May 1 through May 31, 2020 <sup>1</sup>	412,008	8.67	412,008	2,884,354
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<sup>1</sup> Purchases by the Registrant as a part of the Registrant's Repurchase Program.

**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the Registrant's Board.

**Item 11. Controls and Procedures.**

(a) Evaluation of Disclosure Controls and Procedures.

The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Investment Company Act of 1940, as amended, is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As of the period covered by this report, we, including our president and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based upon that evaluation and subject to the foregoing, our president and chief financial officer concluded that the Registrant's disclosure controls and procedures were not effective as of June 30, 2020, due to the ongoing material weakness in its internal control over financial reporting described below.

**Material Weaknesses in Internal Control over Financial Reporting**

Management previously identified a material weakness as of December 31, 2019, which remained as of June 30, 2020, that the Adviser's disclosure controls and procedures were not effective due to a material weakness over the application of fair value accounting with respect to the validation of fair value methodologies. Specifically, the controls were not sufficiently designed to ensure the appropriateness of the fair value determinations reached for Level 3 real estate-related holdings. While this control deficiency did not result in a misstatement, it could result in a misstatement to the investment balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected. Accordingly, management has determined that this control deficiency constitutes a material weakness. Additionally, the Material Weakness could result in a misstatement to the investment balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected.

**Remediation of Material Weaknesses in Internal Control over Financial Reporting**

Management has developed a plan to remediate the material weakness described above. Management utilizes one or more independent valuation experts as part of its existing valuation process for Level 3 real estate-related holdings. Management has undertaken additional review procedures by designating a member of the Valuation Committee to monitor and report to the Valuation Committee to ensure that for significant real estate-related holdings, fair values for such holdings are validated through one or more other valuation techniques that are acceptable under ASC 820.



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We are committed to continuing to improve our internal control processes and will continue to review, optimize and enhance our financial reporting controls and procedures. As we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures to address control deficiencies, or we may modify, or in appropriate circumstances not continue, certain of the remediation measures described above.

We believe the measures already implemented as described above will facilitate the remediation of the control deficiencies we have identified and strengthen our internal control over financial reporting. Based on the steps we have taken to date and the anticipated timing of appropriate test work to ensure adequate design and operating effectiveness of such steps, we expect that the remediation of the Material Weakness will be completed on or about September 30, 2020. We cannot assure you, however, that the steps already taken will remediate such weaknesses, nor can we be certain of whether additional actions will be required or the costs of any such actions. The Material Weakness will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

- (b) Changes in Internal Controls. Other than the completed enhancements to controls noted above, there have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Shareholder Report on Form N-CSR.

**Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

(a) Not applicable.

(b) Not applicable.

**Item 13. Exhibits.**

(a)(1) Not applicable.

(a)(2) [Certifications pursuant to Rule 30a-2\(a\) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.](#)

(a)(3) Not applicable.

(a)(4) Not applicable.

(b) [Certifications pursuant to Rule 30a-2\(b\) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.](#)



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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**HIGHLAND INCOME FUND**

By (Signature and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Executive Officer  
and Principal Financial and Accounting Officer

Date: September 10, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Executive Officer  
and Principal Financial and Accounting Officer

Date: September 10, 2020



NPORT-EX 1 sof\_nportex.htm PART F  
INVESTMENT PORTFOLIO (unaudited)

As of March 31, 2019

NexPoint Strategic Opportunities Fund

Shares		Value (\$)
<b>Common Stock — 70.8%</b>		
<b>CHEMICALS — 1.5%</b>		
356,875	MPM Holdings, Inc. (a)	10,724,094
25,250	Venator Materials (a)	141,905
661,330	Vertellus Specialties Inc. (b)(c)	469,544
		<u>11,335,543</u>
<b>CONSUMER DISCRETIONARY (a) — 0.0%</b>		
3,532	K12, Inc.	120,547
<b>ENERGY — 3.7%</b>		
336	California Resources (a)	8,639
86,700	Continental Resources, Inc. (a)(d)	3,881,559
9,000	EOG Resources	856,620
368,680	Fieldwood ENERGY LLC	12,903,800
1,644,265	NextDecade Corp. (a)(d)	9,076,343
40	Transocean (a)	348
63,500	Transportadora de Gas del Sur ADR	835,660
30,885	Williams Cos., Inc.	887,017
23,800	YPF ADR (d)	333,438
		<u>28,783,424</u>
<b>FINANCIAL — 5.5%</b>		
47,354	American Banknote Corp. (b)	138,747
10,000	Banco Macro SA ADR (a)	457,600
40,000	BBVA Banco Frances ADR	380,400
36,900	CIT Group, Inc.	1,770,093
70,240	Grupo Supervielle SA ADR (d)	427,059
37,199,555	Specialty Financial Products, Ltd. (b) (e)	38,962,814
		<u>42,136,713</u>
<b>GAMING/LEISURE (b)(c)(e) — 0.0%</b>		
	LLV Holdco LLC - Litigation Trust	
14	Units	—
	LLV Holdco LLC - Series A,	
26,712	Membership Interest	—
	LLV Holdco LLC - Series B,	
144	Membership Interest	—
		<u>—</u>
<b>HEALTHCARE — 1.6%</b>		
1,700	Celgene (a)	160,378
50,000	Paratek Pharmaceuticals, Inc. (a)(d)	268,000
20,400	Patterson Cos., Inc.	445,740
321,944	Portola Pharmaceuticals, Inc. (a)(d)	11,171,457
		<u>12,045,575</u>
<b>HOUSING (b)(c) — 0.0%</b>		
368,150	Westgate Investments LLC	—
<b>INDUSTRIALS — 1.6%</b>		
593,403	America Airports (a)	4,907,443
215,944	American Airlines Group, Inc.	6,858,381
8	Pendrell Corp. (a)(d)	1,228,000
		<u>12,993,824</u>
<b>INFORMATION TECHNOLOGY — 3.9%</b>		
176,900	Applied Materials (d)	7,015,854
1,900	Arista Networks (a)	597,474
78,271	Avaya Holdings Corp. (a)	1,317,301
33,083	CDK Global, Inc.	1,945,942
65,000	Fortinet, Inc. (a)(d)	5,458,050
193,600	Intel Corp.	10,396,320

Shares		Value (\$)
<b>Common Stock (continued)</b>		
<b>INFORMATION TECHNOLOGY (CONTINUED)</b>		
38,800	NXP Semiconductors (d)	3,429,532
		<u>30,160,480</u>
<b>MATERIALS — 0.2%</b>		
5,750	Huntsman	129,318
11,164	Omnimax International, Inc. (a)(b)(c)	1,363,852
		<u>1,493,170</u>
<b>MEDIA — 3.0%</b>		
2,102,020	Gambier Bay LLC (a)(b)(c)(e)	289,028
309,137	Metro-Goldwyn-Mayer, Inc. (f)	22,876,138
		<u>23,165,166</u>
<b>MEDIA AND TELECOMMUNICATIONS (a) — 0.1%</b>		
13,722	Loral Space & Communications, Inc.	494,678
<b>METALS &amp; MINERALS (a) — 0.4%</b>		
	Loma Negra Cia Industrial Argentina	
272,400	ADR	2,982,780
<b>PHARMACEUTICALS (a) — 1.3%</b>		
76,400	Aerie Pharmaceuticals, Inc.	3,629,000
35,988	Collegium Pharmaceutical, Inc.	544,858
184,541	Heron Therapeutics, Inc.	4,510,182
210,000	TG Therapeutics, Inc. (d)	1,688,400
		<u>10,372,440</u>
<b>REAL ESTATE — 36.1%</b>		
585,401	Allenby (a)(c)(e)	—
1,875,166	Claymore (a)(c)(e)	2
28,993	Cresud SACIF y A ADR (a)	336,029
11,485,246	Highland Real Estate Capital	35,700,738
	IRSA Inversiones y Representaciones	
5,810	ADR (a)(d)	63,329
	IRSA Propiedades Comerciales Sa	
1,208	ADR (d)	24,764
130,568,803	NexPoint Residential Trust (e)	242,753,519
		<u>278,878,381</u>
<b>REAL ESTATE INVESTMENT TRUST — 3.4%</b>		
	Bluerock Residential Growth, Class A ,	
278,032	REIT(d)	2,997,185
47,000	Independence Realty Trust, Inc. , REIT	507,130
534,183	Jernigan Capital, Inc. , REIT(d)	11,239,211
	NexPoint Residential Trust,	
79,685	REIT(e)	3,055,123
	United Development Funding IV ,	
1,644,786	REIT(a)(d)(e)	8,783,157
		<u>26,581,806</u>
<b>RETAIL — 0.2%</b>		
294,500	Barnes & Noble, Inc.	1,599,135
<b>TELECOMMUNICATION SERVICES — 5.0%</b>		
10,436	Gray Television, Class A (a)(d)	218,634
17,150	Sinclair Broadcast Group, Class A	659,932
	TerreStar	
132,801	Corporation (a)(b)(c)(e)(f)	37,930,622
		<u>38,809,188</u>
<b>UTILITIES — 3.3%</b>		
327,750	Central Puerto Spon ADR	3,012,023
26,220	Entegra TC LLC (b)(c)	—







**INVESTMENT PORTFOLIO (unaudited)(continued)**

As of March 31, 2019

NexPoint Strategic Opportunities Fund

Shares/Principal Amount (\$)		Value (\$)	Principal Amount (\$)		Value (\$)
<b>Common Stock (continued)</b>			<b>Agency Collateralized Mortgage Obligations (continued)</b>		
<b>UTILITIES (CONTINUED)</b>			Series 2018-KW04, Class X2B 0.10%,		
573,000	Vistra ENERGY Corp. (a)(d)	14,915,190	61,162,105	12/25/2032 (i)(k)	391,437
		<u>25,318,165</u>		Total Agency Collateralized	
	Total Common Stock			Mortgage Obligations	
	(Cost \$387,830,093)	<u>547,271,015</u>		(Cost \$117,160,697)	<u>124,870,811</u>
<b>Preferred Stock — 34.0%</b>			<b>U.S. Senior Loans (l) — 4.8%</b>		
<b>FINANCIAL (g)(h) — 15.8%</b>			<b>CHEMICALS (b)(c) — 0.1%</b>		
14,500	Aberdeen Loan Funding, Ltd. (i)	2,190,225		Vertellus Holdings LLC Second Lien	
15,000	Brentwood CLO, Ltd.	6,000,000		Term Loan, 1-Week LIBOR +	
39,500	Eastland CLO, Ltd.	18,219,375	826,662	12.000%, 10/31/21	<u>800,953</u>
7,750	Gleneagles CLO, Ltd. (i)	3,022,500	<b>COMMUNICATION SERVICES (b) — 2.7%</b>		
62,600	Grayson CLO, Ltd. (i)	24,667,530		TerreStar Corporation Term Loan A,	
4,000	Grayson Investors (i)	1,576,200	20,169,265	cash/0% PIK 02/27/20 (c)	20,149,096
42,750	Greenbriar CLO, Ltd. (i)	25,436,250		TerreStar Corporation Term Loan C,	
2,500	Liberty CLO, Ltd. (i)	1,062,500	472,955	cash/0% PIK 02/27/20	<u>472,482</u>
8,500	Red River CLO, Ltd.	2,498,382			<u>20,621,578</u>
10,500	Rockwall CDO, Ltd. (i)	4,305,000	<b>GAMING/LEISURE (m) — 1.2%</b>		
6,000	Southfork CLO, Ltd. (i)	420,000		Ginn-LA CS Borrower LLC, Tranche	
41,500	Stratford CLO, Ltd. (i)	19,297,500	3,883,480	A, 1st Lien, 05/30/19	—
35,507	Westchester CLO, Ltd. (i)	<u>13,255,947</u>	8,322,966	Ginn-LA CS Borrower LLC, Tranche B	—
		<u>121,951,409</u>		Term Loan, 1st Lien, 05/30/19 (c)	—
<b>REAL ESTATE INVESTMENT TRUST — 18.2%</b>			11,343,088	LLV Holdco, LLC, Revolving Exit	
	Bluerock Residential Growth			Loan, 03/03/20 (b)(c)	<u>9,074,471</u>
99,223	REIT, Inc., REIT 7.63%	2,480,575			<u>9,074,471</u>
	Bluerock Residential Growth		<b>METALS &amp; MINERALS (b)(c) — 0.8%</b>		
	REIT, Inc., REIT,			Omnimax International, Inc.,	
126,816	Series D 7.13%	3,068,947		Unsecured Term Loan, cash/0% PIK	
	Creek Pine Holdings, LLC, REIT		6,397,453	02/06/21	<u>6,397,453</u>
18,508	10.25%(b)(c)	19,906,095	<b>UTILITIES (n) — 0.0%</b>		
	Jernigan Capital, Inc., REIT 7.00%			Texas Competitive Electric Holdings	
101,700	(b)(c)	112,839,272	92,329,417	Co., LLC, Extended Escrow Loan,	<u>92,329</u>
	RAIT FINANCIAL Trust, REIT			Total U.S. Senior Loans	
207,195	7.13%(d)	<u>2,728,534</u>		(Cost \$49,171,674)	<u>36,986,784</u>
		<u>141,023,423</u>	<b>Collateralized Loan Obligations — 3.6%</b>		
	Total Preferred Stock			Acis CLO, Ltd., Series 2015-6A,	
	(Cost \$295,391,502)	<u>262,974,832</u>		Class SUB	
<b>Agency Collateralized Mortgage Obligations — 16.2%</b>			7,500,000	0.00%, 5/1/2027 (i)(o)	2,675,000
	FREMF Mortgage Trust			Acis CLO, Ltd., Series 2013-1A,	
	Series 2018-KC02, Class C			Class SUB	
76,080,350	0.00%, 8/25/2025 (j)	54,321,370	14,000,000	0.00%, 4/18/2024 (i)(o)	1,596,000
	Series 2018-K80, Class D			Acis CLO, Ltd., Series 2014-3A,	
96,460,500	0.00%, 8/25/2028 (i)(j)	42,732,001		Class E VAR LIBOR USD	
	Series 2018-K80, Class X2A			3 Month+4.750%,	
1,040,742,719	0.10%, 8/25/2050 (i)(k)	7,389,273	6,000,000	7.49%, 2/1/2026 (i)	5,387,700
	Series 2018-KC02, Class X2A			Acis CLO, Ltd., Series 2014-3A,	
912,313,822	0.10%, 7/25/2025 (i)(k)	3,558,024		Class F VAR ICE LIBOR USD	
	Series 2018-K80, Class X2B			3 Month+5.600%,	
244,366,905	0.10%, 8/25/2050 (i)(k)	1,686,132	5,000,000	8.34%, 2/1/2026 (i)(o)	4,058,250
	FREMF Trust			ALM VII R-2, Series 2016-7R2A,	
	Series 2018-KW04, Class C			Class SUBR	
45,871,176	0.00%, 12/25/2032 (i)(j)	11,454,032	2,250,000	0.00%, 10/15/2116 (i)(o)	1,276,650
	Series 2018-KW04, Class X2A			CIFC Funding 2013-II, Series 2013-2A,	
548,389,965	0.10%, 9/25/2028 (i)(k)	2,851,628	5,462,500	Class SUB	
				0.00%, 10/18/2030 (i)(o)	2,403,500



**INVESTMENT PORTFOLIO (unaudited)(continued)**

As of March 31, 2019

NexPoint Strategic Opportunities Fund

Principal Amount (\$)/Units	Value (\$)	Units/Principal Amount (\$)	Value (\$)
<b>Collateralized Loan Obligations (continued)</b>		<b>Warrants (continued)</b>	
CIFC Funding 2014, Series 2014-1A, Class SUB		<b>INDUSTRIALS (a) — 0.2%</b>	
2,500,000 0.00%, 1/18/2031 (i)(o)	1,291,945	8,371,900 American Airlines, Expires	1,465,082
CIFC Funding 2014, Series 2014-4RA, Class SUB		346 12/31/2049(b)(c)	42,216
3,214,500 0.00%, 10/17/2030 (i)(o)	1,269,728		1,507,298
CIFC Funding, Ltd., Series 2015-1A, Class SUB		<b>INFORMATION TECHNOLOGY (a)(m) — 0.1%</b>	
3,000,000 0.00%, 1/22/2031 (i)(o)	2,130,000	179,322 Avaya, Inc., Expires 12/19/2022	593,556
Highland Loan Funding, Series 1A 4.84%, 8/1/2019 (b)(g)(i)	502,369	Total Warrants (Cost \$251,697)	2,277,943
Highland Park CDO I, Ltd., Series 2006-1A, Class A2 VAR LIBOR USD 3 Month+0.400%, 3.05%, 11/25/2051 (g)(i)	2,646,651	<b>Registered Investment Companies (d) — 0.3%</b>	
THL Credit Wind River 2014-2 CLO, Series 2014-2A, Class SUB 0.00%, 1/15/2031 (i)(o)	2,560,920	230,968 Dividend and Income Fund, Class Common	2,623,796
Valhalla CLO, Ltd., Series 2004-1A 0.00%, 8/1/2020 (g)(i)(o)	330,000	Total Registered Investment Companies (Cost \$3,279,746)	2,623,796
Total Collateralized Loan Obligations (Cost \$38,770,047)	28,128,713	<b>Corporate Bonds &amp; Notes — 0.2%</b>	
<b>Sovereign Bonds — 3.5%</b>		<b>ENERGY (i) — 0.2%</b>	
Argentine Republic Government International Bond, 5.25%, 03/31/29	16,275,000	18,439,000 Ocean Rig UDW, Inc. 7.25%, 04/01/19 (b)(c)(m)	1,272,291
3,700,000 5.88%, 01/11/28	2,849,462	681 Sable Permian Resources LLC/AEPB Finance Corp. 7.38%, 11/01/21	266
2,000,000 6.88%, 04/22/21	1,831,000		1,272,557
5,000,000 6.88%, 01/11/48	3,693,750	<b>INFORMATION TECHNOLOGY (c)(m) — 0.0%</b>	
1,000,000 7.13%, 06/28/17	741,125	Avaya, Inc. 10.50%, 03/01/21	—
Provincia de Buenos Aries Argentina, Deposit Rates Badlar Pvt Banks + 3.830%, FRN 05/31/22	884,609	<b>UTILITIES (m)(n) — 0.0%</b>	
Provincia de Mendoza Argentina, Argentina Deposit Rates Badlar Pvt Banks+4.375%, FRN 06/09/21	521,549	Texas Competitive Electric Holdings Co., LLC 11.50%, 11/01/49	118,800
Total Sovereign Bonds (Cost \$34,123,344)	26,796,495	5,000,000 11.50%, 10/01/20	22,500
<b>Warrants — 0.3%</b>			141,300
<b>ENERGY (a) — 0.0%</b>		Total Corporate Bonds & Notes (Cost \$15,889,312)	1,413,857
4,071 Arch Coal, Inc., Expires 10/09/2023	177,089	<b>Rights — 0.2%</b>	
<b>GAMING/LEISURE (a)(b)(c)(e) — 0.0%</b>		<b>UTILITIES — 0.2%</b>	
607 LLV Holdco LLC - Series C, Membership Interest, Expires	—	1,618,542 Texas Competitive Electric Holdings Co., LLC	1,224,427
834 LLV Holdco LLC - Series D, Membership Interest, Expires	—	Total Rights (Cost \$5,007,431)	1,224,427
932 LLV Holdco LLC - Series E, Membership Interest, Expires	—	<b>Exchange-Traded Funds — 0.1%</b>	
1,049 LLV Holdco LLC - Series F, Membership Interest, Expires	—	2,925 Direxion Daily Gold Miners Index Bull 3X Shares (d)	57,886
		64,300 Global X MLP & ENERGY Infrastructure ETF	848,117
		Total Exchange-Traded Funds (Cost \$2,828,886)	906,003



LLV Holdco LLC - Series G,	
1,189 Membership Interest, Expires	<u>          —          </u>
	<u>          —          </u>



**INVESTMENT PORTFOLIO (unaudited)(continued)**

As of March 31, 2019

NexPoint Strategic Opportunities Fund

Shares	Value (\$)
<b>Foreign Corporate Bonds &amp; Notes — 0.0%</b>	
<b>Netherlands (m) — 0.0%</b>	
Celtic Pharma Phinco BV,	
93,180,354 17.00%,	—
Total Foreign Corporate Bonds & Notes	
(Cost \$62,254,526)	—
<b>Cash Equivalents — 0.5%</b>	
<b>Money Market Fund(p) — 0.5%</b>	
State Street Institutional U.S. Government Money Market	
4,190,116 Fund, Premier Class 2.390%	4,190,116
Total Cash Equivalents	
(Cost \$4,190,116)	4,190,116
<b>Total Investments - 134.5%</b>	
(Cost \$1,267,787,697)	<b>1,039,664,792</b>
<b>Securities Sold Short — (0.3)%</b>	
<b>Common Stock — (0.3)%</b>	
<b>ENERGY — (0.0)%</b>	
(8,451) ESC Seventy Seven	—
<b>INFORMATION TECHNOLOGY — (0.3)%</b>	
(27,450) Zillow Group, Class A (q)	(938,790)
(36,000) Zillow Group, Inc., Class C (d)(q)	(1,250,640)
(Proceeds \$2,511,391)	(2,189,430)
Total Securities Sold Short-	
(0.3)%	
(Proceeds \$2,511,391)	(2,189,430)
<b>Other Assets &amp; Liabilities, Net - (34.2)%</b>	<b>(264,611,197)</b>
<b>Net Assets - 100.0%</b>	<b>772,864,164</b>

securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$210,534,894, or 27.3% of net assets, were fair valued under the Fund's valuation procedures as of March 31, 2019. Please see Notes to Investment Portfolio.

- (d) All or part of this security is pledged as collateral for short sales. The market value of the securities pledged as collateral was \$41,466,466.
- (e) Affiliated issuer. Assets with a total aggregate market value of \$331,774,265, or 42.9% of net assets, were affiliated with the Fund as of March 31, 2019.
- (f) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:

Restricted Security	Security Type	Acquisition Date	Cost of Security	Market Value at Period End	Percent of Net Assets
Metro-Goldwyn-Mayer, Inc.	Common Stock	12/20/2010	\$13,929,926	\$22,876,138	3.0%
TerreStar Corporation	Common Stock	11/14/2014	\$34,089,464	\$37,930,622	4.9%

- (g) Securities of collateralized loan obligations where an affiliate of the Investment Adviser serves as collateral manager.
- (h) There is currently no rate available.
- (i) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transaction exempt from registration to qualified institutional buyers. At March 31, 2019, these securities amounted to \$171,979,363 or 22.3% of net assets.
- (j) Principal only security ("PO"). These types of securities represent the right to receive the monthly principal payments on an underlying pool of mortgages. No payments of interest on the pool are passed through to the "principal only" holder.
- (k) Interest only security ("IO"). These types of securities represent the right to receive the monthly interest payments on an underlying pool of mortgages. Payments of principal on the pool reduce the value of the "interest only" holding.

- (a) Non-income producing security.
- (b) Securities with a total aggregate value of \$529,065,562, or 68.5% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Investment Portfolio for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- (c) Represents fair value as determined by the Fund's Board of Trustees (the "Board"), or its designee in good faith, pursuant to the policies and procedures approved by the Board. The Board considers fair valued securities to be



17(l) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate (“LIBOR”) or (iii) the Certificate of Deposit rate. As of March 31, 2019, the LIBOR USD 1 Month and LIBOR USD 3 Month rates were 2.49% and 2.60%, respectively. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the “1933 Act”), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturity shown.



**INVESTMENT PORTFOLIO (unaudited)(continued)**

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**As of March 31, 2019****NexPoint Strategic Opportunities Fund**

- (m) The issuer is, or is in danger of being, in default of its payment obligation.
- (n) Represents value held in escrow pending future events. No interest is being accrued.
- (o) Variable or floating rate security. The base lending rates are generally the lending rate offered by one or more European banks such as the LIBOR. The interest rate shown reflects the rate in effect March 31, 2019. LIBOR, otherwise known as London Interbank Offered Rate, is the benchmark interest rate that banks charge each other for short-term loans. Current LIBOR rates include 1 month which is equal to 2.49% and 3 months equal to 2.60%.
- (p) Rate shown is 7 day effective yield.
- (q) No dividend payable on security sold short.



**INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****NexPoint Strategic Opportunities Fund**

Reverse Repurchase Agreements outstanding as of March 31, 2019 were as follows:

Counterparty	Collateral Pledged	Interest Rate	Trade Date	Maturity Date	Repurchase Amount	Principal Amount	Value
BNP	Acis CLO, Ltd., Series 2014-3A, Class E, VAR 3M USD LIBOR+4.750%, 7.49%, 2/1/2026	4.06	3/18/2019	4/18/2019	\$ 5,550,755	6,000,000	(4,109,400)
BNP	Acis CLO, Ltd., Series 2014-3A, Class F, VAR ICE LIBOR USD 3 Month+5.600%, 8.34%, 2/1/2026	4.24	3/18/2019	4/18/2019	4,593,814	5,000,000	(2,944,117)
BNP	Argentine Republic Government International Bond, 5.25%, 03/31/29	3.10	3/13/2019	4/12/2019	4,828,121	8,250,000	(3,611,760)
BNP	Argentine Republic Government International Bond, 5.25%, 03/31/29	3.10	3/19/2019	4/18/2019	9,071,481	15,250,000	(6,786,250)
BNP	Argentine Republic Government International Bond, 5.25%, 03/31/29	3.10	3/19/2019	4/18/2019	2,676,830	4,500,000	(2,002,500)
BNP	Argentine Republic Government International Bond, 5.88%, 01/11/28	3.10	3/18/2019	4/18/2019	2,950,710	3,700,000	(2,413,140)
BNP	Argentine Republic Government International Bond, 6.88%, 01/11/48	3.10	3/21/2019	4/18/2019	3,812,503	5,000,000	(2,852,500)
Mizuho	FREMF Mortgage Trust, Series 2018-K80, Class D, 0.00%, 8/25/2028	4.06	1/25/2019	4/25/2019	42,980,304	96,460,500	(31,911,328)
Mizuho	FREMF Mortgage Trust, Series 2018-K80, Class X2A, 0.10%, 8/25/2050	4.06	1/25/2019	4/25/2019	6,790,795	1,041,773,000	(5,038,718)
Mizuho	FREMF Mortgage Trust, Series 2018-K80, Class X2B, 0.10%, 8/25/2050	4.06	1/25/2019	4/25/2019	1,636,104	244,366,905	(1,214,748)
Mizuho	FREMF Mortgage Trust, Series 2018- KC02, Class C, 0.00%, 8/25/2025	4.06	1/25/2019	4/25/2019	44,868,987	76,080,350	(33,313,607)
Mizuho	FREMF Mortgage Trust, Series 2018- KC02, Class X2A, 0.10%, 7/25/2025	4.06	1/25/2019	4/25/2019	4,645,286	912,966,000	(3,447,363)
Mizuho	FREMF Mortgage Trust, Series 2018- KC02, Class X2B, 0.10%, 8/25/2025	4.06	1/25/2019	4/25/2019	534,586	101,440,350	(396,911)
Mizuho	FREMF Trust, Series 2018-KW04, Class C, 0.00%, 12/25/2032	4.06	1/25/2019	4/25/2019	12,022,399	45,871,176	(8,926,198)
Mizuho	FREMF Trust, Series 2018-KW04, Class X2A, 0.10%, 9/25/2028	4.06	1/25/2019	4/25/2019	3,002,611	550,452,099	(2,222,540)
Mizuho	FREMF Trust, Series 2018-KW04, Class X2B, 0.10%, 12/25/2032	4.06	1/25/2019	4/25/2019	389,232	61,162,105	(288,991)
<b>Total Reverse Repurchase Agreements</b>						<u>\$3,178,272,485</u>	<u>(111,480,071)</u>

REIT — Real Estate Investment Trust

USD — U.S. Dollar

**Foreign Denominated or Domiciled Senior Loans and  
Foreign Corporate Bonds & Notes  
Industry Concentration Table:  
(% of Net Assets)**

Utilities	0.2%
Healthcare	— %
	<u>0.2%</u>

ADR — American Depositary Receipt  
CDO — Collateralized Debt Obligation  
CLO — Collateralized Loan Obligation  
ETF — Exchange-Traded Fund  
MLP — Master Limited Partnership  
PIK — Payment-in-Kind



**NOTES TO INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****NexPoint Strategic Opportunities Fund****Organization**

NexPoint Strategic Opportunities Fund (the “Fund”) is a Delaware statutory trust and is registered with the U.S. Securities and Exchange Commission (the “SEC”) under the Investment Company Act of 1940, as amended (the “1940 Act”), as a non-diversified, closed-end management investment company. This report includes information for the nine months ended March 31, 2019. The Fund trades on the New York Stock Exchange (“NYSE”) under the ticker symbol NHF. The Fund may issue an unlimited number of common shares, par value \$0.001 per share (“Common Shares”). The Fund commenced operations on June 29, 2006. NexPoint Advisors, L.P. (“NexPoint” or “the Investment Adviser”), an affiliate of Highland Capital Management Fund Advisors, L.P. (“Highland”), is the investment adviser and administrator to the Fund.

Effective March 19, 2018, the Fund changed its name from NexPoint Credit Strategies Fund. The Fund’s investment objective of providing both current income and capital appreciation remains the same and the Fund will continue to invest in the following categories of instruments:

(i) secured and unsecured floating and fixed rate loans; (ii) bonds and other debt obligations; (iii) debt obligations of stressed, distressed and bankrupt issuers; (iv) structured products, including but not limited to, mortgage-backed and other asset-backed securities and collateralized debt obligations; and (v) equities; however, the Fund will no longer be required to invest at least 80% of its assets in categories (i)-(iv).

**Valuation of Investments**

In computing the Fund’s net assets attributable to its common shares, securities with readily available market quotations on the NYSE, National Association of Securities Dealers Automated Quotation (“NASDAQ”) or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund’s Board of Trustees (the “Board”). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund’s loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is “stale” or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund’s NAV, will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund’s NAV will reflect the affected portfolio securities’ fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security’s most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund’s valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund’s financial statements may vary from the NAV published by the Fund as of its period end because portfolio securities transactions are accounted for on the trade date (rather than the day following the trade date) for financial statement purposes.



**NOTES TO INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****NexPoint Strategic Opportunities Fund****Fair Value Measurements**

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1* — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;
- Level 2* — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and
- Level 3* — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of March 31, 2019, the Fund's investments consisted of senior loans, asset-backed securities, corporate bonds and notes, foreign bonds, sovereign bonds, common stocks, preferred stocks, exchange-traded funds, warrants, and securities sold short. The fair value of the Fund's loans, bonds and asset-backed securities are generally based on quotes received from brokers or independent pricing services. Loans, bonds, and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Senior loans, bonds and asset-backed securities that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, preferred stocks, exchange-traded funds, and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. The Fund's real estate investments include equity interests in limited liability companies and equity issued by Real Estate Investment Trusts ("REITs") that invest in commercial real estate. The fair value of real estate investments that are not actively traded on national exchanges are based on internal models developed by the Investment Adviser. The significant inputs to the models include cash flow projections for the underlying properties, capitalization rates and appraisals performed by independent valuation firms. These inputs are not readily observable, and the Fund has classified the investments as Level 3 assets. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.



**NOTES TO INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****NexPoint Strategic Opportunities Fund**

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. A summary of the inputs used to value each Fund's assets as of March 31, 2019 is as follows:

	<u>Total value at March 31, 2019</u>	<u>Level 1 Quoted Price</u>	<u>Level 2 Significant Observable Inputs</u>	<u>Level 3 Significant Unobservable Inputs</u>
<b>Assets</b>				
Common Stock				
Chemicals	\$ 11,335,543	\$ 10,865,999	\$ —	\$ 469,544
Consumer Discretionary	120,547	120,547	—	—
Energy	28,783,424	28,783,424	—	—
Financial	42,136,713	3,035,152	—	39,101,561
Gaming/Leisure	—	—	—	—
Healthcare	12,045,575	12,045,575	—	—
Housing	—	—	—	— (1)
Industrials	12,993,824	12,993,824	—	—
Information Technology	30,160,480	30,160,480	—	—
Materials	1,493,170	129,318	—	1,363,852
Media	23,165,166	22,876,138	—	289,028
Media and Telecommunications	494,678	494,678	—	—
Metals & Minerals	2,982,780	2,982,780	—	—
Pharmaceuticals	10,372,440	10,372,440	—	—
Real Estate	278,878,381	424,124	—	278,454,257
Real Estate Investment Trust	26,581,806	26,581,806	—	—
Retail	1,599,135	1,599,135	—	—
Telecommunication Services	38,809,188	878,566	—	37,930,622
Utilities	25,318,165	25,318,165	—	—
Preferred Stock				
Financial	121,951,409	—	121,951,409	—
Real Estate Investment Trust	141,023,423	—	8,278,056	132,745,366
Agency Collateralized Mortgage Obligations	124,870,811	—	124,870,811	—
U.S. Senior Loans				
Chemicals	800,953	—	—	800,953
Communication Services	20,621,578	—	—	20,621,578
Gaming/Leisure	9,074,471	—	—	9,074,471
Metals & Minerals	6,397,453	—	—	6,397,453



**NOTES TO INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****NexPoint Strategic Opportunities Fund**

Utilities	\$ 92,329	\$ 92,329	\$ —	\$ —
Collateralized Loan Obligations	28,128,713	—	27,626,344	502,369
Sovereign Bonds	26,796,495	—	26,796,495	—
Warrants				
Energy	177,089	—	177,089	—
Gaming/Leisure	—	—	—	— (1)
Industrials	1,507,298	1,465,082	—	42,216
Information Technology	593,556	—	593,556	—
Registered Investment Companies	2,623,796	2,623,796	—	—
Corporate Bonds & Notes				
Energy	1,272,557	—	266	1,272,291
Information Technology	—	—	—	—
Utilities	141,300	—	141,300	—
Rights				
Utilities	1,224,427	1,224,427	—	—
Exchange Traded Funds	906,003	906,003	—	—
Foreign Corporate Bonds & Notes				
Healthcare	—	—	—	—
Netherlands	—	—	—	—
Cash Equivalents	4,190,116	4,190,116	—	—
<b>Total Assets</b>	<u>1,039,664,792</u>	<u>200,163,905</u>	<u>310,435,326</u>	<u>529,065,561</u>
<b>Liabilities</b>				
Securities Sold Short				
Common Stock				
Energy	—	—	—	—
Information Technology	(2,189,430)	(2,189,430)	—	—
<b>Total Liabilities</b>	<u>(2,189,430)</u>	<u>(2,189,430)</u>	<u>—</u>	<u>—</u>
<b>Total</b>	<u>\$1,037,475,362</u>	<u>\$197,974,475</u>	<u>\$310,435,326</u>	<u>\$529,065,561</u>

(1) Security with zero value.

The table below sets forth a summary of changes in the Fund's Level 3 assets (assets measured at fair value using significant unobservable inputs) for the period ended March 31, 2019.

	Balance as of 12/31/2018	Transfers into Level 3	Transfers Out of Level 3	Net Amortization (Accretion) of Premium/ (Discount)	Net Realized Gains/ (Losses)	Net Unrealized Gains/ (Losses)	Net Purchase	Net (Sales)	Balance as of March 31, 2019
<b>NexPoint Strategic Opportunities Fund</b>									
U.S. Senior Loan	34,722,914	—	—	123,896	—	174,997	1,872,648	—	36,894,455
Corporate Bonds & Notes	1,272,291	—	—	—	—	—	—	—	1,272,291
Warrant	74,290	—	—	—	—	(32,074)	—	—	42,216
Preferred Stock	131,634,714	—	—	—	—	(589,348)	1,700,000	—	132,745,366
Collateralized Loan Obligation	494,320	—	—	—	—	8,049	—	—	502,369
Common Stock	342,711,505	—	—	—	—	(3,562,080)	19,959,439	(1,500,000)	357,608,864
<b>Total</b>	<u>510,910,034</u>	<u>—</u>	<u>—</u>	<u>123,896</u>	<u>—</u>	<u>(4,000,456)</u>	<u>23,532,087</u>	<u>(1,500,000)</u>	<u>529,065,561</u>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments.



**NOTES TO INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****NexPoint Strategic Opportunities Fund**

For the period ended March 31, 2019, \$16,938,749 of the Fund's portfolio investments were transferred from Level 2 to Level 3. Determination of fair values is uncertain because it involves subjective judgments and estimates that are unobservable. Transfers from Level 2 to Level 3 were due to a decline in market activity (e.g. frequency of trades), which resulted in a reduction of available market inputs to determine price.

The following is a summary of significant unobservable inputs used in the fair valuation of assets and liabilities categorized within Level 3 of the fair value hierarchy:

<u>Category</u>	<u>Market Value at 3/31/2019</u>	<u>Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Input Value(s)</u>
REIT	\$278,454,257	Discounted Cash Flow	Discount Rate	10% - 14%
		Third-Party Valuation	Capitalization Rates	5.70% - 8.75%
Preferred Stock	132,745,366	Discounted Cash Flow	Discount Rate	0.085
			Internal Rate of Return	0.14
		Net Asset Value	N/A	N/A
Common Stock	79,154,607	Multiples Analysis	Unadjusted Price/MHz-PoP	\$0.12 - \$0.95
			Risk Discount	39.0% - 42.3%
			Multiple of EBITDA	4.5x - 7.75x
			Liquidity Discount	10% - 25%
			Size Adjustment	0.1
		Discounted Cash Flow	Discount Rate	11% - 15%
			Terminal Multiple	6.75x
		Transaction Analysis	Multiple of EBITDA	7.25x - 7.75x
		Net Asset Value	N/A	N/A
U.S. Senior Loans	36,894,455	Discounted Cash Flow	Discount Rate	11.1% - 16.0%
			Spread Adjustment	0.0% - 0.1%
		Adjusted Appraisal	Liquidity Discount	0.1
			Asset Specific Adjustment	0.1
		Debt-Loan Spread	Adjusted Yield	10.23% - 16.10%
			Swap Rate	2.17% - 2.23%
Corporate Bonds and Notes	1,272,291	Liquidation Analysis	Claim Amount: Percent of Par	6.9%
Collateralized Loan Obligation	502,369	Discounted Cash Flow	Discount Rate	0.091
Warrants	42,216	Multiples Analysis	Multiple of EBITDA	6.50x - 7.75x
		Discounted Cash Flow	Discount Rate	11.0% - 13.0%
			Terminal Multiple	6.75x
		Transaction Analysis	Multiple of EBITDA	7.25x - 7.75x
<b>Total</b>	<b>529,065,561</b>			

In addition to the unobservable inputs utilized for various valuation methodologies, the Investment Adviser frequently uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Investment Adviser assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 16.7% to as high as 80% as of March 31, 2019. The selection of weightings is an inherently subjective process, dependent on professional judgement. These selections may have a material impact to the concluded fair value for such holdings.



**NOTES TO INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****NexPoint Strategic Opportunities Fund**

The significant unobservable input used in the fair value measurement of the Fund's REIT assets is the capitalization rate. Significant decreases (increases) in any of those inputs in isolation could result in a significantly higher (lower) fair value measurement. The significant unobservable input used in the fair value measurement of the Fund's preferred stock asset is the discount rate. Significant decreases (increases) in any of those inputs in isolation could result in a significantly higher (lower) fair value measurement. The significant unobservable inputs used in the fair value measurement of the Fund's bank loan securities are: liquidity discount, asset specific discount, discount rate, spread adjustment, adjusted yield and swap rate. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement. The significant unobservable inputs used in the fair value measurement of the Fund's common equity securities are: multiple of EBITDA, price/MHz-PoP multiple, risk discount, illiquidity discount, size adjustment, discount rate and terminal multiple. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement. Generally, a change in the assumption used for the risk discount is accompanied by a directionally opposite change in the assumption for the price/MHz-PoP multiple.

**Security Transactions**

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

**Cash & Cash Equivalents**

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of this financial report.

**Securities Sold Short**

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. The Fund may have to pay a fee to borrow particular securities and is often obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances, the Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Securities and cash held as collateral for securities sold short are shown on the Investment Portfolio for the Fund.

When securities are sold short, the Fund intends to limit exposure to a possible market decline in the value of its portfolio securities through short sales of securities that the Investment Adviser believes possess volatility characteristics similar to those being hedged. In addition, the Fund may use short sales for non-hedging purposes to pursue its investment objective. Subject to the requirements of the 1940 Act and the Internal Revenue Code of 1986, as amended (the "Code"), the Fund will not make a short sale if, after giving effect to such sale, the market value of all securities sold short by the Fund exceeds 25% of the value of its total assets. The Fund may make short sales "against the box" without respect to such limitations.

**Derivative Transactions**

The Fund is subject to interest rate risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments.



**NOTES TO INVESTMENT PORTFOLIO (unaudited)****As of March 31, 2019****NexPoint Strategic Opportunities Fund****Options**

The Fund may utilize options on securities or indices to varying degrees as part of their principal investment strategy. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by the Fund expires unexercised, the Fund realizes on the expiration date a capital gain equal to the premium received by the Fund at the time the option was written. If an option purchased by the Fund expires unexercised, the Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when the Fund desires. The Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. The Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid.

**Reverse Repurchase Agreements**

The Fund may engage in reverse repurchase agreement transactions with respect to instruments that are consistent with the Fund's investment objective or policies.

**Affiliated Issuers**

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as "affiliated" if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund as of March 31, 2019.

Issuer	Shares at December 31, 2018	Beginning Value as of December 31, 2018	Purchases at Cost	Proceeds from Sales	Net Realized Gain/(Loss) on Sales of Affiliated Issuers	Change Unrealized Appreciation/ Depreciation	Ending Value as of March 31, 2019	Shares at March 31, 2019	Affiliated Income
<b>Majority Owned, Not Consolidated</b>									
NexPoint Real Estate Opportunities, LLC, REIT (Common Stocks)	123,002,415	231,921,053	14,260,000	—	—	(3,427,534)	242,753,519	130,568,803	4,300,770
Specialty Financial Products, Ltd. (Common Stocks)	33,685,010	36,821,085	3,685,000	(1,500,000)	—	(43,271)	38,962,814	37,199,555	—
<b>Other Affiliates</b>									
Gambier Bay LLC(1)	2,102,020	241,732	—	—	—	47,296	289,028	2,102,020	—
LLV Holdco LLC (U.S. Senior Loans, Common Stocks & Warrants)	—	—	—	—	—	—	—	31,481	—
Nexpoint Residential Trust, Inc.		1,368,548	1,546,675	(7,713)	—	147,613	3,055,123	79,685	3,205
TerreStar Corp. (U.S. Senior Loans & Common Stocks)		64,043,708	732,032	—	—	(6,224,328)	58,552,200	20,775,021	539,793
<b>Other Controlled</b>									



NOTES TO INVESTMENT PORTFOLIO (unaudited)

As of March 31, 2019 NexPoint Strategic Opportunities Fund

Allenby									
(Common Stocks)	585,895	1	366	—	—	(366)	—	585,401	—
Claymore									
(Common Stocks)	1,874,553	2	613	—	—	(613)	2	1,875,166	—
Total	<u>89,028,240</u>	<u>\$237,614,737</u>	<u>\$196,712,177</u>	<u>\$(108,549,238)</u>	<u>\$—</u>	<u>\$11,686,170</u>	<u>\$337,463,846</u>	<u>183,261,433</u>	<u>\$7,552,512</u>

(1) Includes the value of iHeart Communications, Inc. bonds as of December 31, 2017 and subsequent activity.

For more information with regard to significant accounting policies, see the most recent semi-annual report filed with the U.S. Securities and Exchange Commission.



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM N-CSR**

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**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

**Investment Company Act file number: 811-21869**

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**NEXPOINT STRATEGIC  
OPPORTUNITIES FUND**

(Exact name of registrant as specified in charter)

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**300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Address of principal executive offices)(Zip code)

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**NexPoint Advisors, L.P.  
300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Name and Address of Agent for Service)

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**Registrant's telephone number, including area code: (866) 351-4440**

**Date of fiscal year end: December 31**

**Date of reporting period: December 31, 2019**

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**Item 1. Reports to Stockholders.**

A copy of the Annual Report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the "1940 Act"), is attached herewith.



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# NexPoint Strategic Opportunities Fund

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## Annual Report December 31, 2019

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Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds' website (highlandfunds.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary (such as a broker dealer or bank) or, if you are a direct investor, by contacting the Fund's transfer agent at 1-866-351-4440. You may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you can call 1-866-351-4440 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with the Fund.



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# NexPoint Strategic Opportunities Fund

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Economic and market conditions change frequently.  
There is no assurance that the trends described in this report will continue or commence.

**A prospectus must precede or accompany this report. Please read the prospectus carefully before you invest.**

### Privacy Policy

We recognize and respect your privacy expectations, whether you are a visitor to our web site, a potential shareholder, a current shareholder or even a former shareholder.

*Collection of Information.* We may collect nonpublic personal information about you from the following sources:

- **Account applications and other forms, which may include your name, address and social security number, written and electronic correspondence and telephone contacts;**
- **Web site information, including any information captured through the use of “cookies”; and**
- **Account history, including information about the transactions and balances in your accounts with us or our affiliates.**

*Disclosure of Information.* We may share the information we collect with our affiliates. We may also disclose this information as otherwise permitted by law. We do not sell your personal information to third parties for their independent use.

*Confidentiality and Security of Information.* We restrict access to nonpublic personal information about you to our employees and agents who need to know such information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information, although you should be aware that data protection cannot be guaranteed.



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## PORTFOLIO MANAGER COMMENTARY (unaudited)

December 31, 2019

NexPoint Strategic Opportunities Fund

During 2019, the NexPoint Strategic Opportunities Fund (the "Fund", NYSE:NHF) returned 5.66% on net asset value ("NAV") and 4.76% of market value, including reinvested dividends, compared to a total return of 9.31% for the Credit Suisse Hedge Fund Index and 8.62% for the HFRX Global Hedge Fund Index during the same period. Top contributors to performance include Private Real Estate, Freddie Mac K-Deals, Jernigan Capital, Inc. and Fortinet. Some of the largest detractors to performance include Argentine sovereign debt, which detracted approximately 11 basis points on the net asset value, Argentine equity, Fieldwood Energy and Aerie Pharmaceuticals.

NHF	1 Year	3 Year	5 Year	Inception to Date
NAV	5.66%	8.28%	4.62%	5.52%
Market Price	4.76%	6.39%	4.65%	3.68%

On October 25, 2019, the Board of Trustees approved a repurchase program to repurchase up to \$25 million of the Fund's shares over a six-month period. The program allows for the Fund to repurchase shares, if trading at a discount, in open market transactions until the conclusion of the repurchase period on April 24, 2020 (subject to the Fund's available cash, after consideration of reserves necessary for anticipated fund expenses and contingencies).

### Portfolio Highlights

On April 11, 2019, the Fund announced the commencement of a non-transferable rights offering to purchase additional shares of common stock of the Fund. The offering was a success, with total subscriptions equaling over 230% of the primary offering. The Fund successfully raised \$240 million in new capital to take advantage of accretive and opportunistic investment ideas.

A significant amount of the proceeds of the rights offering have been invested in high conviction private real estate, including: Freddie Mac K-Deals; a portfolio of single-family mortgage loans; and investments made through the Fund's wholly owned private REIT subsidiaries, NexPoint Real Estate Opportunities, LLC ("NREO") and NexPoint Real Estate Capital, LLC ("NREC"). As of December 31, 2019, NREC held preferred equity positions in six multifamily properties representing \$30.5 million of invested capital.

NREO includes several private real estate assets. These investments include, SAFStor, CityPlace Tower, Marriott Modern Uptown Dallas and a single family rental private REIT.

- NREO has an interest in a single family rental private REIT that owns and operates nearly 7,000 cash flowing single family rental homes in 12 markets across the Midwest. The REIT looks to benefit from the fundamental mispricing of workforce single-family rental (SFR) assets in the U.S., leveraging supply-demand imbalances and fragmentation in the market to acquire units at significant discounts to replacement cost and capitalization rates significantly higher than comparable multifamily assets. The workforce SFR sector has been helped by the expansion of the U.S. rental base as well as the well documented shortage of lower priced housing options in the country
- SafStor owns, develops and redevelops single and multi-story self-storage properties. The properties are located in markets with high barriers to entry and are undersupplied. We look 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, 2019, NREO had invested \$47.6 million of equity to fund the development of eight individual storage facilities. Additionally, we have 36 projects in the construction or planning phase with expected completion between May 2020 and December 2022. The weighted average yield on cost is 8.6% for all 44 properties. We expect appreciation of the storage portfolio once development is complete.
- CityPlace Tower is a 42-story, 1.35 million square foot, trophy office building located adjacent to the Uptown submarket in Dallas, Texas. NREO acquired the property in 2018 and, according to an appraisal performed by JLL, at a 5.1% discount to the current as-is market value and a 50.8% discount to replacement cost. The prior owners were unwilling to invest significant capital to remain competitive with the property's competitors. For example, due to prior ownership, CityPlace was budgeted to average approximately \$14/square foot in triple net lease ("NNN") rent equivalent during 2019. Similar office assets in the Uptown-Dallas submarket are achieving average NNN rents of \$30/square foot. We are investing significant capital to provide class-A amenities and reposition the asset to achieve higher rental rates in both the office and retail spaces. The office tower will house a 223-key five-star hotel 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. Plans for the restaurant include a terrace overlooking Uptown and Downtown Dallas. The hotel is expected to open in early 2022 and

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## PORTFOLIO MANAGER COMMENTARY (unaudited)

December 31, 2019

NexPoint Strategic Opportunities Fund

is expected to more than double net operating income of the building once stabilized. There are also plans to enhance shared spaces and amenities for tenants by renovating the lobby, introducing concourse-level fast food and retail offerings, and building a new fitness center. We also built a datacenter in a space that was considered unusable and is expected to generate an additional \$700k in ancillary income.

- In March 2019 NREO contributed properties in exchange for shares of the NexPoint Hospitality Trust, which listed on the Toronto Venture Exchange and are traded under the symbol "NHT". In connection with the offering, NHT acquired 11 full-service and select-service hotels located throughout the United States. In July 2019, NHT announced an agreement to acquire Condor Hospitality Trust, Inc. (NYSE American: CDOR) for approximately \$318 million, which would increase NHT's gross asset value to approximately \$700 million. The combined portfolio will expand NHT's footprint to a total of 26 hotels across 11 states and 18 distinct metropolitan statistical areas ("MSAs") with concentrations in Texas, Florida, and Georgia.
- As of December 31, 2019, NREO had invested \$37.3 million of equity to fund the development of an upscale Marriott hotel in the heart of the Uptown submarket of Dallas, Texas. The total project cost is roughly \$105 million and, upon completion, will boast 255 upscale guestrooms with approximately 13,000 square feet of meeting space. The Marriott Uptown will fill a void in the immediate submarket which lacks an affordable, quality hotel for the business traveler. The hotel is scheduled for completion in the 3rd quarter of 2020 and we anticipate significant appreciation potential after completion.

NHF has invested in several Freddie Mac sponsored K-Deals securitizations (more specifically B-Pieces), which have been, in our opinion, a successful and sought-after exclusive securitization program offering a wide-range of multifamily products. As of December 31, 2019, 330 K-Deal transactions have closed for a combined \$353.4 billion in issuance and 17,650 loans originated and securitized with less than 1 basis point of losses. We believe B-Pieces offer an attractive risk-adjusted return with a strong underlying credit profile, pooled diversification, and are backed by an asset class we intimately understand.

### The Fund's Strategy

The Fund's investment adviser, NexPoint Advisers L.P. (the "Investment Adviser"), manages the Fund pursuant to a multistrategy investment program that attempts to exceed the return of the Fund's benchmark in a transparent, registered fund format with monthly dividends. We will typically allocate the Fund's investments in the following asset classes: public equities, private equity investments, collateralized loan obligation (CLOs) debt, high yield bonds, syndicated floating rate bank loans, real estate assets, CLO equity, non-traditional yield oriented investments and may hedge exposure where necessary.

### Shareholder Loyalty Program

In July 2012, we developed and implemented a unique and creative Shareholder Loyalty Program (the "Program") that we believe rewards long-term shareholders while aligning the interests of the portfolio manager and other employees of the Investment Adviser and its affiliates with those of the Fund's shareholders. The primary purpose of the Program is to promote shareholder loyalty. Subject to certain limitations, the Program offers shareholders a 2% gross-up on all new contributions made through accounts held by the Program's administrator that are held for at least 12-months after initial purchase date. The Program was offered to employees of NexPoint and affiliates beginning in July 2012 and has increased direct employee ownership in the Fund. All costs of the program, including the cost of the gross-up on purchases and dividend reinvestments, are paid by the Investment Adviser, not by the Fund.



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## FUND PROFILE (unaudited)

### NexPoint Strategic Opportunities Fund

#### Objective

NexPoint Strategic Opportunities Fund seeks to provide both current income and capital appreciation.

Net Assets as of December 31, 2019

**\$974 million**

Portfolio Data as of December 31, 2019

The information below provides a snapshot of NexPoint Strategic Opportunities Fund at the end of the reporting period. NexPoint Strategic Opportunities Fund is actively managed and the composition of its portfolio will change over time. Current and future holdings are subject to risk.

#### Quality Breakdown as of 12/31/2019

(%)(<sup>1</sup>)

AAA	1.5
BBB	1.6
BB	3.6
B	2.3
CCC	6.1
CC	0.5
NR	84.3

#### Sectors as of 12/31/2019 (%)<sup>(1)(2)</sup>

Real Estate and Real Estate Investment Trust	60.0
Agency and Collateralized Mortgage Obligation	21.2
Financial	20.8
Communication Services	8.6
Energy	4.9

#### Top 10 Holdings as of 12/31/2019 (%)<sup>(1)(2)</sup>

NexPoint Real Estate Opportunities, LLC (Common Stock)	24.4
Jernigan Capital, Inc. 7.00%, (Preferred Stock)	11.2
NexPoint Hospitality Trust (Common Stock)	6.9
FREMF Mortgage Trust 7.70%, 11/25/2026 (Agency Collateralized Mortgage Obligations)	6.0
FREMF Mortgage Trust , 8/25/2025 (Agency Collateralized Mortgage Obligations)	5.5
FREMF Mortgage Trust , 8/25/2028 (Agency Collateralized Mortgage Obligations)	4.8
SFR WLIF I, LLC %, (LLC Interest)	4.1
TerreStar Corporation (Common Stock)	3.8
Specialty Financial Products, Ltd. (Common Stock)	3.6
NexPoint Real Estate Capital (Common Stock)	3.5

<sup>(1)</sup> Quality is calculated as a percentage of total bonds & notes. Sectors and holdings are calculated as a percentage of total net assets. The quality ratings reflected were issued by Standard & Poors, a nationally recognized statistical rating organization. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Quality ratings reflect the credit quality of the underlying bonds in the Fund's portfolio and not that of the Fund itself. Quality Ratings are subject to change.

<sup>(2)</sup> Sectors and holdings are calculated as a percentage of total net assets.



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## FINANCIAL STATEMENTS

December 31, 2019

NexPoint Strategic Opportunities Fund

### A guide to understanding each Fund's financial statements

<b>Investment Portfolio</b>	The Investment Portfolio details all of the Fund's holdings and its market value as of the last day of the reporting period. Portfolio holdings are organized by type of asset and industry to demonstrate areas of concentration and diversification.
<b>Statement of Assets and Liabilities</b>	This statement details the Fund's assets, liabilities, net assets and share price for each share class as of the last day of the reporting period. Net assets are calculated by subtracting all of the Fund's liabilities (including any unpaid expenses) from the total of the Fund's investment and noninvestment assets. The net asset value per share for each class is calculated by dividing net assets allocated to that share class by the number of shares outstanding in that class as of the last day of the reporting period.
<b>Statement of Operations</b>	This statement reports income earned by the Fund and the expenses incurred by the Fund during the reporting period. The Statement of Operations also shows any net gain or loss the Fund realized on the sales of its holdings during the period as well as any unrealized gains or losses recognized over the period. The total of these results represents the Fund's net increase or decrease in net assets from operations.
<b>Statement of Changes in Net Assets</b>	This statement details how the Fund's net assets were affected by its operating results, distributions to shareholders and shareholder transactions (e.g., subscriptions, redemptions and distribution reinvestments) during the reporting period. The Statement of Changes in Net Assets also details changes in the number of shares outstanding.
<b>Statement of Cash Flows</b>	This statement reports net cash and foreign currency provided or used by operating, investing and financing activities and the net effect of those flows on cash and foreign currency during the period.
<b>Financial Highlights</b>	The Financial Highlights demonstrate how the Fund's net asset value per share was affected by the Fund's operating results. The Financial Highlights also disclose the classes' performance and certain key ratios (e.g., net expenses and net investment income as a percentage of average net assets).
<b>Notes to Financial Statements</b>	These notes disclose the organizational background of the Fund, certain of its significant accounting policies (including those surrounding security valuation, income recognition and distributions to shareholders), federal tax information, fees and compensation paid to affiliates and significant risks and contingencies.



[Table of Contents](#)**INVESTMENT PORTFOLIO****As of December 31, 2019****NexPoint Strategic Opportunities Fund**

<u>Shares</u>		<u>Value (\$)</u>	<u>Shares</u>		<u>Value (\$)</u>
<b>Common Stock - 63.0%</b>			<b>INFORMATION TECHNOLOGY - 1.6%</b>		
<b>CHEMICALS - 0.0%</b>			271,271	Avaya Holdings Corp. (a)(b)	3,662,159
25,250	Venator Materials (a)(b)	96,707	66,233	CDK Global, Inc. (a)	3,621,620
<b>COMMUNICATION SERVICES - 6.2%</b>			22,650	Enphase Energy (a)(b)	591,844
309,137	Metro-Goldwyn-Mayer, Inc. (b)(q)	23,752,078	12,400	Globant (a)(b)	1,315,020
132,801	TerreStar Corporation (b)(c)(d)(e)(q)	36,808,453	1	MagnaChip Semiconductor (b)	12
		60,560,531	14,900	NXP Semiconductors (a)	1,896,174
<b>CONSUMER DISCRETIONARY - 0.8%</b>			101,800	StoneCo, Class A (a)(b)	4,060,802
38,400	Afya, Class A (a)(b)	1,041,408			15,147,631
2,500	Amazon.com, Inc. (a)(b)	4,619,600	<b>MATERIALS - 0.2%</b>		
4,460	MercadoLibre, Inc. (a)(b)	2,550,853	5,750	Huntsman (a)	138,920
		8,211,861	356,875	MPM Holdings, Inc. (b)	1,784,375
<b>ENERGY - 3.3%</b>			11,164	Omnimax International, Inc. (b)(c)(d)(e)	34,830
336	California Resources (a)(b)	3,034			1,958,125
67,200	Continental Resources, Inc. (a)	2,304,960	<b>MEDIA AND TELECOMMUNICATIONS - 0.1%</b>		
368,680	Fieldwood Energy LLC (b)	7,435,170	13,722	Loral Space & Communications, Inc. (a)(b)	443,495
1,425,351	NextDecade Corp. (a)(b)	8,751,655	<b>METALS &amp; MINERALS - 0.2%</b>		
299,500	Petroleo Brasileiro ADR (a)	4,774,030	272,400	Loma Negra Cia Industrial Argentina ADR (a)(b)	2,130,168
40,000	Pioneer Natural Resources (a)	6,054,800	<b>PHARMACEUTICALS - 2.8%</b>		
40	Transocean (a)(b)	275	489,600	Aerie Pharmaceuticals, Inc. (a)(b)	11,833,632
30,885	Williams Cos., Inc. (a)	732,592	612,991	Heron Therapeutics, Inc. (a)(b)	14,405,288
159,800	YPF ADR (a)	1,850,484	110,000	TG Therapeutics, Inc. (a)(b)	1,221,000
		31,907,000			27,459,920
<b>FINANCIAL - 5.0%</b>			<b>REAL ESTATE - 11.8%</b>		
47,354	American Banknote Corp. (c)(d)	155,795	631,135	Allenby (b)(c)(d)(e)	1
63,000	Banco Bradesco ADR (a)	563,850	78,947	Alpine Income Property Trust (a)	1,502,361
11,600	CIT Group, Inc. (a)	529,308	2,019,369	Claymore (b)(c)(d)(e)	2
666,667	Creative Science Properties, Inc. (b)(f)(g)	10,000,005	293,449	Cresud SACIF y A ADR (a)(b)	2,065,883
70,240	Grupo Supervielle SA ADR (a)	258,483	13,370,573	NexPoint Hospitality Trust (e)	66,719,159
237,500	Itau Unibanco Holding ADR (a)	2,173,125	11,389,726	NexPoint Real Estate Capital (c)(d)(e)	34,066,670
38,998,415	Specialty Financial Products, Ltd. (c)(d)(e)	35,254,567	81,229	NexPoint Residential Trust, REIT (a)(e)	3,655,305
		48,935,133	357,117	Postal Realty Trust, Class A, REIT (a)	6,053,133
<b>GAMING/LEISURE - 0.0%</b>					114,062,514
26,712	LLV Holdco LLC - Series A, Membership Interest (b)(c)(d)(e)	—	<b>REAL ESTATE INVESTMENT TRUST - 26.2%</b>		
144	LLV Holdco LLC - Series B, Membership Interest (b)(c)(d)(e)	—	233,732	Bluerock Residential Growth, Class A, REIT (a)	2,816,471
<b>HEALTHCARE - 1.8%</b>			47,000	Independence Realty Trust, Inc., REIT (a)	661,760
50,000	Paratek Pharmaceuticals, Inc. (a)(b)	201,500	439,183	Jernigan Capital, Inc., REIT (a)	8,405,963
20,400	Patterson (a)	417,792	146,055,529	NexPoint Real Estate Opportunities, LLC, REIT (c)(d)(e)	237,982,879
694,994	Portola Pharmaceuticals, Inc. (a)(b)	16,596,457	1,763,581	United Development Funding IV, REIT (a)(e)	5,149,656
		17,215,749			255,016,729
<b>HOUSING - 0.0%</b>			<b>UTILITIES - 2.4%</b>		
368,150	Westgate Investments LLC (b)(c)(d)	—	327,750	Central Puerto ADR (a)	1,592,865
<b>INDUSTRIALS - 0.6%</b>			26,220	Entegra TC LLC (c)(d)	—
64,900	American Airlines Group, Inc. (a)	1,861,332	156,000	Pampa Energia ADR (a)(b)	2,563,080
172,900	Hertz Global Holdings (a)(b)	2,723,175	800,800	Vistra Energy Corp. (a)	18,410,392
8	Pendrell Corp. (a)(b)	1,410,200			22,566,337
		5,994,707		Total Common Stock (Cost \$670,740,170)	611,706,607

See Glossary on page 10 for abbreviations along with accompanying Notes to Financial Statements. | 5



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## INVESTMENT PORTFOLIO (continued)

As of December 31, 2019

NexPoint Strategic Opportunities Fund

Shares		Value (\$)	Shares		Value (\$)
<b>Preferred Stock - 30.2%</b>					
<b>FINANCIAL - 15.8%</b>					
14,500	Aberdeen Loan Funding, Ltd. (f)	1,682,725	55,096,698	Series 2019-K97, Class D 0.00%, 1/25/2030 (h)	24,505,358
15,000	Brentwood CLO, Ltd. (f)	7,500,000	598,636,812	Series 2019-K97, Class X2A 0.10%, 7/25/2029 (i)	4,801,067
13,600	Brentwood Investors , 02/01/2022 (f)	6,800,000	135,904,199	Series 2019-K97, Class X2B 0.10%, 1/25/2030 (i)	1,065,489
34,500	Eastland CLO, Ltd. (f)	14,371,551	45,871,176	FREMF Trust, Series 2018-KW04, Class C 0.00%, 12/25/2032 (h)	16,284,268
13,006	Eastland Ltd. , 05/01/2022 (b)(f)	5,417,867		Total Agency Collateralized Mortgage Obligations (Cost \$188,241,423)	206,150,678
70,000	Federal National Mortgage Association 5.13% (a)(b)(g)	1,392,300	<b>LLC Interest (c)(d)(e) - 7.6%</b>		
62,611	Federal National Mortgage Association 8.25% (a)(b)(g)	717,201	40,322,605	SFR WLIF I, LLC	39,730,669
8,960	Federal National Mortgage Association 4.75% (a)(b)(g)	177,318	26,968,904	SFR WLIF II, LLC	26,714,857
7,750	Gleneagles CLO, Ltd. , 12/30/2049 (f)	3,022,500	7,708,491	SFR WLIF III, LLC	7,541,371
62,600	Grayson CLO, Ltd. , 11/01/2021 (f)	26,117,033		Total LLC Interest (Cost \$75,000,000)	73,986,897
13,700	Grayson Investors , 11/01/2021 (f)	5,715,708	<b>U.S. Senior Loans (j) - 4.0%</b>		
42,750	Greenbriar CLO, Ltd. , 11/01/2021 (f)	23,868,750	<b>COMMUNICATION SERVICES - 2.4%</b>		
125,000	Jasper CLO, Ltd. (f)	5,500,000		iHeartCommunications Inc., Initial Term Loan, 1st Lien, 05/01/26 (k)	76,906
10,000	Liberty CLO, Ltd. , 11/01/2017 (f)	3,675,000	76,365	TerreStar Corporation Term Loan, 02/28/22 (c)(d)(e)	424,370
8,500	Red River CLO, Ltd. , 07/27/2018 (f)	2,455,940	425,220	TerreStar Corporation, Term Loan A, cash/0% PIK 02/27/20 (c)(d)(e)	21,686,285
4,871	Rockwall CDO , 08/01/2024 (f)	2,605,985	21,729,744	TerreStar Corporation, Term Loan C, cash/0% PIK 02/27/20 (c)(d)(e)	508,534
4,800	Rockwall CDO, Ltd. (f)	1,248,000	509,553		22,696,095
10,500	Rockwall CDO, Ltd. , 08/01/2021 (f)	2,730,000		<b>GAMING/LEISURE - 1.0%</b>	
6,000	Southfork CLO, Ltd. , 05/01/2017 (f)	600,000		Ginn-LA CS Borrower LLC, Tranche A, 1st Lien, 05/30/20 (c)(d)	—
2,000	Stratford CLO , 11/01/2021 (f)	1,050,000		Ginn-LA CS Borrower LLC, Tranche B Term Loan, 1st Lien, 05/30/19 (c)(d)(k)	—
41,500	Stratford CLO, Ltd. , 11/01/2021 (f)	18,336,360		LLV Holdco, LLC, Revolving Exit Loan, 09/03/20 (c)(d)(e)	9,389,339
35,507	Westchester CLO, Ltd. , 08/01/2022 (f)	18,286,105			9,389,339
		153,270,343		<b>METALS &amp; MINERALS - 0.6%</b>	
<b>REAL ESTATE - 2.2%</b>				Omnimax International, Inc., Unsecured Term Loan, cash/0% PIK 02/06/21 (c)(d)(e)	6,188,652
18,508	Creek Pine Holdings, LLC, REIT 10.25% (b)(c)(d)(g)	21,430,783		<b>UTILITIES - 0.0%</b>	
<b>REAL ESTATE INVESTMENT TRUST - 12.2%</b>				Texas Competitive Electric Holdings Co., LLC, Extended Escrow Loan, (l)	83,096
99,223	Bluerock Residential Growth, Inc., REIT 7.63% (a)(g)	2,581,783		Total U.S. Senior Loans (Cost \$52,730,774)	38,357,182
126,816	Bluerock Residential Growth, Inc., REIT, Series D 7.13% (a)(g)	3,229,712		<b>Collateralized Loan Obligations - 3.9%</b>	
108,500	Jernigan Capital, Inc., REIT 7.00% (b)(c)(d) (g)	109,277,912		Acis CLO, Ltd., Series 2014-3A, Class E VAR ICE LIBOR USD 3 Month+4.750%, 6.66%, 2/1/2026 (m)	5,166,600
67,101	RAIT Financial Trust, REIT 7.13%, 08/30/2019 (a)(g)	1,667,460			
53,800	RAIT Financial Trust, REIT 7.63%, 04/15/2024 (a)	1,334,240			
86,294	RAIT Financial Trust, REIT 8.88% (a)(g)	2,464			
		118,093,571			
	Total Preferred Stock (Cost \$334,788,821)	292,794,697			
<b>Agency Collateralized Mortgage Obligations - 20.9%</b>					
58,661,484	FREMF Mortgage Trust, Series 2019-KF72, Class C VAR ICE LIBOR USD 1 Month+6.000%, 7.70%, 11/25/2026	58,368,177	6,000,000		
76,080,350	Series 2018-KC02, Class C 0.00%, 8/25/2025 (h)	54,024,657			
96,460,500	Series 2018-K80, Class D 0.00%, 8/25/2028 (h)	47,101,662			

6 | See Glossary on page 10 for abbreviations along with accompanying Notes to Financial Statements.







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## INVESTMENT PORTFOLIO (continued)

As of December 31, 2019

NexPoint Strategic Opportunities Fund

Units	Value (\$)
<b>Rights - 0.2%</b>	
<b>UTILITIES - 0.2%</b>	
1,618,542 Texas Competitive Electric Holdings Co., LLC	1,702,706
Total Rights (Cost \$5,000,539)	1,702,706
<b>Contracts</b>	
<b>Purchased Call Options (b) - 0.1%</b>	
Total Purchased Call Options (Cost \$2,882,250)	1,034,600
<b>Foreign Corporate Bonds &amp; Notes - 0.0%</b>	
<b>NETHERLANDS - 0.0%</b>	
93,180,354 Celtic Pharma Phinco BV, 17.00%, (c)(d)(k)	—
Total Foreign Corporate Bonds & Notes (Cost \$62,254,526)	—
<b>Convertible Bond - 0.0%</b>	
<b>HEALTHCARE - 0.0%</b>	
350,000 Paratek Pharmaceuticals 4.75%, 05/01/24	252,875
Total Convertible Bonds (Cost \$252,915)	252,875
<b>Total Investments - 134.3%</b>	<b>1,305,672,263</b>
(Cost \$1,506,610,426)	
<b>Shares</b>	
<b>Common Stock - (1.1)%</b>	
<b>ENERGY - 0.0%</b>	
(8,451) ESC Seventy Seven	—
<b>INFORMATION TECHNOLOGY - (1.1)%</b>	
(70,750) Texas Instruments, Inc.	(9,076,517)
(13,725) Zillow Group, Class A (o)	(627,782)
(18,000) Zillow Group, Inc., Class C (o)	(826,920)
	(10,531,219)
Total Common Stock (Proceeds \$9,688,433)	(10,531,219)
Total Securities Sold Short - (1.1)% (Proceeds \$9,688,433)	(10,531,219)
<b>Other Assets &amp; Liabilities, Net - (33.2)% (p)</b>	<b>(321,501,741)</b>
<b>Net Assets - 100.0%</b>	<b>973,639,303</b>

- approved by the Board. The Board considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$588,973,517, or 60.5% of net assets, were fair valued under the Fund's valuation procedures as of December 31, 2019. Please see Notes to Investment Portfolio.
- (e) Affiliated issuer. Assets with a total aggregate market value of \$531,856,677, or 54.6% of net assets, were affiliated with the Fund as of December 31, 2019.
- (f) There is currently no rate available.
- (g) Perpetual security with no stated maturity date.
- (h) Principal only security ("PO"). These types of securities represent the right to receive the monthly principal payments on an underlying pool of mortgages. No payments of interest on the pool are passed through to the "principal only" holder.
- (i) Interest only security ("IO"). These types of securities represent the right to receive the monthly interest payments on an underlying pool of mortgages. Payments of principal on the pool reduce the value of the "interest only" holding.
- (j) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR") or (iii) the Certificate of Deposit rate. As of December 31, 2019, the LIBOR USD 1 Month and LIBOR USD 3 Month rates were 2.49% and 2.60%, respectively. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity maybe substantially less than the stated maturity shown.
- (k) The issuer is, or is in danger of being, in default of its payment obligation.
- (l) Represents value held in escrow pending future events. No interest is being accrued.
- (m) Variable or floating rate security. The base lending rates are generally the lending rate offered by one or more European banks such as the LIBOR. The interest rate shown reflects the rate in effect December 31, 2019. LIBOR, otherwise known as London Interbank Offered Rate, is the benchmark interest rate that banks charge each other for short-term loans. Current LIBOR rates include 1 month which is equal to 2.49% and 3 months equal to 2.60%.
- (n) Variable or floating rate security, the interest rate of which adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets.
- (o) No dividend payable on security sold short.
- (p) As of December 31, 2019, \$10,531,219 in cash was segregated or on deposit with the brokers to cover investments sold short and is included in "Other Assets & Liabilities, Net".
- (q) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:

Restricted Security	Security Type	Acquisition Date	Cost of Security	Market Value at Period End	Percent of Net Assets
Metro-Goldwyn-Mayer, Inc.	Common Stocks	12/20/2010	\$ 13,929,926	\$ 23,752,078	2.45%
TerreStar Corporation	Common Stocks	3/16/2018	\$ 34,089,464	\$ 36,808,453	3.79%

8 | See Glossary on page 10 for abbreviations along with accompanying Notes to Financial Statements.



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## INVESTMENT PORTFOLIO (concluded)

As of December 31, 2019

NexPoint Strategic Opportunities Fund

Future contracts outstanding as of December 31, 2019 were as follows:

Description	Expiration Date	Number of Contracts	Notional Value	Unrealized (Depreciation)	Value
<b>Short Futures:</b>					
Russell 2000 Index E-MINI	March 2020	650	\$53,192,181	\$ (1,102,319)	\$(54,294,500)

These are exchange traded future contracts, therefore, a Level 1 fair value security.

Purchased option contracts outstanding as of December 31, 2019 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Cost	Value
<b>PURCHASED CALL OPTIONS:</b>							
USD/CNH Call	\$ 7.45	BNP	February 2020	300,000,000	\$2,235,000,000	\$ 699,000	\$ 40,500
USD/CNH Call	\$ 7.70	BNP	October 2020	200,000,000	\$1,540,000,000	1,300,000	557,600
USD/HKD Call	\$ 7.85	BNP	January 2020	250,000,000	\$1,962,000,000	325,000	55,000
USD/HKD Call	\$ 7.80	BNP	June 2020	125,000,000	\$ 975,000,000	558,250	381,500
						<u>\$2,882,250</u>	<u>\$1,034,600</u>

The average amount of borrowing by the Fund on reverse repurchase agreements outstanding during the year ended December 31, 2019 was \$23,523,740 at a weighted average interest rate of 3.47% for BNP Securities and \$89,068,457 at a weighted average interest rate of 3.91% for Mizuho Securities.

Reverse Repurchase Agreements outstanding as of December 31, 2019 were as follows:

Counterparty	Collateral Pledged	Interest Rate	Trade Date	Maturity Date	Repurchase Amount	Principal Amount	Value
BNP	Acis CLO, Ltd., Series 2014-3A, Class E, VAR 3M USD LIBOR+4.750%, 7.33%, 2/1/2026	3.45%	10/15/2019	1/15/2020	\$ (3,327,106)	\$ (6,000,000)	\$ (3,302,100)
BNP	Acis CLO, Ltd., Series 2014-3A, Class F, VAR ICE LIBOR USD 3 Month+5.600%, 8.18%, 2/1/2026	3.65%	10/15/2019	1/15/2020	\$ (1,931,350)	(5,000,000)	(1,916,000)
BNP	Argentine Republic Government International Bond, 3.75%, 12/31/38	2.85%	10/9/2019	1/9/2020	\$ (2,543,979)	(8,250,000)	(2,526,975)
BNP	Argentine Republic Government International Bond, 3.75%, 12/31/38	2.85%	10/15/2019	1/15/2020	\$ (1,491,118)	(4,500,000)	(1,481,850)
BNP	Argentine Republic Government International Bond, 3.75%, 12/31/38	2.85%	10/15/2019	1/15/2020	\$ (5,053,232)	(15,250,000)	(5,021,825)
Mizuho	FREMF Mortgage Trust, Series 2018-KC02, Class C, 0.00%, 8/25/2025	3.10%	11/1/2019	12/31/2019	\$ (38,588,348)	(76,080,350)	(38,390,000)
Mizuho	FREMF Mortgage Trust, Series 2018-K80, Class D, 0.00%, 8/25/2028	3.10%	11/1/2019	12/31/2019	\$ (35,792,980)	(96,360,500)	(35,609,000)
Mizuho	FREMF Mortgage Trust, Series 2018-KF72, Class C, 0.10%, 11/25/2026	3.10%	11/1/2019	12/31/2019	\$ (9,630,502)	(45,871,176)	(9,581,000)
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class D, 0.00%, 1/25/2030	3.21%	12/20/2019	3/20/2020	\$ (18,902,141)	(55,096,698)	(18,750,000)
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class X2A, 0.01%, 7/25/2029	3.21%	12/20/2019	3/20/2020	\$ (3,483,034)	(598,712,500)	(3,455,000)
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class X2B, 0.01%, 1/25/2030	3.21%	12/20/2019	3/20/2020	\$ (770,199)	(135,904,199)	(764,000)
Mizuho	FREMF Trust Series 2018-KW04, Class C, 0.00%, 12/25/2032	3.44%	11/27/2019	12/31/2019	\$ (18,763,764)	(25,000,000)	(18,703,000)
BNP	Jamestown CLO IX, Series 2019-9A, Class C2R, VAR ICE LIBOR USD 3 Month+4.100%, 6.38%, 10/20/2028	2.80%	12/30/2019	1/29/2020	\$ (4,117,172)	(5,100,000)	(4,116,210)
BNP	Jamestown CLO IX, Series 2019-9A, Class DR, VAR ICE LIBOR USD 3 Month+6.940%, 9.22%, 10/20/2028	3.25%	12/30/2019	1/29/2020	\$ (4,324,173)	(6,000,000)	(4,323,000)
<b>Total Reverse Repurchase Agreements</b>							<u>\$(147,939,960)</u>

See Glossary on page 10 for abbreviations along with accompanying Notes to Financial Statements. | 9



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**GLOSSARY: (abbreviations that may be used in the preceding statements)**

Currency Abbreviations:  
USD United States Dollar

Glossary:  
ADR American Depositary Receipt  
CDO Collateralized Debt Obligation  
CLO Collateralized Loan Obligation  
ETF Exchange-Traded Fund  
PIK Payment-in-Kind  
REIT Real Estate Investment Trust



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## STATEMENT OF ASSETS AND LIABILITIES

As of December 31, 2019

NexPoint Strategic Opportunities Fund

	(\$)
<b>Assets</b>	
Investments, at value	773,815,585
Affiliated investments, at value (Note 11)	531,856,677
Total Investments, at value	1,305,672,263
Cash and cash equivalents	329,810
Restricted Cash — Securities Sold Short, written options, and reverse repurchase agreements (Note 2)	17,878,647
Restricted Cash — Futures (Note 2)	2,145,000
Foreign tax reclaim receivable	559
Receivable for:	
Investment sold	21,416,675
Dividends and Interest	4,459,592
Fund shares sold	461,168
Variation margin on Futures contracts	380,998
Due from broker	68,105
Prepaid expenses and other assets	195,977
Total assets	1,353,008,794
<b>Liabilities:</b>	
Line of credit (Note 6)	180,437,786
Due to custodian	8,190,737
Securities sold short, at value (Notes 2 and 8)	10,531,219
Reverse repurchase agreements (Note 3)	147,939,960
Payable for:	
Due to broker	23,620,254
Investments purchased	5,132,663
Investment advisory and administration fees (Note 8)	1,318,265
Audit fees	319,495
Interest expense and commitment fee (Note 6)	1,482,260
Accounting services fees	151,612
Variation margin	71,500
Trustees fees	4,988
Accrued expenses and other liabilities	168,752
Total liabilities	379,369,491
<b>Net Assets Applicable to Common Shares</b>	<b>973,639,303</b>
<b>Net Assets Consist of:</b>	
Paid-in capital in excess of par	1,228,988,136
Total distributable loss	(255,348,833)
<b>Net Assets Applicable to Common Shares</b>	<b>973,639,303</b>
Investments, at cost	1,506,610,426
Proceeds from securities sold short	9,688,433
<b>Common Shares</b>	
Net assets	973,639,303
Shares outstanding (unlimited authorization)	45,851,224
Net asset value per share ( Net assets/shares outstanding)	21.23

See accompanying Notes to Financial Statements. | 11



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## STATEMENT OF OPERATIONS

For the Year Ended December 31, 2019

NexPoint Strategic Opportunities Fund

	(\$)
<b>Investment Income:</b>	
<b>Income:</b>	
Dividends from unaffiliated issuers	29,056,991
Dividends from affiliated issuers (Note 11)	13,242,635
Less: Foreign taxes withheld	(14,511)
Securities lending income (Note 4)	1,227
Interest from affiliated issuers (Note 11)	3,358,198
Interest from unaffiliated issuers	9,503,126
Total income	<u>55,147,666</u>
<b>Expenses:</b>	
Investment advisory (Note 8)	11,725,448
Administration fees (Note 8)	2,352,124
Interest expense and commitment fees (Note 6)	10,935,851
Legal fees	887,609
Accounting service fee	630,104
Audit and tax preparation fees	549,737
Custodian fees	423,212
Reports to shareholders	373,529
Transfer agent fees	239,203
Dividends and fees on securities sold short (Note 2)	187,964
Trustees fees (Note 8)	153,643
Insurance	108,278
Pricing fees	81,625
Tax Expense	21,601
Other	454,361
Total operating expenses before waiver and reimbursement	<u>29,124,289</u>
Less: Expenses waived or borne by the adviser and administrator	(93,000)
Net operating expenses	<u>29,031,289</u>
Net investment income	<u>26,116,377</u>
<b>Net Realized and Unrealized Gain (loss) on Investments</b>	
<b>Realized Gain (Loss) on:</b>	
Investments from unaffiliated issuers	(4,138,749)
Investments in affiliated issuers	(45)
Securities sold short (Note 2)	2,147,995
Written options contracts (Note 3)	8,139,241
Futures contracts (Note 3)	(3,305,751)
Foreign currency related transactions	(3,230,759)
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>	
Investments from unaffiliated issuers	24,715,793
Investments in affiliated issuers (Note 11)	15,764,375
Securities sold short (Note 2)	(1,614,388)
Futures contracts (Note 3)	(1,102,319)
Foreign currency related translations	2,289,377
Net realized and unrealized gain (loss) on investments	<u>39,664,770</u>
Total increase in net assets resulting from operations	<u>65,781,147</u>

12 | See accompanying Notes to Financial Statements.



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## STATEMENT OF CHANGES IN NET ASSETS

NexPoint Strategic Opportunities Fund		
	Year Ended December 31, 2019 (\$)	Year Ended December 31, 2018 (\$)
<b>Increase (Decrease) in Net Assets Operations:</b>		
Net investment income	26,116,377	21,282,563
Accumulated net realized gain (loss) on investments, securities sold short, written options, futures contracts and foreign currency transactions	(388,068)	42,976,190
Net change in unrealized appreciation (depreciation) on investments, securities sold short, written options contracts and translation of assets and liabilities denominated in foreign currency	40,052,838	(24,438,780)
Net increase from operations	65,781,147	39,819,973
<b>Distributions Declared to Common Shareholders:</b>		
Distribution	(15,494,304)	(21,840,799)
Return of capital:	(81,197,706)	(46,180,632)
Total distributions declared to common shareholders:	(96,692,010)	(68,021,431)
Decrease in net assets from operations and distributions	(30,910,863)	(28,201,458)
<b>Share transactions:</b>		
Proceeds from sale of shares (Note 12)	237,277,987	201,766,602
Value of distributions reinvested	4,960,710	1,837,035
Shares repurchased of closed-end fund (Note 1)	(5,399,704)	—
Net increase from shares transactions	236,838,993	203,603,637
Total increase in net assets	205,928,130	175,402,179
<b>Net Assets</b>		
Beginning of year	767,711,173	592,308,994
End of year	973,639,303	767,711,173
<b>Change in Common Shares</b>		
Issued for distribution reinvested	264,738	81,157
Shares issued in rights offering (Note 12)	13,498,570	9,494,823
Shares redeemed (Note 1)	(254,500)	—
Net increase in common shares	13,508,808	9,575,980

See accompanying Notes to Financial Statements. | 13



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## STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2019

NexPoint Strategic Opportunities Fund

	(\$)
<b>Cash Flows Provided by Operating Activities:</b>	
Net increase in net assets derived from investment operations	65,781,147
<b>Adjustments to reconcile net investment loss to net cash provided by operating activities:</b>	
Purchases of investment securities from unaffiliated issuers	(404,202,413)
Purchases of investment securities from affiliated issuers	(174,759,399)
Proceeds from disposition of investment securities from unaffiliated issuers	306,994,637
Proceeds from disposition of investment securities from affiliated issuers	42,320,639
Purchases of securities sold short	(8,960,820)
Proceeds of securities sold short	17,307,226
Net proceeds received on written options contracts	234,450
Amortization of premiums	(716,548)
Net realized loss on investments from unaffiliated issuers	4,138,749
Net realized loss on investments from affiliated issuers	45
Net realized loss on securities sold short, written options contracts and foreign currency transactions	(6,981,485)
Net change in unrealized appreciation/(depreciation) on investments, unaffiliated investments, securities sold short, swap contracts, written options contracts and translation on assets and liabilities denominated in foreign currency	(17,561,055)
Net change in unrealized appreciation/(depreciation) on affiliated investments	(15,764,375)
Increase in receivable for investments sold	(20,442,193)
Increase in receivable for dividends and interest	(2,273,250)
Increase in due from broker	(68,105)
Increase in foreign tax reclaim receivable	(559)
Increase in prepaid expenses and other assets	(142,776)
Increase in receivable for variation margin	(343,660)
Increase in due to broker	6,770,623
Increase in payable for variation margin	71,500
Increase in payable for investments purchased	2,936,132
Increase in payable for accounting services	151,612
Increase in payables to related parties	296,355
Decrease in payable for distribution and shareholder service fees	(6,468,216)
Increase in payable for commitment fees	734,639
Decrease in accrued expenses and other liabilities	(47,892)
Net cash flow used in operating activities	<u>(210,994,992)</u>
<b>Cash Flows Received from (Used in) Financing Activities:</b>	
Increase in due to custodian	336,431
Increase in notes payable	34,924,807
Proceeds from repo's	53,944,960
Distributions paid in cash	(91,731,300)
Payments on shares redeemed	(5,399,704)
Proceeds from shares sold	236,816,819
Net cash flow provided by financing activities	<u>228,892,013</u>
Effect of exchange rate changes on cash	(941,382)
Net increase in cash	<u>16,955,639</u>
<b>Cash, Cash Equivalents and Restricted Cash:</b>	
Beginning of period	3,397,818
End of period	<u>20,353,457</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>	
Reinvestment of distributions	4,960,710
Cash paid during the period for interest expense and commitment fees	(10,201,212)

\* Restricted cash consists of cash that has been segregated to cover the Portfolio's collateral or margin obligations under derivative contracts. It is separately reported on the Statement of Assets and Liabilities as Restricted Cash — Written Options.

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## FINANCIAL HIGHLIGHTS

### NexPoint Strategic Opportunities Fund

Selected data for a share outstanding throughout each period is as follows:

	2019	2018	2017	2016	2015*
<b>Net Asset Value, Beginning of Year</b>	\$ 23.74	\$ 26.02	\$ 25.89	\$ 22.92	\$ 53.92
<b>Income from Investment Operations:</b>					
Net investment income <sup>(a)</sup>	0.65	0.75	0.93	4.08	8.75 <sup>(b)</sup>
Net realized and unrealized gain (loss)	0.97	0.83	2.88	1.69	(16.08)
Total from Investment Operations	1.62	1.58	3.81	5.77	(7.33)
<b>Less Distributions Declared to Common Shareholders:</b>					
From net investment income	(0.38)	(0.77)	(2.39)	(2.80)	(2.88)
From return of capital	(2.02)	(1.63)	(0.01)	—	—
From spin-off <sup>(d)</sup>	—	—	—	—	(20.79)
Total distributions declared to Common Shareholders	(2.40)	(2.40)	(2.40)	(2.80)	(23.67)
<b>Issuance of Common Shares<sup>(e)</sup></b>					
Shares issued	(1.73)	(1.46)	(1.28)	—	—
<b>Net Asset Value, End of year<sup>(b)</sup></b>	\$ 21.23	\$ 23.74	\$ 26.02	\$ 25.89	\$ 22.92
<b>Market Value, End of year</b>	\$ 17.71	\$ 19.93	\$ 25.29	\$ 22.77	\$ 20.44
Market Value Total Return <sup>(f)</sup>	4.76%	(8.93)%	27.31%	27.69%	(18.09)%
<b>Ratios to Average Net Assets / Supplemental Data<sup>(d)</sup>:</b>					
Net Assets, End of Period (000's)	\$973,639	\$767,711	\$592,309	\$414,800	\$366,078
<b>Common Shares Information at End of Period:</b>					
<b>Ratios based on average net assets of Common Shares:</b>					
Gross operating expenses <sup>(g)</sup>	3.25%	2.65%	2.58%	3.12%	3.43%
Net investment gain	2.91%	3.02%	3.69%	17.34%	24.23% <sup>(h)</sup>
<b>Ratios based on average Managed Assets (as defined in Notes 8) of Common Shares:</b>					
Gross operating expenses <sup>(g)</sup>	2.48%	2.14%	2.21%	2.17%	2.23%
Net investment gain	2.23%	2.44%	3.16%	12.05%	15.79% <sup>(i)</sup>
Portfolio turnover rate <sup>(j)</sup>	63%	48%	36%	41%	31%
Average commission rate paid <sup>(k)</sup>	\$ 0.0029	\$ 0.0263	\$ 0.0286	\$ 0.0294	\$ 0.0223

\* Per share data prior to October 6, 2015 has been adjusted to give effect to a 4 to 1 reverse stock split.

(a) Net investment income (loss) per share was calculated using average shares outstanding during the period.

(b) Includes non-recurring dividend from NexPoint REIT.

(c) Less than 0.005%.

(d) On April 1, 2015, the Fund completed a spinoff transaction whereby shares of NexPoint Residential Trust, Inc. were distributed to shareholders in a pro-rata taxable distribution.

(e) Shares issued at a discount to NAV. The per share impact was derived by computing (A) the number of shares issued times (B) the difference between the net proceeds per share and NAV divided by (C) the total shares outstanding following the share issuance.

(f) Based on market value per share. Distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan.

(g) Supplemental expense ratios are shown below:

(h) Net investment income (excluding non-recurring dividend from NexPoint REIT) was 9.76%

(i) Net investment income (excluding non-recurring dividend from NexPoint REIT) was 6.36%

(j) Excludes in-kind activity

(k) Represents the total dollar amount of commissions paid on portfolio transactions divided by total number of portfolio shares purchased and sold for which commissions were charged

See accompanying Notes to Financial Statements. | 15



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## FINANCIAL HIGHLIGHTS

### NexPoint Strategic Opportunities Fund

For the Years Ended December 31,  
2019 2018 2017 2016 2015

#### Ratios based on average net assets of Common Shares:

Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	3.25%	2.65%	2.58%	3.12%	3.43%
Interest expense and commitment fees	1.22%	0.90%	0.69%	0.93%	0.71%
Dividends and fees on securities sold short	—	—(c)	—(c)	0.07%	0.24%

#### Ratios based on average Managed Assets of Common Shares:

Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	2.48%	2.14%	2.21%	2.17%	2.23%
Interest expense and commitment fee	0.93%	0.73%	0.59%	6.50%	4.60%
Dividends and fees on securities sold short	—	—(c)	—(c)	0.05%	0.15%

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## NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NexPoint Strategic Opportunities Fund

### Note 1. Organization

NexPoint Strategic Opportunities Fund (the "Fund") is a Delaware statutory trust and is registered with the U.S. Securities and Exchange Commission (the "SEC") under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed-end management investment company. This report includes information for the year ended December 31, 2019. The Fund trades on the New York Stock Exchange ("NYSE") under the ticker symbol NHF. The Fund may issue an unlimited number of common shares, par value \$0.001 per share ("Common Shares"). The Fund commenced operations on June 29, 2006. NexPoint Advisors, L.P. ("NexPoint" or "the Investment Adviser"), an affiliate of Highland Capital Management Fund Advisors, L.P. ("HCMFA"), is the investment adviser and administrator to the Fund.

On October 25, 2019, the Board of the Fund authorized the repurchase of up to \$25 million of the Fund's shares over a six-month period. Under this program, the Fund repurchased 254,500 shares through December 2019. Upon retirement of the repurchased shares, the net asset value ("NAV") was \$13.5mm, or \$21.22 per share.

### Note 2. Significant Accounting Policies

The following summarizes the significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

#### Use of Estimates

The Fund is an investment company that applies the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The Fund's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which require the Investment Adviser to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

#### Fund Valuation

The NAV of the Fund's common shares is calculated daily on each day that the NYSE is open for business as of the close of the regular trading session on the NYSE, usually 4:00 PM, Eastern Time. The NAV is calculated by dividing the value of the Fund's net assets attributable to common shares by the numbers of common shares outstanding.

### Valuation of Investments

In computing the Fund's net assets attributable to its common shares, securities with readily available market quotations on the NYSE, National Association of Securities Dealers Automated Quotation ("NASDAQ") or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund's Board of Trustees (the "Board"). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund's loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is "stale" or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund's NAV, will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.

There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund's financial statements may vary from the NAV published by



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

the Fund as of its period end because portfolio securities transactions are accounted for on the trade date (rather than the day following the trade date) for financial statement purposes.

### Fair Value Measurements

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1** — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;
- Level 2** — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and
- Level 3** — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for investments and financial instruments that are categorized within all levels of the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review

the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of December 31, 2019, the Fund's investments consisted of senior loans, asset-backed securities, corporate bonds and notes, foreign bonds, sovereign bonds, common stocks, preferred stocks, exchange-traded funds, warrants, LLC Interests, MLPs, Purchased Options, and securities sold short. The fair value of the Fund's loans, bonds and asset-backed securities are generally based on quotes received from brokers or independent pricing services. Loans, bonds, and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Senior loans, bonds and asset-backed securities that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, preferred stocks, exchange-traded funds, and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. The Fund's real estate investments include equity interests in limited liability companies and equity issued by Real Estate Investment Trusts ("REITs") that invest in commercial real estate. The fair value of real estate investments that are not actively traded on national exchanges are based on internal models developed by the Investment Adviser. The significant inputs to the models include cash flow projections for the underlying properties, capitalization rates and appraisals performed by independent valuation firms. These inputs are not readily observable, and the Fund has classified the investments as Level 3 assets. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges. Due to the inherent uncertainty of determining the fair value of investments that



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ

materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of the levels are recognized at the value at the end of the period.

A summary of the inputs used to value the Fund's assets as of December 31, 2019 is as follows:

	Total value at December 31, 2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>NexPoint Strategic Opportunities Fund</b>				
<b>Assets</b>				
<b>Common Stock</b>				
Chemicals	\$ 96,707	\$ 96,707	\$ —	\$ —
Communication Services	60,560,531	—	23,752,078	36,808,453
Consumer Discretionary	8,211,861	8,211,861	—	—
Energy	31,907,000	24,471,830	7,435,170	—
Financial	48,935,133	3,524,766	10,000,005	35,410,362
Gaming/Leisure	—	—	—	—
Healthcare	17,215,749	17,215,749	—	—
Housing	—	—	—	—
Industrials	5,994,707	4,584,507	1,410,200	—
Information Technology	15,147,631	15,147,631	—	—
Materials	1,958,125	138,920	1,784,375	34,830
Media and Telecommunications	443,495	443,495	—	—
Metals & Minerals	2,130,168	2,130,168	—	—
Pharmaceuticals	27,459,920	27,459,920	—	—
Real Estate	114,062,514	79,995,841	—	34,066,673
Real Estate Investment Trust	255,016,729	17,033,850	—	237,982,879
Utilities	22,566,337	22,566,337	—	—
<b>Preferred Stock</b>				
Financial	153,270,343	—	153,270,343	—
Real Estate	21,430,783	—	—	21,430,783
Real Estate Investment Trust	118,093,571	—	8,815,659	109,277,912
Agency Collateralized Mortgage Obligations	206,150,678	—	206,150,678	—
LLC Interest	73,986,897	—	—	73,986,897
<b>U.S. Senior Loans</b>				
Communication Services	22,696,095	—	76,906	22,619,189
Gaming/Leisure	9,389,339	—	—	9,389,339
Metals & Minerals	6,188,652	—	—	6,188,652
Utilities	83,096	—	83,096	—
Collateralized Loan Obligations	38,144,817	—	37,640,638	504,179
Sovereign Bonds	18,083,959	—	18,083,959	—
<b>Master Limited Partnerships</b>				
Energy	14,300,318	14,300,318	—	—
<b>Corporate Bonds &amp; Notes</b>				
Communication Services	82,670	—	82,670	—
Energy	1,272,437	—	146	1,272,291
Real Estate	1,204,645	—	1,204,645	—
Utilities	131,450	—	131,450	—

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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

	Total value at December 31, 2019	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Exchange Traded Funds	\$ 2,735,096	\$ 2,735,096	\$ —	\$ —
Warrants				
Energy	123,148	123,148	—	—
Industrials	1,940,847	—	1,939,769	1,078
Information Technology	224,153	224,153	—	—
Registered Investment Companies	1,442,481	1,442,481	—	—
Rights				
Utilities	1,702,706	—	1,702,706	—
Purchased Call Options	1,034,600	—	1,034,600	—
Convertible Bonds	252,875	—	252,875	—
Foreign Corporate Bonds & Notes				
Healthcare <sup>(1)</sup>	—	—	—	—
Netherlands <sup>(1)</sup>	—	—	—	—
<b>Total Assets</b>	<b>1,305,672,263</b>	<b>241,846,778</b>	<b>474,851,968</b>	<b>588,973,517</b>
<b>Liabilities</b>				
Securities Sold Short				
Common Stock				
Energy <sup>(1)</sup>	—	—	—	—
Information Technology	(10,531,219)	(10,531,219)	—	—
<b>Total Liabilities</b>	<b>(10,531,219)</b>	<b>(10,531,219)</b>	<b>—</b>	<b>—</b>
<b>Total</b>	<b>\$ 1,295,141,044</b>	<b>\$231,315,559</b>	<b>\$474,851,968</b>	<b>\$ 588,973,517</b>

(1) This category includes securities with a value of zero.

(2) See Investment Portfolio detail for industry breakout.

The table below sets forth a summary of changes in the Fund's Level 3 assets (assets measured at fair value using significant unobservable inputs) for the year ended December 31, 2019.

	Balance as of 12/31/18	Transfers into Level 3	Transfers Out of Level 3	Net Amortization/ (Accretion) of Premium/ (Discount)	Net Realized Gains/ (Losses)	Net Unrealized Gains/ (Losses)	Net Purchase	Net (Sales)	Distribution to Return Capital	Balance as of 12/31/19	Change in Unrealized
U.S. Senior Loan											
Chemicals	\$ 2,124,595			\$ (43,335)	\$ 31,001	\$ 80,450	\$ —	\$ (2,192,712)		\$ —	\$ 167,789
Gaming/Leisure	7,741,953			231,713	(48,563)	1,464,236	—	—		9,389,339	1,229,841
Metals & Minerals	6,397,453			295,016	—	(1,447,588)	943,771	—		6,188,652	(1,210,954)
Communication Services	19,888,704			(2,649)	—	2,254,390	478,898	(155)		22,619,188	2,237,165
Corporate Bonds & Notes											
Energy	1,272,291				(119,120)	119,120	—	—		1,272,291	119,120
Warrant											
Industrials	67,234				—	(66,156)	—	—		1,078	(1,003)
Preferred Stock											
Real Estate	19,438,397				—	1,992,386	—	—		21,430,783	1,062,322
Real Estate Investment Trust	112,214,270				—	(9,736,358)	6,800,000	—		109,277,912	(18,603,528)
LLC Interest											
Real Estate	—				—	(1,013,103)	75,000,000	—		73,986,897	(1,013,103)
Collateralized Loan Obligation	497,808	—	—	—	34	41,726	—	(35,389)	—	504,179	5,134



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

	Balance as of 12/31/18	Transfers into Level 3	Transfers Out of Level 3	Net Amortization/ (Accretion) of Premium/ (Discount)	Net Realized Gains/ (Losses)	Net Unrealized Gains/ (Losses)	Net Purchase	Net (Sales)	Distribution to Return Capital	Balance as of 12/31/19	Change in Unrealized
Common Stock											
Chemicals	\$ 350,505				\$ —	\$ (350,505)		\$ —		\$ —	\$ 654,717
Communication Services	37,032,887				—	(224,434)	\$ —	—		36,808,453	(145,394)
Financial	36,945,152				—	(5,506,796)	5,472,005	(1,500,000)		35,410,362	(5,083,703)
Gaming/Leisure	—				—	0	—	—		0	(0)
Housing	—				—	—	—	—		—	(955,869)
Media & Telecommunications	241,732				(0)	1,568,526	—	(1,810,258)		—	3,137,052
Materials	2,172,094				—	(2,137,264)	—	—		34,830	(32,375)
Real Estate	3				205,352	31,955,963	2,205,354	(300,000)		34,066,672	32,269,866
Real Estate Investment Trust	265,741,734				—	(34,262,137)	45,362,450	(38,859,168)		237,982,879	(65,932,614)
Utilities	—				—	—	—	—		—	—
Total	<u>\$512,126,812</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 480,745</u>	<u>\$ 68,705</u>	<u>\$ (15,267,541)</u>	<u>\$136,262,479</u>	<u>\$ (44,697,682)</u>	<u>\$ —</u>	<u>\$588,973,517</u>	<u>\$ (52,095,536)</u>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments.

The following is a summary of significant unobservable inputs used in the fair valuation of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Market Value at 12/31/2019	Valuation Technique	Unobservable Inputs	Input Value(s)
Common Stock	\$ 344,303,197	Multiples Analysis	Unadjusted Price/MHz-PoP	\$0.12 - \$0.95
			Risk Discount	55.2% - 59.8%
			Multiple of EBITDA	6.00x - 8.75x
			Liquidity Discount	25%
		Discounted Cash Flow	Discount Rate	11.0% - 20.0%
		Transaction Analysis	Multiple of EBITDA	8.25x - 8.75x
		Transaction Indication of Value	Enterprise Value (\$mm)	\$365.0 - \$771.0
			Transaction Price per Share	\$2.75
		Direct Capitalization Method	Capitalization Rates	5.45% - 7.50%
		Net Asset Value	N/A	N/A
Preferred Stock	130,708,695	Black-Scholes Model	Volatility Assumption	30 - 40%
		Discounted Cash Flow	Discount Rate	11.0%
		Net Asset Value	N/A	N/A
LLC Interest	73,986,897	Discounted Cash Flow	Discount Rate	2.59% - 9.45%
U.S. Senior Loans	38,197,180	Discounted Cash Flow	Discount Rate	11.1%
			Spread Adjustment	0.10%
		Black-Scholes Model	Volatility Assumption	30 - 40%
		Adjusted Appraisal	Liquidity Discount	10%
			Asset Specific Adjustment	10%
Corporate Bonds & Notes	1,272,291	Liquidation Analysis	Claim Amount: Percent of Par	6.9%
Collateralized Loan Obligations	504,179	Discounted Cash Flow	Discount Rate	9.1%
Warrants	1,078	Discounted Cash Flow	Discount Rate	20%
		Multiples Analysis	Multiple of EBITDA	7.0x - 8.75x
		Transaction Analysis	Multiple of EBITDA	8.25x - 8.75x
		Black-Scholes Model	Volatility Assumption	30 - 40%
Total	<u>\$ 588,973,517</u>			



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

In addition to the unobservable inputs utilized for various valuation methodologies, the Fund frequently uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Fund assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 5% to as high as 70% as of December 31, 2019. The selection of weightings is an inherently subjective process, dependent on professional judgement. These selections may have a material impact to the concluded fair value for such holdings.

The significant unobservable input used in the fair value measurement of the Fund's REIT assets are the discount rates and capitalization rates. Significant decreases (increases) in any of those inputs in isolation could result in a significantly higher (lower) fair value measurement.

The significant unobservable input used in the fair value measurement of the Fund's preferred stock asset and LLC interests is the discount rate. Significant decreases (increases) in any of those inputs in isolation could result in a significantly higher (lower) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Fund's common equity securities are: multiple of EBITDA, price/MHz-PoP multiple, risk discount, liquidity discount, discount rate and transaction price. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement. Generally, a change in the assumption used for the risk discount is accompanied by a directionally opposite change in the assumption for the price/MHz-PoP multiple.

### Security Transactions

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

### Income Recognition

Corporate actions (including cash dividends) are recorded on the ex-dividend date, net of applicable withholding taxes, except for certain foreign corporate actions, which are recorded as soon after ex-dividend date as such information becomes available and is verified. Interest income is recorded on the accrual basis.

Accretion of discount and amortization of premium on taxable bonds and loans are computed to the maturity or call date, if shorter, using the effective yield method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

The Fund records distributions received from investments in REITs and partnerships in excess of income from underlying investments as a reduction of cost of investments and/or realized gain. Such amounts are based on estimates if actual amounts are not available, and actual amounts of income, realized gain and return of capital may differ from the estimated amounts. The Fund adjusts the estimated amounts once the issuers provide information about the actual composition of the distributions.

### U.S. Federal Income Tax Status

The Fund is treated as a separate taxpayer for U.S. federal income tax purposes. The Fund intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and will distribute substantially all of its taxable income and gains, if any, for the tax year, and as such will not be subject to U.S. federal income taxes. In addition, the Fund intends to distribute, in each calendar year, all of its net investment income, capital gains and certain other amounts, if any, such that the Fund should not be subject to U.S. federal excise tax. Therefore, no U.S. federal income or excise tax provisions are recorded.

The Investment Adviser has analyzed the Fund's tax positions taken on U.S. federal income tax returns for all open tax years (current and prior three tax years), and has concluded that no provision for U.S. federal income tax is required in the Fund's financial statements. The Fund's U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. Furthermore, the Investment Adviser of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expenses in the Statement of Operations. During the year ended December 31, 2019, the Fund did not incur any interest or penalties.

### Distributions to Shareholders

The Fund plans to pay distributions from net investment income monthly and net realized capital gains annually to common shareholders. To permit the Fund to maintain more stable monthly distributions and annual distributions, the Fund may from time to time distribute less than the entire amount of income and gains earned in the relevant month or year, respectively. The undistributed income and gains would be available to supplement future distributions. In certain years, this practice may result in the Fund distributing, during a particular taxable year, amounts in excess of



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

the amount of income and gains earned therein. Such distributions would result in a portion of each distribution occurring in that year to be treated as a return of capital to shareholders. Shareholders of the Fund will automatically have all distributions reinvested in Common Shares of the Fund issued by the Fund in accordance with the Fund's Dividend Reinvestment Plan (the "Plan") unless an election is made to receive cash. The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the NAV per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the NYSE on the Declaration Date. Participants in the Plan requesting a sale of securities through the plan agent of the Plan are subject to a sales fee and a brokerage commission.

### Cash & Cash Equivalents

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit quality with original maturities of three months or less to be cash equivalents. The Fund also considers money market instruments that invest in cash equivalents to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of the Statement of Assets and Liabilities.

### Foreign Currency

Accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates using the current 4:00 PM London Time Spot Rate. Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates, between trade and settlement dates on securities transactions and between the accrual and payment dates on dividends, interest income and foreign withholding taxes, are recorded as unrealized foreign currency gains/(losses). Realized gains/(losses) and unrealized appreciation/(depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Statement of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

### Securities Sold Short

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. A Fund may have to pay a fee to borrow particular securities and is often obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances, a Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Securities and cash held as collateral for securities sold short are shown on the Investments Portfolios for the Fund. Cash held as collateral for securities sold short is classified as restricted cash on the Statement of Assets and Liabilities, as applicable. Restricted cash in the amount of \$17,878,647 was held with the broker for the Fund.

When securities are sold short, the Fund intends to limit exposure to a possible market decline in the value of its portfolio securities through short sales of securities that the Investment Adviser believes possess volatility characteristics similar to those being hedged. In addition, the Fund may use short sales for non-hedging purposes to pursue its investment objective. Subject to the requirements of the 1940 Act and the Internal Revenue Code of 1986, as amended (the "Code"), the Fund will not make a short sale if, after giving effect to such sale, the market value of all securities sold short by the Fund exceeds 25% of the value of its total assets. The Fund may make short sales "against the box" without respect to such limitations.

### Other Fee Income

Fee income may consist of origination/closing fees, amendment fees, administrative agent fees, transaction break-up fees and other miscellaneous fees. Origination fees, amendment fees, and other similar fees are non-recurring fee sources. Such fees are received on a transaction by transaction basis and do not constitute a regular stream of income and are recognized when incurred.

### Note 3. Derivative Transactions

The Fund is subject to interest rate risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments. As of December 31, 2019 we had no hedge accounting derivatives.

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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

### Futures Contracts

A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. The Fund may invest in interest rate, financial and stock or bond index futures contracts subject to certain limitations.

The Fund invests in futures contracts to manage its exposure to the stock and bond markets and fluctuations in currency values. Buying futures tends to increase the Fund's exposure to the underlying instrument while selling futures tends to decrease the Fund's exposure to the underlying instrument, or economically hedge other Fund investments. With futures contracts, there is minimal counterparty credit risk to the Fund since futures contracts are exchange-traded and the exchange's clearinghouse, as counterparty to all traded futures, guarantees the futures against default. A Fund's risks in using these contracts include changes in the value of the underlying instruments, non-performance of the counterparties under the contracts' terms and changes in the liquidity of the secondary market for the contracts. Futures contracts are valued at the settlement price established each day by the board of trade or exchange on which they principally trade.

Upon entering into a financial futures contract, the Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount, known as initial margin deposit. Subsequent payments, known as variation margins, are made or can be received by the Fund each day, depending on the daily fluctuation in the fair value of the underlying security. The Fund records an unrealized gain/(loss) equal to the daily variation margin. Should market conditions move unexpectedly, the Fund may not achieve the anticipated benefits of the futures contracts and may incur a loss. The Fund recognizes a realized gain/(loss) on the expiration or closing of a futures contract.

During the year ended December 31, 2019, the Fund entered into futures transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, and to gain market exposure for residual and accumulating cash positions. Cash held as collateral for futures contracts is shown on the Consolidated Statement of Assets and Liabilities as "Restricted Cash — Futures."

### Options

The Fund may utilize options on securities or indices to varying degrees as part of their principal investment strategy. An

option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by the Fund expires unexercised, the Fund realizes on the expiration date a capital gain equal to the premium received by the Fund at the time the option was written. If an option purchased by the Fund expires unexercised, the Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when the Fund desires. The Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. The Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid.

### Reverse Repurchase Agreements

The Fund may engage in reverse repurchase agreement transactions with respect to instruments that are consistent with the Fund's investment objective or policies.

### Additional Derivative Information

The Fund follows adopted amendments to authoritative guidance on disclosures about derivative instruments and hedging activities which require that the Fund disclose; a) how and why an entity uses derivative instruments; b) how derivative instruments and related hedged items are accounted for; c) how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows; and d) how the netting of derivatives subject to master netting arrangements (if applicable) affects the net exposure of the Fund related to the derivatives.



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

The fair value of derivative instruments on the Statement of Assets and Liabilities have the following risk exposure at December 31, 2019:

Risk Exposure	Fair Value	
	Asset Derivative	Liability Derivative
Foreign Currency Risk	\$1,034,600 <sup>(1)</sup>	\$ —
Equity Price Risk	\$ —	\$(1,102,319) <sup>(2)</sup>

<sup>(1)</sup> Statements of Assets and Liabilities location: Unaffiliated investments, at value.

<sup>(2)</sup> Includes cumulative unrealized appreciation/(depreciation) of futures contracts as reported in the Investment Portfolio and within the components of the net assets section of the Statement of Assets and Liabilities. Only the current day's variation margin is reported within the receivables and/or payables of the Statements of Assets and Liabilities.

The effect of derivative instruments on the Statement of Operations for the year ended December 31, 2019, is as follows:

Risk Exposure	Net Realized Gain(Loss) on Derivatives	Net Change in Unrealized Appreciation/(Depreciation) on Derivatives
Commodity Risk	\$ — <sup>(1)</sup>	\$ —
Equity Price Risk	4,042,059 <sup>(1)(2)(3)</sup>	(1,102,319) <sup>(4)(5)</sup>
Foreign Currency Risk	(3,954,625) <sup>(1)(2)(3)</sup>	(763,950) <sup>(4)</sup>

<sup>(1)</sup> Statement of Operations location: Realized gain (loss) on future contracts.

<sup>(2)</sup> Statement of Operations location: Realized gain (loss) on investments from unaffiliated issuers.

<sup>(3)</sup> Statement of Operations location: Realized gain (loss) on written options contracts.

<sup>(4)</sup> Statement of Operations location: Net change in unrealized appreciation/(depreciation) on investments.

<sup>(5)</sup> Statement of Operations location: Net change in unrealized appreciation/(depreciation) on written options contracts.

The average monthly volume of derivative activity for the year ended December 31, 2019, is as follows:

	Units/Contracts	Appreciation/Depreciation
Purchased Options Contracts	352,958,571	—
Written Options Contracts	4,731	—
Futures Contracts <sup>(1)</sup>	—	(44,382)

<sup>(1)</sup> Futures Contracts average monthly volume is calculated using Appreciation/(Depreciation).

### Note 4. Securities Lending

Effective November 8, 2019, the Advisor entered into a custody agreement with Bank of New York Mellon ("BNY"). Prior to April 4, 2019, State Street Bank and Trust Company ("State Street") served as the custodian to the Fund.

As of December 31, 2019, the Fund did not participate in securities lending transactions with BNY.

Prior to November 8, 2019, the Fund could seek additional income by making secured loans of its portfolio securities

through its prior custodian, State Street. Such loans would be in an amount not greater than one-third of the value of the Fund's total assets. State Street would charge a fund fees based on a percentage of the securities lending income.

The Fund may make secured loans of its portfolio securities amounting to not more than 33 1/3% of its portfolio securities, thereby realizing additional income. The risks in lending portfolio securities, as with other extensions of credit, consist of possible delays in recovery of the securities or possible loss of rights in the collateral should the borrower fail financially and possible investment losses in the investment of collateral. Pursuant to the Fund's securities lending policy, securities loans are made to borrowers pursuant to agreements requiring that loans be continuously secured by collateral in cash, securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, sovereign debt, convertible bonds, irrevocable letters of credit issued by a bank as acceptable under the Fund's securities lending agreement, initially with a value of 102% or 105% of the market value of the loaned securities and thereafter maintained at a value of 100% of the market value of the loaned securities. The borrower pays to the Fund an amount equal to any interest or dividends received on securities subject to the loan. The Fund retains all or a portion of the interest received on investment of the cash collateral and receives a fee from the borrower.

Securities lending transactions are entered into pursuant to Securities Loan Agreements ("SLA"), which provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower defaults, the Fund, as lender, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of a SLA counterparty's bankruptcy or insolvency. Under the SLA, the Fund can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate this risk, the Fund benefits from a borrower default indemnity provided by State Street Bank and Trust Company ("State Street"). State Street's indemnity generally provides for replacement of securities lent or the approximate value thereof.



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

### Note 5. U.S. Federal Income Tax Information

The character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from U.S. GAAP. These differences include (but are not limited to) investments organized as partnerships for tax purposes, foreign taxes, investments in futures, losses deferred to off-setting positions, losses deferred due to wash sale transactions and return of capital. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. These reclassifications have no impact on the NAV of the Fund.

For the year ended December 31, 2019, permanent differences chiefly resulting from foreign currency gains and losses, partnership basis adjustments, return of capital distributions from real estate investment trust, passive foreign investment companies, paydowns, controlled foreign corporations and return of capital distributions paid by the fund were identified and reclassified among the components of the Fund's net assets as follows:

Total Distributable Earnings (Loss)	Paid-in-Capital
\$6,966,108	\$ (6,966,108)

For the year ended December 31, 2019, the Fund's most recent tax year end, components of distributable earnings on a tax basis are as follows:

Qualified Late Year Ordinary Loss	Accumulated Capital and Other Losses	Net Tax Appreciation/ (Depreciation)
\$(57,749)	\$(51,636,718)	\$(203,654,367)

For the year ended December 31, 2019, the Fund had capital loss carryovers as indicated below. The capital loss carryovers are available to offset future realized capital gains to the extent provided in the Code and regulations promulgated thereunder. To the extent that these carryover losses are used to offset future capital gains, it is probable that the gains so offset will not be distributed to shareholders because they would be taxable as ordinary income.

No Expiration Long-Term	Total
\$(51,636,718) <sup>(1)</sup>	\$(51,636,718)

<sup>(1)</sup> During the current fiscal year, the Fund utilized \$34,067,597 of capital loss carryforwards.

The tax character of distributions paid during the years ended December 31, 2019 and December 31, 2018 (unless otherwise indicated) is as follows:

Distributions Paid From:	2019	2018
Ordinary Income <sup>(1)</sup>	\$ 15,494,304	\$ 21,840,799
Return of Capital	81,197,706	46,180,632

<sup>(1)</sup> For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

Unrealized appreciation and depreciation at December 31, 2019, based on cost of investments for U.S. federal income tax purposes is:

Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation) <sup>(1)</sup>	Cost
\$102,757,163	\$ (306,411,530)	\$ (203,654,367)	\$ 1,510,773,221

<sup>(1)</sup> Any differences between book-basis and tax-basis net unrealized appreciation/(depreciation) are primarily due to wash sales, non-taxable dividends, partnership, Controlled Foreign Corporation and Passive Foreign Investment Company (Qualifying Electing Fund) basis adjustments, REIT basis adjustment and defaulted bonds.

### Qualified Late Year Ordinary and Post October Losses

Under current laws, certain capital losses and specified losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal year ended December 31, 2019, the Fund elected to defer \$57,747 of specified losses.

### Note 6. Credit Agreements and Reverse Repurchase Agreement

On May 16, 2013, the Fund entered into a Committed Facility Agreement with BNP Paribas Prime Brokerage, Inc. ("BNPP PB, Inc.") (the "Committed Facility Agreement"). The current facility size of the Committed Facility Agreement is \$135,000,000 and the Fund is required to pay 0.55% commitment fee on the unused balance and LIBOR + a spread on amounts borrowed. The spread ranges from 0.60% to 1.30% depending on the quality of the holdings pledged to collateralize the loan. The Fund has the right to terminate the Committed Facility Agreement on 90 days' notice, and BNPP PB, Inc. has the right to terminate the Committed Facility Agreement immediately. As of December 31, 2019, the carrying value of the Committed Facility Agreement was \$103,037,786. The fair value of the outstanding Committed Facility Agreement was estimated to be \$103,406,620, and would be categorized as Level 3 within the fair value hierarchy. The fair value was estimated based on discounting the cash flows owed using a discount rate of 0.50% over the 90-day risk free rate.

At December 31, 2019, the Fund's outstanding balance on the Committed Facility Agreement was \$103,037,786.



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## NOTES TO FINANCIAL STATEMENTS (continued)

### December 31, 2019

### NexPoint Strategic Opportunities Fund

For the year ended December 31, 2019, the average daily note balance was \$98,125,635 at a weighted average interest rate of 2.86%, excluding any commitment fee. With respect to the note balance, interest expense of \$2,807,625 and commitment fee of \$205,626 are included in interest expense in the Statement of Operations.

On November 16, 2017, the Fund entered into an agreement with BNP Paribas Securities Corporation ("BNP Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to BNP Securities for an agreed-upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from BNP Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. At December 31, 2019, the Fund's outstanding balance on the BNP Securities was \$22,687,960. The Fund's average daily balance was \$23,523,740 at a weighted average interest rate of 3.47% for the days outstanding.

On September 25, 2018, the Fund entered into an agreement with Mizuho Securities USA LLC ("Mizuho Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to Mizuho Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from Mizuho Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities.

At December 31, 2019, the Fund's outstanding balance on the Mizuho Securities was \$125,252,000. The Fund's average daily balance was \$89,068,457 at a weighted average interest rate of 3.91% for the days outstanding.

On February 16, 2018, the Fund entered into a bridge credit agreement (the "Bridge Agreement") with KeyBank, NA ("KeyBank") whereby KeyBank agreed to loan the Fund up to \$36,500,000. The interest is paid at a rate of LIBOR + 2.00%. The Fund paid an upfront fee of \$182,500 to KeyBank as a condition to closing. On February 16, 2018, KeyBank loaned \$20 million to the Fund as a part of the Bridge Agreement. On May 29, 2018, the Fund amended the Bridge Agreement with KeyBank whereby KeyBank agreed to loan the Fund up to \$71,500,000 with a refinancing date of August 31, 2018, subject to extensions. The Fund paid an upfront fee of \$52,500 to KeyBank as a condition to add the new maturity and updated commitment. On August 14, 2018, the Fund amended and restated the Bridge Agreement with KeyBank whereby KeyBank agreed to loan the fund up to \$75,000,000. On September 14, 2018, the available balance stepped down to \$60,000,000. During the 2019, the Fund amended the Bridge Agreement several times to provide additional short-term financing of \$37,500,000 and \$40,000,000 ("2019 KeyBank Amendments"). The \$37,500,000 was paid back during the year, and \$22,000,000 remained outstanding on the second 2019 KeyBank Amendments as of December 31, 2019. The Fund paid an upfront fee of \$40,000 to KeyBank as a condition to closing these 2019 KeyBank Amendments. The maturity date is August 29, 2020, subject to extensions, and interest is paid at a rate of LIBOR + 2.00%. As of December 31, 2019, the carrying value of the Committed Facility Agreement was \$77,400,000. The fair value of the outstanding Committed Facility Agreement was estimated to be \$77,676,961, and would be categorized as Level 3 within the fair value hierarchy. The fair value was estimated based on discounting the cash flows owed using a discount rate of 0.50% over the 90-day risk free rate.

For the year ended December 31, 2019, the average daily note balance was \$59,534,247 at a weighted average interest rate of 4.30%, excluding any commitment fee. With respect to the note balance, interest expense of \$2,560,900 and uncommitted balance fee of \$0 are included in interest expense in the Statement of Operations.



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

### Note 7. Asset Coverage

The Fund is required to maintain 300% asset coverage with respect to amounts outstanding (excluding short-term borrowings) under its various leverage facilities. Asset coverage is calculated by subtracting the Fund's total liabilities, not including any amount representing bank borrowings and senior securities, from the Fund's total assets and dividing the result by the principal amount of the borrowings outstanding. As of the dates indicated below, the Fund's debt outstanding and asset coverage was as follows:

Date	Total Amount Outstanding	% of Asset Coverage of Indebtedness
12/31/2019	\$332,977,746 <sup>(3)</sup>	392.4% <sup>(3)</sup>
12/31/2018	244,107,979 <sup>(3)</sup>	414.5% <sup>(3)</sup>
12/31/2017	31,933,494	1,954.8
12/31/2016	124,983,081	431.9
12/31/2015	186,625,315 <sup>(1)</sup>	296.2 <sup>(1)(2)</sup>
12/31/2014	385,336,455	323.0
12/31/2013	318,500,000	327.5
12/31/2012	225,000,000	311.7
12/31/2011	173,000,000	356.1
12/31/2010	120,000,000	510.6

<sup>(1)</sup> Excludes borrowings of \$29,300,000 deemed to be short-term in nature.

<sup>(2)</sup> The Fund closes its net asset value daily, and using asset prices available at the time of the December 31, 2015 NAV close, the Fund calculated asset coverage of greater than 300%. The Fund received updated prices for certain instruments in January that were used for financial reporting purposes as part of this report. These updated prices pushed the percentage of asset coverage down to 296.2%. As of February 4, 2016, the date that the Fund declared the February monthly dividend, the percentage of asset coverage was over 300%.

<sup>(3)</sup> The KeyBank Bridge Agreement referenced in Note 6 is shared with two subsidiaries, of which the Fund acts as a guarantor for the agreement. As such, an additional \$4.6mm of the subsidiaries borrowings on the KeyBank Bridge Agreement is reflected in the asset coverage table for a comprehensive view of the Asset Coverage of Indebtedness percentage.

### Note 8. Investment Advisory, Administration and Trustee Fees

#### Investment Advisory Fee

The Investment Adviser to the Fund receives an annual fee, paid monthly, in an amount equal to 1.00% of the average weekly value of the Fund's Managed Assets. The Fund's "Managed Assets" is an amount equal to the total assets of the Fund, including any form of leverage, minus all accrued expenses incurred in the normal course of operations, but not excluding any liabilities or obligations attributable to investment leverage obtained through

(i) indebtedness of any type (including, without limitation, borrowing through a credit facility or the issuance of debt securities), (ii) the issuance of preferred stock or other preference securities, (iii) the reinvestment of collateral received for securities loaned in accordance with the Fund's investment objectives and policies, and/or (iv) any other means.

### Administration Fee

The Investment Adviser provides administrative services to the Fund. For its services, the Investment Adviser receives an annual fee, payable monthly, in an amount equal to 0.20% of the average weekly value of the Fund's Managed Assets. Under a separate sub-administration agreement, the Investment Adviser has delegated certain administrative functions to SEI Global Funds Services ("SEI"). The Investment Adviser pays State Street Bank and Trust Company directly for these sub-administration services.

### Fees Paid to Officers and Trustees

Each Trustee who is not an "interested person" of the Fund as defined in the 1940 Act (the "Independent Trustees") receives an annual retainer of \$150,000 payable in quarterly installments and allocated among each portfolio in the Highland Funds Complex overseen by such Trustee based on relative net assets. Independent Trustees are reimbursed for actual out-of-pocket expenses relating to attendance at meetings, however, the Chairman of the Board and the Chairman of the Audit Committee each receive an additional payment of \$10,000 payable in quarterly installments and allocated among each portfolio in the Highland Funds Complex based on relative net assets. The Independent Trustees do not receive any separate compensation in connection with service on Committees or for attending Board or Committee Meetings. The Trustees do not have any pension or retirement plan. The "Highland Funds Complex" consists of all of the registered investment companies advised by the Investment Adviser or its affiliated advisers and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act as of the date of this report.

The Fund pays no compensation to its officers, all of whom are employees of the Investment Adviser or one of its affiliates.

### Indemnification

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses.

The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.

### Note 9. Disclosure of Significant Risks and Contingencies

The primary risks of investing in the Fund are described below in alphabetical order:



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

### Counterparty Risk

Counterparty risk is the potential loss the Fund may incur as a result of the failure of a counterparty or an issuer to make payments according to the terms of a contract. Counterparty risk is measured as the loss the Fund would record if its counterparties failed to perform pursuant to the terms of their obligations to the Fund. Because the Fund may enter into over-the-counter forwards, options, swaps and other derivative financial instruments, the Fund may be exposed to the credit risk of their counterparties. To limit the counterparty risk associated with such transactions, the Fund conducts business only with financial institutions judged by the Investment Adviser to present acceptable credit risk.

### Emerging Markets Risk

Any investments in Emerging Market Countries (countries in which the capital markets are developing) may involve greater risks than investments in more developed markets and the prices of such investments may be more volatile. The consequences of political, social or economic changes in these markets may have disruptive effects on the market prices of the Fund's investments and the income they generate, as well as the Fund's ability to repatriate such amounts.

### Illiquid and Restricted Securities Risk

Certain investments made by the Fund are, and others may be, illiquid, and consequently the Fund 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 Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Fund's investments, especially those in financially distressed companies, may require a long holding period prior to profitability. Restricted securities (i.e., securities acquired in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Fund, however, may not be able to sell these securities when the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, if in order to permit resale the securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased. A high percentage of illiquid securities in a Fund creates a risk that such a Fund may not be able to redeem its shares without causing significant dilution to remaining shareholders.

### Leverage Risk

The Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain

types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged.

### REIT-Specific 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. Real estate investment performance is also subject to the success that a particular property manager has in managing the property.

### Risks Associated with Options on Securities

There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A transaction in options or securities may be unsuccessful to some degree because of market behavior or unexpected events.

When the Fund writes a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but retains the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation and once an option writer has received an exercise notice, it must deliver the underlying security in exchange for the strike price.

When the Fund writes a covered put option, the Fund bears the risk of loss if the value of the underlying stock declines below the exercise price minus the put premium. If the option is exercised, the Fund could incur a loss if it is required to purchase the stock underlying the put option at a price greater than the market price of the stock at the time of exercise plus the put premium the Fund received when it wrote the option. While the Fund's potential gain in writing a covered put option is limited to distributions earned on the liquid assets securing the put option plus the premium received from the purchaser of the put option, the Fund risks a loss equal to the entire exercise price of the option minus the put premium.



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

### Risks of Investing in Obligations of Stressed, Distressed and Bankrupt Issuers

The Fund may invest in companies that are troubled, in distress or bankrupt. As such, they are subject to a multitude of legal, industry, market, environmental and governmental forces that make analysis of these companies inherently difficult. Further, the Investment Adviser relies on company management, outside experts, market participants and personal experience to analyze potential investments for the Fund. There can be no assurance that any of these sources will prove credible, or that the resulting analysis will produce accurate conclusions.

### Risks of Investing in Senior Loans

The risk that the issuer of a senior loan may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of the senior loan or reduce the Fund's returns. The risks associated with senior loans are similar to the risks of high yield debt securities. Senior loans and other debt securities are also subject to the risk of price declines and to increases in interest rates, particularly long-term rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may increase the risk of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. Therefore, senior loans may not mitigate price declines in a long-term interest rate environment. The Fund's investments in senior loans are typically below investment grade and are considered speculative because of the credit risk of their issuers.

On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Due to this announcement, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Fund or the financial instruments in which the Fund invests cannot yet be determined.

### Risks of Non-Diversification and Other Focused Strategies

While the Investment Adviser invests in a number of fixed income and equity instruments issued by different issuers and employs multiple investment strategies with respect to the Trust's investment portfolio, it is possible that a significant amount of the Trust's investments could be invested in the instruments of only a few companies or other issuers or that at any particular point in time one investment strategy could be more heavily weighted than the others. The focus of the Trust's investment portfolio in any one issuer would subject the Trust to a greater degree of risk with respect to defaults by such issuer or other adverse events affecting that issuer, and the focus of the portfolio in any one industry or group of industries would subject the Trust to a greater degree of risk with respect to economic downturns relating to such industry or industries. The focus

of the Trust's investment portfolio in any one investment strategy would subject the Trust to a greater degree of risk than if the Trust's investment portfolio were varied in its investments with respect to several investment strategies.

### Reverse Repurchase Agreement Risk

The Fund may enter into reverse repurchase transactions with BNP Securities or other banks and securities dealers. A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of, rather than the investor in, securities or other assets and agrees to repurchase them at a date certain or on demand. Use of a reverse repurchase transaction may be preferable to a regular sale and later repurchase of securities or other assets because it avoids certain market risks and transaction costs. Reverse repurchase transactions involve the risk that the market value of securities and/or other assets purchased by the Fund with the proceeds received by the Fund in connection with such reverse repurchase transactions may decline below the market value of the securities the Fund is obligated to repurchase under such reverse repurchase transactions. They also involve the risk that the counterparty liquidates the securities delivered to it by the Fund under the reverse repurchase agreement following the occurrence of an event of default under the reverse repurchase agreement by the Fund. At the time when the Fund enters into a reverse repurchase transactions, liquid securities (cash, U.S. Government securities or other debt obligations) of the Fund having a value at least as great as the Purchase Price of the securities to be purchased will be segregated on the books of the Fund throughout the period of the obligation. The use of these investment strategies may increase net asset value fluctuation.

### Short Sales Risk

Short sales by the Fund that are not made where there is an offsetting long position in the asset that it is being sold short theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet margin calls on its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.



[Table of Contents](#)**NOTES TO FINANCIAL STATEMENTS (continued)****December 31, 2019****NexPoint Strategic Opportunities Fund****Gain Contingency**

Claymore Holdings, LLC, a partially-owned affiliate of the Fund, is engaged in ongoing litigation that could result in a possible gain contingency to the Fund. The probability, timing, and potential amount of recovery, if any, are unknown.

**Valuation Risk**

Certain of the Fund's assets are fair valued, including the Fund's primary illiquid asset, TerreStar. TerreStar is a nonoperating company that does not currently generate revenue and which primarily derives its value from two spectrum frequencies, the license with respect to one of which was terminated by the FCC and is being contested by TerreStar on technical and public policy grounds. TerreStar currently anticipates such contest may take between 12 to 30 months and expects deployment of its other spectrum asset to require a similar period of time. If TerreStar is ultimately unsuccessful in its efforts, the terminated license

would not be reinstated and the value of the TerreStar equity would likely be materially negatively impacted. The fair valuation of TerreStar involves uncertainty as it is materially dependent on these estimates. With regard to the likelihood of TerreStar regaining the terminated license, the Investment Adviser assigned a high probability of success, based in part in consultation with outside experts.

**Note 10. Investment Transactions****Purchases & Sales of Securities**

The cost of purchases and the proceeds from sales of investments, other than short-term securities, for the period ended December 31, 2019, were as follows:

Purchases	Other Securities	Sales
\$551,735,651		\$ 327,057,035

**Note 11. Affiliated Issuers and Other Affiliate Matters**

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as "affiliated" if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund as of December 31, 2019:

Issuer	Shares at December 31, 2018	Beginning Value as of December 31, 2018	Purchases at Cost	Proceeds from Sales	Distribution to Return Capital	Net Realized Gain/ (Loss) on Sales of Affiliated Issuers	Change Unrealized Appreciation/ Depreciation	Ending Value as of December 31, 2019	Shares at December 31, 2019	Affiliated Income
<b>Majority Owned, Not Consolidated</b>										
NexPoint Real Estate Opportunities, LLC, REIT (Common Stocks)	123,002,415	\$ 231,921,053	\$ 45,362,450	—	\$ (38,859,168)	\$ —	\$ (441,456)	\$ 237,982,879	146,055,529	\$ 4,300,770
NexPoint Real Estate Capital	10,837,183	33,820,681	2,014,438	—	(94,648)	—	(1,673,801)	34,066,670	11,389,726	4,530,000
Specialty Financial Products, Ltd. (Common Stocks)	33,685,010	36,821,085	5,472,006	—	(1,500,000)	(1)	(5,538,523)	35,254,567	38,998,415	—
<b>Other Affiliates</b>										
SFR WLIF I, LLC	—	—	40,322,605	—	—	—	(591,936)	39,730,669	40,322,605	2,444,302
SFR WLIF II, LLC	—	—	26,968,904	—	—	—	(254,047)	26,714,857	26,968,904	1,496,257
SFR WLIF III, LLC	—	—	7,708,491	—	—	—	(167,120)	7,541,371	7,708,491	238,109
Gambier Bay LLC <sup>(1)</sup>	2,102,020	241,732	—	—	(1,810,258)	—	1,568,526	—	—	—
LLV Holdco LLC (U.S. Senior Loans, Common Stocks & Warrants)	9,708,922	7,741,953	2,059,233	—	—	—	(411,847)	9,389,339	11,763,530	8,809
NexPoint Residential Trust, Inc.	39,394	1,380,760	1,604,928	—	(76,162)	45	726,156	3,655,305	81,229	3,932
NexPoint Hospitality Trust	—	—	38,859,168	—	—	—	27,859,991	66,719,159	13,370,573	—
TerreStar Corp. (U.S. Senior Loans & Common Stocks)	20,041,413	56,921,591	2,756,182	—	—	—	(250,061)	59,427,642	22,797,318	2,369,995
United Development Funding IV	1,644,786	6,167,948	496,307	—	—	—	(1,514,599)	5,149,656	1,763,581	229,266
Euramax International (U.S. Senior Loans, Common Stocks & Warrants)	6,408,963	8,636,781	943,771	—	—	—	(3,355,992)	6,224,560	7,352,734	979,394

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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

Issuer	Shares at December 31, 2018	Beginning Value as of December 31, 2018	Purchases at Cost	Proceeds from Sales	Distribution to Return Capital	Net Realized Gain/ (Loss) on Sales of Affiliated Issuers	Change Unrealized Appreciation/ Depreciation	Ending Value as of December 31, 2019	Shares at December 31, 2019	Affiliated Income
<b>Other Controlled</b>		\$	\$		\$	\$	\$	\$		\$
Allenby (Common Stocks)	585,035	1	46,100	—	—	—	(46,100)	1	631,135	—
Claymore (Common Stocks)	1,874,553	2	144,816	—	—	—	(144,816)	2	2,019,369	—
<b>Total</b>	<b>209,929,694</b>	<b>\$ 383,653,587</b>	<b>\$ 174,759,398</b>	<b>—</b>	<b>\$ (42,340,236)</b>	<b>\$ 44</b>	<b>\$ 3,336,484</b>	<b>\$ 531,856,677</b>	<b>331,223,139</b>	<b>\$ 16,600,833</b>

(1) Includes the value of iHeart Communications, Inc. bonds as of December 31, 2019 and subsequent activity.

The Adviser has been historically affiliated through common control with Highland Capital Management, L.P. ("HCMLP"), an SEC-registered investment adviser. On October 16, 2019, HCMLP filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the United States Bankruptcy Court for the Northern District of Texas. On January 9, 2020, the bankruptcy court approved a change of control of HCMLP, which involved the resignation of James Dondero as the sole director of, and the appointment of an independent board to, HCMLP's general partner. Mr. Dondero will, however, remain as an employee of HCMLP and as portfolio manager for all funds and vehicles for which he currently holds such titles. Nevertheless, given Mr. Dondero's historic role with HCMLP and his continued ownership interest and roles with respect to the Highland platform as a whole, as well as the shared services agreements between HCMLP and our Adviser, the Fund treats HCMLP and its affiliates as its affiliates for purposes hereof.

### Note 12. Rights Offering and Stock Repurchase Plan

On April 19, 2017, the Fund announced a non-transferable rights offering (the "2017 Offering") to purchase additional shares of common stock of the Fund. Each shareholder of record on May 5, 2017 received one right for each common share held. Holders were entitled to purchase one new share of common stock for every three rights held at a subscription price of \$20.93 per share, which was calculated as the lesser of (1) 95% of the reported net asset value on May 24, 2017 (the "2017 Expiration Date"), or (2) 95% of the average of the last reported sales price of the Fund's common shares on NYSE on the 2017 Expiration Date and on each of the four trading days preceding the 2017 Expiration Date. The 2017 Offering was oversubscribed, with total subscriptions equal to 233% of the primary offering. As a result of the 2017 Offering and the Fund's exercise of an over-allotment option, 6,682,882 additional shares were issued. On November 2,

2016, the Fund announced a stock repurchase plan (the "Repurchase Plan") initially sized at \$10 million as approved by the Board. The Repurchase Plan was scheduled to begin in December 2017 and continue for approximately six months. In connection with the Offering, the Board approved the extension of the Repurchase Plan for a period of one year from the 2017 Expiration Date. The Repurchase Plan expired on May 24, 2018. No repurchases were made as part of the repurchase plan prior to its expiration.

On April 20, 2018, the Fund announced a non-transferable rights offering (the "2018 Offering") to purchase additional shares of common stock of the Fund. Each shareholder of record on May 9, 2018 received one right for each common share held. Holders were entitled to purchase one new share of common stock for every three rights held at a subscription price of \$21.30 per share, which was calculated as the lesser of (1) 95% of the reported net asset value on May 29, 2018 (the "2018 Expiration Date"), or (2) 95% of the average of the last reported sales price of the Fund's common shares on NYSE on the 2018 Expiration Date and on each of the four trading days preceding the 2018 Expiration Date. The 2018 Offering was oversubscribed, with total subscriptions equal to 177% of the primary offering. As a result of the 2018 Offering and the Fund's exercise of an over-allotment option, 9,494,823 additional shares were issued.

On April 11, 2019, the Fund announced a non-transferable rights offering (the "2019 Offering") to purchase additional shares of common stock of the Fund. Each shareholder of record on April 29, 2019 received one right for each common share held. Holders were entitled to purchase one new share of common stock for every three rights held at a subscription price of \$17.77 per share, which was calculated as the lesser of (1) 95% of the reported net asset value on May 22, 2019 (the "2019 Expiration Date"), or (2) 95% of the average of the last reported sales price of the Fund's common shares on NYSE on the 2019 Expiration Date and on each of the four trading days preceding the 2019 Expiration Date. The 2019



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## NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

Offering was oversubscribed, with total subscriptions equal to 231% of the primary offering. As a result of the 2019 Offering and the Fund's exercise of an over-allotment option, 13,498,570 additional shares were issued for \$237.3 million in Proceeds from sale of shares.

After the completion of the audit for the year ended December 31, 2018, a valuation correction was made in equity issued by TerreStar Corporation, affecting the value of the individual positions between March 2018 through January 2019. As a result, it was determined that there was a minor difference in funds received from shareholders who participated in the 2018 Offering. The overpayment of these proceeds, which equates to approximately \$2.6mm from the rights offering, was returned to the investors accounts. This is reflected net in the Proceeds from sale of shares on the Statement of Changes in Net Assets.

### Note 13. New Accounting Pronouncements

In November 2016, the FASB issued Accounting Standards Update 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash. The amendments in this update require the statement of cash flows to explain the change during the period in the total of cash, restricted cash and cash equivalents. Amounts generally described as restricted cash or restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. For public entities this update was effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and effective April 1, 2018, the Fund no longer reports the change in restricted cash and cash equivalents in the operating and investing sections in our Consolidated Statement of Cash Flows. Restricted cash and cash equivalents are now included in the beginning and end of the period cash and cash equivalents on the Consolidated Statement of Cash Flows. These changes have been applied using a retrospective transition method to each period presented.

In March 2017, the FASB issued Accounting Standards Update 2017-08, Receivables — Nonrefundable Fees and Other Costs (Subtopic 310-20). The amendments in this update shorten the amortization period for certain callable debt securities held at premium. Specifically, the amendments require the premium to be amortized to the earliest call date. The amendments do not require an accounting change for securities held at a discount; the discount continues to be amortized to maturity. For public entities

this update was effective for fiscal years beginning after December 15, 2018, and for interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

In February 2018, the FASB issued Accounting Standards Update 2018-03, Technical Corrections and Improvements to Financial Instruments — Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities. The amendments in this update provide a variety of technical corrections and improvements to how entities should account for financial instruments. For public entities this update was effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years beginning after June 15, 2018. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820). The new guidance includes additions and modifications to disclosure requirements for fair value measurements. For public entities, the amendments are effective for consolidated financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Investment Adviser has evaluated the impact of this new guidance and the adoption of this guidance did not have a material impact on the Fund's consolidated financial statements.

### Note 14. Unconsolidated Significant Subsidiaries

In accordance with Regulation S-X and GAAP, the Fund is not permitted to consolidate any subsidiary or other entity that is not an investment company, including those in which the Fund has a controlling interest unless the business of the controlled subsidiary consists of providing services to the Fund. In accordance with Regulation S-X Rules 3-09 and 4-08(g), the Fund evaluates its unconsolidated controlled subsidiaries as significant subsidiaries under the respective rules. As of December 31, 2019, NexPoint Real Estate Opportunities, LLC was considered a significant unconsolidated subsidiary under Regulation S-X Rule 4-08(g), while NexPoint Real Estate Capital, LLC and Specialty Financial Products Designated Activity Company did not meet the qualifications of a significant subsidiary. All subsidiaries are wholly owned by the Fund. Based on the requirements under Regulation S-X Rule 4-08(g), the

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## NOTES TO FINANCIAL STATEMENTS (concluded)

December 31, 2019

NexPoint Strategic Opportunities Fund

summarized consolidated financial information of these unconsolidated subsidiaries is presented below:

	NexPoint Real Estate Capital, LLC December 31, 2019	NexPoint Real Estate Opportunities, LLC December 31, 2019	Specialty Financial Products Designated Activity Company December 31, 2019
<b>Balance Sheet:</b>			
Current Assets	\$ 657,000	\$ 21,626,000	\$ 395,704
Noncurrent Assets	33,384,000	403,895,000	34,857,990
<b>Total Assets</b>	<b>34,041,000</b>	<b>425,521,000</b>	<b>35,253,694</b>
Current Liabilities	190,000	12,862,000	3,354,938
Noncurrent Liabilities	644,000	226,573,000	31,894,134
<b>Total Liabilities</b>	<b>834,000</b>	<b>239,435,000</b>	<b>35,249,072</b>
Preferred Stock	100,000	125,000	—
Non-controlling interest (in consolidated investments)	—	(2,627,000)	—
Invested Equity	33,107,000	188,588,000	—
<b>Total Equity</b>	<b>\$ 33,207,000</b>	<b>\$ 186,086,000</b>	<b>\$ 4,622</b>

	NexPoint Real Estate Capital, LLC For the Year Ended December 31, 2019	NexPoint Real Estate Opportunities, LLC For the Year Ended December 31, 2019	Specialty Financial Products Designated Activity Company For the Year Ended December 31, 2019
<b>Summary of Operations:</b>			
Net Sales	\$ 3,878,000	\$ 41,498,000	\$ 127,709
Gross Profit (Loss)	3,802,000	(5,046,000)	1,000
Net Income (Loss)	3,786,000	(5,014,000)	750
Net Income (Loss) attributable to non-controlling interest (in consolidated investments), preferred shares, and other comprehensive income	16,000	(32,000)	—

### Note 15. Subsequent Events

The Investment Adviser has evaluated the impact of all subsequent events on the Fund through the date the consolidated financial statements were issued, and has determined that there were no such subsequent events to report which have not already been recorded or disclosed in these financial statements and accompanying notes.

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread internationally. This coronavirus has resulted in closing borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general concern and uncertainty. The impact of this coronavirus may be short term or may last for an extended period of time and result in a substantial economic downturn. Health crises caused by outbreaks, such as the coronavirus outbreak, may exacerbate other pre-existing political, social and economic risks. The impact of this outbreak, and other epidemics and pandemics that may arise in the future, could negatively affect the worldwide economy, as well as the economies of individual countries, individual companies and the market in general in significant and unforeseen ways. Any such impact could adversely affect a Fund's performance, the performance of the securities in which the Fund invests, lines of credit available to the Fund and may lead to losses on your investment in the Fund.

As a result of decreases in marketvalue of the Fund's assets pledged at derivative counterparties, the Fund has been required to post additional collateral relating to its margin requirements. The Fund has posted all required collateral; however, the Fund's ability to meet future margin calls may be impacted by continued unfavorable market conditions.



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

### To the Board of Trustees and Shareholders of NexPoint Strategic Opportunities Fund:

#### *Opinion on the Financial Statements*

We have audited the accompanying statement of assets and liabilities, including the investment portfolio, of NexPoint Strategic Opportunities Fund (the "Fund") as of December 31, 2019, the related statements of operations and cash flows for the year ended December 31, 2019, the statement of changes in net assets for each of the two years in the period ended December 31, 2019, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2019 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2019, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2019 and the financial highlights for each of the five years in the period ended December 31, 2019 in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2019 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

Dallas, Texas  
April 10, 2020

We have served as the auditor of one or more investment companies of NexPoint Advisors, L.P. and its affiliates since 2004.

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ADDITIONAL INFORMATION (unaudited)

December 31, 2019

NexPoint Strategic Opportunities Fund

Additional Portfolio Information

The Investment Adviser and its affiliates manage other accounts, including registered and private funds and individual accounts. Although investment decisions for the Fund are made independently from those of such other accounts, the Investment Adviser may, consistent with applicable law, make investment recommendations to other clients or accounts that may be the same or different from those made to the Fund, including investments in different levels of the capital structure of a company, such as equity versus senior loans, or that involve taking contradictory positions in multiple levels of the capital structure. The Investment Adviser has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, this may create situations where a client could be disadvantaged because of the investment activities conducted by the Investment Adviser for other client accounts. When the Fund and one or more of such other accounts is prepared to invest in, or desires to dispose of, the same security, available investments or opportunities for each will be allocated in a manner believed by the Investment Adviser to be equitable to the Fund and such other accounts. The Investment Adviser also may aggregate orders to purchase and sell securities for the Fund and such other accounts. Although the Investment Adviser believes that, over time, the potential benefits of participating in volume transactions and negotiating lower transaction costs should benefit all accounts including the Fund, in some cases these activities may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

Tax Information

For shareholders that do not have a December 31, 2019 tax year end, this notice is for informational purposes only. For shareholders with a December 31, 2019 tax year end, please consult your tax adviser as to the pertinence of this notice. For the fiscal year ended December 31, 2019, the Fund hereby designates the following items with regard to distributions paid during the year.

Return of Capital	Ordinary Income Distribution	Total Distribution
83.98%	16.02%	100.00%
Dividend Received Deduction <sup>(1)</sup>	Qualified Dividend Income <sup>(2)</sup>	U.S. Government Interest <sup>(3)</sup>
8.53%	10.39%	0.00%
		Interest Related Dividends <sup>(4)</sup>
		20.75%

Short-Term Capital Gain Dividends <sup>(5)</sup>	Qualifying Business Income <sup>(6)</sup>
0.00%	41.50%
<ol style="list-style-type: none"> <li>Qualifying dividends represent dividends which qualify for the corporate dividends received deduction and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions).</li> <li>The percentage in this column represents the amount of "Qualifying Dividend Income" as created by the Jobs and Growth Tax Relief Reconciliation Act of 2003 and is reflected as a percentage of ordinary income distributions (the total of short-term capital gain and net investment income distributions). It is the intention of each of the aforementioned Funds to designate the maximum amount permitted by law.</li> <li>"U.S. Government Interest" represents the amount of interest that was derived from direct U.S. Government obligations and distributed during the fiscal year. This amount is reflected as a percentage of ordinary income. Generally, interest from direct U.S. Government obligations is exempt from state income tax. Shareholder who are residents of California, Connecticut and New York, these funds have not met the statutory requirements to permit exemption of these amounts from state income tax.</li> <li>The percentage in this column represents the amount of "Interest Related Dividends" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of net investment distributions that is exempt from U.S. withholding tax when paid to foreign investors.</li> <li>The percentage in this column represents the amount of "Short-Term Capital Gain Dividend" as created by the American Jobs Creation Act of 2004 and is reflected as a percentage of short-term capital gain distributions that is exempt from U.S. withholding tax when paid to foreign investors.</li> <li>The percentage in this column represents the amount of ordinary dividend income that qualified for 20% Business Income Deduction.</li> </ol>	

The information herein may differ from the information and distributions taxable to the shareholder for the calendar year ended December 31, 2019. Complete information will be computed and reported with your 2019 Form 1099-DIV.

Dividend Reinvestment Plan

Unless the registered owner of Common Shares elects to receive cash by contacting American Stock Transfer & Trust Company, LLC ("AST" or the "Plan Agent"), as agent for shareholders in administering the Plan, a registered owner will receive newly issued Common Shares for all dividends declared for Common Shares of the Fund. If a registered owner of Common Shares elects not to participate in the Plan, they will receive all dividends in cash paid by check mailed directly to them (or, if the shares are held in street or other nominee name, then to such nominee) by AST, as dividend disbursing agent. Shareholders may elect not to participate in the Plan and to receive all dividends in cash by sending written instructions or by contacting AST, as dividend disbursing agent, at the address set forth below.

Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by contacting the Plan Agent before the dividend record date; otherwise such termination or resumption will be effective with respect to any subsequently declared dividend. Some brokers may automatically elect to receive cash on the



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## ADDITIONAL INFORMATION (unaudited) (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

shareholders' behalf and may reinvest that cash in additional Common Shares of the Fund for them. The Plan Agent will open an account for each shareholder under the Plan in the same name in which such shareholder's Common Shares are registered.

Whenever the Fund declares a dividend payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Agent through receipt of additional unissued but authorized Common Shares from the Fund ("newly issued Common Shares"). The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the net asset value per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the New York Stock Exchange (the "NYSE") on the Declaration Date.

The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Agent on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants. In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan. There will be no brokerage charges with respect to Common Shares issued directly by the Fund.

The automatic reinvestment of dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Accordingly, any taxable dividend received by a participant that is reinvested in additional Common Shares will be subject to federal (and possibly state and local) income tax even though such participant will not receive a corresponding amount of cash with which to pay such taxes. Participants who request a sale of shares through the Plan Agent are subject to a \$2.50 sales fee and pay a brokerage commission of \$0.05 per share sold. The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants. All correspondence concerning the Plan should be directed to the Plan Agent at

American Stock Transfer & Trust Company, LLC 6201 15th Avenue Brooklyn, NY 11219; telephone (718) 921-8200.

### Shareholder Loyalty Program

To promote loyalty and long-term alignment of interests among the Fund's shareholders, the Investment Adviser offers an incentive to shareholders that buy and hold the Fund's common shares for a period of at least twelve months through its Shareholder Loyalty Program (the "Program"). To participate in the Program, existing shareholders must open an account (the "Account") with the Program's administrator, American Stock Transfer & Trust Company ("AST"). Subsequently, if a participant makes contributions to the Account during a defined trading period to purchase shares, the Investment Adviser will make a corresponding contribution equal to 2% of the participant's contributions. For example, if a participant contributes \$10,000 to the Account during a defined trading period to purchase shares, the Adviser will make a corresponding contribution of \$200, to purchase additional shares for the participant (the "Bonus Shares"). In addition, Program participants will not be required to pay any customary selling commissions or distribution fees on the purchase of shares under the Program. The Investment Adviser will bear the costs of brokerage fees in connection with the Program. While the portion of the Fund's common shares that are acquired through the participant's contribution will vest immediately, Bonus Shares will not vest until the first anniversary of the date that the Bonus Shares were purchased. Vested shares will be held in the Account and Bonus Shares will be held in an account at AST for the conditional benefit of the shareholder. Under the Program, participants must purchase a minimum of \$10,000 worth of shares in the initial subscription and \$5,000 in each subsequent subscription, unless the Investment Adviser, in its sole discretion, decides to permit subscriptions for a lesser amount. If the Fund's common shares are trading at a discount, AST will purchase common shares on behalf of participants in open-market purchases. If the Fund's common shares are trading at a premium, AST may purchase common shares on behalf of participants in open market purchases or the Fund may sell common shares to the Shareholder Loyalty Program by means of a prospectus or otherwise. All dividends received on shares that are purchased under the Program will be automatically reinvested through the Program. A participant's interest in a dividend paid to the holder of a vested share will vest immediately. A participant's interest in a dividend paid to the holder of a Bonus Share will vest at the same time that the Bonus Share's vesting requirements are met. In addition, for dividends paid to holders of shares that were purchased with a participant's contributions, the Investment Adviser will make a corresponding contribution to the amount of the reinvested dividend equal to 2% of the dividend amount. AST



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## ADDITIONAL INFORMATION (unaudited) (continued)

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NexPoint Strategic Opportunities Fund

maintains all shareholders' accounts in the Program and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Shares in the account of each Program participant will be held by AST on behalf of the Program participant, and each shareholder proxy will include those shares purchased or received pursuant to a Program. AST will forward all proxy solicitation materials to participants and vote proxies for shares held under the Program in accordance with the instructions of the participants. In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, AST will administer the Program on the basis of the number of common shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Program. The Fund and the Investment Adviser reserve the right to amend or terminate the Program. To help align the interests of the Investment Adviser's employees with the interests of the Fund's shareholders, the Investment Adviser offers a similar program to its employees. Participants in the Program should be aware that their receipt of Bonus Shares under the Program constitutes taxable income to them. In addition, such participants owe taxes on that portion of any distribution that constitutes taxable income in respect of shares of our common stock held in their Program accounts, whether or not such shares of common stock have vested in the hands of the participants. To the extent any payments or distributions under the Program are subject to U.S. federal, state or local taxes, the Fund, any participating affiliate of the Fund or the agent for the Program may satisfy its tax withholding obligation by (1) withholding shares of Stock allocated to the participant's account, (2) deducting cash from the participant's account or (3) deducting cash from any other compensation the participant may receive. Program participants should consult their tax advisers regarding the tax consequences to them of participating in the Program. The Program may create an incentive for shareholders to invest additional amounts in the Fund. Because the Investment Adviser's management fee is based on a percentage of the assets of the Fund, the Program will result in increased net revenues to the Investment Adviser if the increase in the management fee due to the increased asset base offsets the costs associated with establishing and maintaining the Program.

### Approval of NexPoint Strategic Opportunities Fund Investment Advisory Agreement

The Fund has retained NexPoint Advisors, L.P. (the "Investment Adviser") to manage the assets of the Fund pursuant to an investment advisory agreement between the Investment Adviser and the Fund (the "Agreement"). The Agreement was initially approved by the Funds' Board of Trustees, including a majority of the Independent Trustees.

Following the initial two-year term, the Agreement continues in effect from year-to-year, provided that such continuance is specifically approved at least annually by the vote of holders of at least a majority of the outstanding shares of the Fund or by the Board of Trustees and, in either event, by a majority of the Independent Trustees of the Fund casting votes in person at a meeting called for such purpose.

During a telephonic meeting held on August 15, 2019, the Board of Trustees gave preliminary consideration to information bearing on the continuation of the Agreement for a one-year period commencing November 1, 2019 with respect to the Fund. The primary objective of the meeting was to ensure that the Trustees had the opportunity to consider matters they deemed relevant in evaluating the continuation of the Agreement, and to request any additional information they considered reasonably necessary for their deliberations.

At an in-person meeting held on September 19-20, 2019, the Board of Trustees, including the Independent Trustees, approved the continuance of the Agreement for a one-year period commencing on November 1, 2019. As part of its review process, the Board requested, through its independent legal counsel, and received from the Investment Adviser, various information and written materials, including: (1) information regarding the financial soundness of the Investment Adviser and the anticipated of the Advisory Agreement to the Investment Adviser; (2) information on the advisory and compliance personnel of the Investment Adviser, including compensation arrangement; (3) information on the internal compliance procedures of the Investment Adviser, including policies and procedures for personal securities transactions and with respect to cybersecurity, business continuity and disaster recovery; (4) comparative information showing how the Fund's fees and expenses compare to those of other registered investment companies and comparable funds managed by the Investment Adviser that follow investment strategies similar to those of the Fund, if any; (5) information regarding the investment performance of the Fund, including comparisons of the Fund's performance against that of other registered investment companies and comparable funds managed by the Investment Adviser that follow investment strategies similar to the Fund, if any; (6) premium and discount information with respect to the Fund; (7) information regarding brokerage and portfolio transactions; and (8) information on any legal proceedings or regulatory audits or investigations affecting the Investment Adviser or its affiliates. After the August 2019 meeting, the Trustees requested that the Investment Adviser provide additional information regarding various matters. In addition, the Board of Trustees received an independent report from FUSE Research Network ("FUSE"), an independent source of



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## ADDITIONAL INFORMATION (unaudited) (continued)

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investment company data, relating to the Fund's performance and expenses compared to the performance and expenses of a group of funds deemed by FUSE to be comparable to the Fund (the "peer group"), and to a larger group of comparable funds (the "peer universe"). The Board also received data relating to the Fund's leverage and distribution rates as compared to its peer group.

The Board of Trustees' evaluation process with respect to the Investment Adviser is an ongoing one. In this regard, the Board of Trustees also took into account discussions with management and information provided to the Board of Trustees at periodic meetings of the Board of Trustees over the course of the year with respect to the services provided by the Investment Adviser to the Fund, including quarterly performance reports prepared by management containing reviews of investment results and prior presentations from the Investment Adviser with respect to the Fund. The information received and considered by the Board of Trustees in connection with the September 19-20, 2019 meeting and throughout the year was both written and oral.

The Board of Trustees reviewed various factors that were discussed in a legal memorandum provided by independent counsel regarding trustee responsibilities in considering the Advisory Agreement, the detailed information provided by the Investment Adviser and other relevant information and factors. The Board of Trustees also considered other factors (including conditions and trends prevailing generally in the economy, the securities markets, and the industry). The Board of Trustees' conclusions as to the approval of the Advisory Agreement were based on a comprehensive consideration of all information provided to the Trustees without any single factor being dispositive in and of itself.

Some of the factors that figured particularly in the Board of Trustees' deliberations are described below, although individual Trustees may have evaluated the information presented differently from one another, giving different weights to various factors. In addition, the Board of Trustees' conclusions may be based in part on its consideration of the advisory arrangements in prior years and on the Board's ongoing regular review of fund performance and operations throughout the year.

Throughout the process, the Board of Trustees had the opportunity to ask questions of and request additional information from the Investment Adviser. The Board of Trustees was assisted by legal counsel for the Trust and the Independent Trustees were also separately assisted by independent legal counsel throughout the process. The Independent Trustees were advised by and met in executive sessions with their independent legal counsel at which no representatives of management were present to discuss the proposed continuation of the Advisory Agreement, including prior to the September 19-20, 2019 meeting.

### The nature, extent, and quality of the services to be provided by the Investment Adviser.

The Board considered the portfolio management services to be provided by the Investment Adviser under the Advisory Agreement and the activities related to portfolio management, including use of technology, research capabilities and investment management staff. The Board discussed the relevant experience and qualifications of the personnel who would provide advisory services, including the background and experience of the members of the Fund's portfolio management team. The Trustees reviewed the management structure, assets under management and investment philosophies and processes of the Investment Adviser, including with respect to liquidity management. The Board also reviewed and discussed information regarding the Investment Adviser's compliance policies, procedures and personnel, including compensation arrangements and with respect to valuation, cybersecurity, business continuity and disaster recovery. The Board also considered the Investment Adviser's risk management processes. The Board of Trustees took into account the terms of the Advisory Agreement and considered that, the Investment Adviser, subject to the direction of the Board of Trustees, is responsible for providing advice and guidance with respect to the Fund and for managing the investment of the assets of the Fund. The Board of Trustees also took into account that the scope of services provided by the Investment Adviser and the undertakings required of the Investment Adviser in connection with those services, including maintaining and monitoring its own and the Fund's compliance program, had expanded over time as a result of regulatory, market and other developments. In this regard, they considered the Adviser's preparation with respect to the reporting modernization and liquidity risk management requirements required by new SEC regulations. The Board of Trustees also considered the quality of the Investment Adviser's compliance oversight program with respect to the Fund's service providers. The Board of Trustees also considered both the investment advisory services and the nature, quality and extent of any administrative and other non-advisory services, including shareholder servicing and distribution support services, provided to the Fund and its shareholders by the Investment Adviser and its affiliates. The Board also considered the significant risks assumed by the Investment Adviser in connection with the services provided to the Fund, including entrepreneurial risk and ongoing risks including investment, operational, enterprise, litigation, regulatory and compliance risks with respect to the Fund. The Board of Trustees also noted various cost-savings initiatives that had been implemented by the Adviser with respect to the Fund and the other funds in the Highland complex over the years.



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## ADDITIONAL INFORMATION (unaudited) (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

The Board of Trustees also noted that on a regular basis it receives and reviews information from the Fund's Chief Compliance Officer (CCO) regarding the Fund's compliance policies and procedures established pursuant to Rule 38a-1 under the Investment Company Act of 1940.

In considering the nature, extent, and quality of the services provided by the Investment Adviser, the Board also took into account its knowledge of the Investment Adviser's management and the quality of the performance of its duties, through discussions and reports during the preceding year and in past years.

The Board took into account the Investment Adviser's risk assessment, monitoring process and regulatory history. The Board concluded that the Investment Adviser had the quality and depth of personnel and investment methods essential to performing its duties under the Advisory Agreement, and that the nature and the quality of such advisory services supported the approval of the Advisory Agreement.

### The Investment Adviser's historical performance.

In considering the Fund's performance, the Board of Trustees noted that it reviews at its regularly scheduled meetings information about the Fund's performance results. The Board of Trustees reviewed the historical performance of the Fund over various time periods and reflected on previous discussions regarding matters bearing on the Investment Adviser's performance at its meetings throughout the year. The Board of Trustees discussed the performance of the Fund and considered the relative performance of the Fund and its portfolio management team as compared to that of the Fund's peer group as selected by FUSE, as well as comparable indices. Among other data, the Board of Trustees also received data with respect to the Fund's leverage and distribution rates as compared to its peer group. The Board of Trustees noted that while it found the data provided by FUSE, the independent third-party data provider, generally useful, it recognized its limitations, including in particular that the data may vary depending on the end date selected and the results of the performance comparisons may vary depending on the selection of the peer group. The Board of Trustees also took into account management's discussion of the category in which the Fund was placed for comparative purposes, including any differences between the Fund's investment strategy and the strategy of the funds in the Fund's respective category, as well as compared to the peer group selected by FUSE.

Among other data relating specifically to the Fund's performance, the Board of Trustees considered that the Fund outperformed its benchmark index, the Credit Suisse Hedge Fund USD Index, over the three and ten-year periods ended June 30, 2019; however it underperformed over the one and five-year periods ended June 30, 2019. The Board of Trustees

took note that the Fund underperformed its peer group median over the one and five-year periods; however, it outperformed its peer group median for the ten-year period ended June 30, 2019 and performed in line with its peer group median for the three-year period ended June 30, 2019. The Board of Trustees also considered the success of the Fund's 20019 rights offering and took into account management's discussion of the Fund's performance.

The Board of Trustees concluded that the Fund's overall performance and other relevant factors, including the Adviser's actions to address any underperformance, supported the continuation of the Agreement with respect to the Fund for an additional one-year period.

### The costs of the services to be provided by the Investment Adviser and the profits to be realized by the Investment Adviser and its affiliates from the relationship with the Fund.

The Board of Trustees also gave consideration to the fees payable under the Agreement, the expenses the Investment Adviser incur in providing advisory services and the profitability to the Investment Adviser from managing the Fund, including: (1) information regarding the financial condition of the Investment Adviser; (2) information regarding the total fees and payments received by the Investment Adviser for its services and, with respect to the Investment Adviser, whether such fees are appropriate given economies of scale and other considerations; (3) comparative information showing (a) the fees payable under the Agreement versus the investment advisory fees of certain registered investment companies and comparable funds that follow investment strategies similar to those of the Fund and (b) the expense ratios of the Fund versus the expense ratios of certain registered investment companies and comparable funds that follow investment strategies similar to those of the Fund; and (4) information regarding the total fees and payments received and the related amounts waived and/or reimbursed by the Investment Adviser for providing administrative services with respect to the Fund under separate agreements and whether such fees are appropriate. The Board of Trustees took into account the management fee structure, including that management fees for the Fund were based on the Fund's total managed assets.

Among other data, the Board of Trustees considered that the Fund's total net expenses were equal to its peer group median, that the Fund's net management fee (including administrative fees) was lower than its peer group median and that the Fund's total net expense was about equal to its peer universe. The Board of Trustees took into account management's discussion of the Fund's expenses. The Board of Trustees also took into consideration the amounts waived and/or reimbursed, if any, where expense caps or advisory fee waivers had been implemented.



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## ADDITIONAL INFORMATION (unaudited) (concluded)

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The Board of Trustees also considered the so-called “fall-out benefits” to the Investment Adviser with respect to the Fund, such as the reputational value of serving as Investment Adviser to the Fund, potential fees paid to the Investment Adviser’s affiliates by the Fund or portfolio companies for services provided, including administrative services provided to the Fund by the Investment Adviser pursuant to separate agreements, the benefits of scale from investment by the Fund in affiliated funds, and the benefits of research made available to the Investment Adviser by reason of brokerage commissions (if any) generated by the Fund’s securities transactions. The Board of Trustees concluded that the benefits received by the Investment Adviser and its affiliates were reasonable in the context of the relationship between the Investment Adviser and the Fund.

After such review, the Board of Trustees determined that the profitability to the Investment Adviser and its affiliates from their relationship with the Fund was not excessive.

### **The extent to which economies of scale would be realized as the Fund grows and whether fee levels reflect these economies of scale for the benefit of shareholders.**

The Board considered the effective fee under the Advisory Agreement for the Fund as a percentage of assets at different asset levels and possible economies of scale that may be realized if the assets of the Fund grow. The Board noted that the Fund does not currently contain breakpoints in its advisory fee schedule. The Board considered the Investment Adviser’s discussion of the Fund’s advisory fee structure. The Board also noted that the Fund’s contractual advisory fee is in line with its peer universe at all asset levels. The Board of Trustees concluded that the fee structures are reasonable, and with respect to the Investment Adviser, should result in a sharing of economies of scale in view of the information

provided. The Board determined to continue to review ways, and the extent to which, economies of scale might be shared between the Investment Adviser on the one hand and shareholders of the Fund on the other.

### **Conclusion.**

Following a further discussion of the factors above, it was noted that in considering the approval of the Advisory Agreement, no single factor was determinative to the decision of the Board of Trustees. Rather, after weighing all factors and considerations, including those discussed above, the Board of Trustees, including separately, the Independent Trustees, unanimously agreed that the Advisory Agreement, including the advisory fee to be paid to the Investment Adviser, is fair and reasonable to the Fund in light of the services that the Investment Adviser proposes to provide, the expenses that it incurs and the reasonably foreseeable asset levels of the Fund.

### **Submission of Proposal to a Vote of Shareholders**

The annual meeting of shareholders of the Fund was held on June 14, 2019. The following is a summary of the proposal submitted to shareholders for a vote at the meeting and the votes cast.

<u>Proposal</u>	<u>Votes For</u>	<u>Votes Withheld</u>
To elect Ethan Powell as a Class I Trustee of the Fund, to serve for a three-year term expiring at the 2022 Annual Meeting.	27,074,216	1,340,429
To elect Bryan A. Ward as a Class I Trustee of the Fund, to serve for a three-year term expiring at the 2022 Annual Meeting.	27,298,971	1,115,674

In addition to the two Trustees who were elected at the annual meeting, as noted above, the following other Trustees continued in office after the Fund’s annual meeting: Dr. Bob Froehlich, Dustin Norris, Ethan Powell and Bryan A. Ward.



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## ADDITIONAL INFORMATION (unaudited) (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

### Trustees and Officers

The Board provides broad oversight of the operations and affairs of the Funds and protects the interests of shareholders. The Board has overall responsibility to manage and control the business affairs of the Funds, including the complete and exclusive authority to establish policies regarding the management, conduct and operation of the Funds' business. The names and birthdates of the Trustees and officers of the Funds, the year each was first elected or appointed to office, their principal business occupations during the last five years, the number of funds overseen by each Trustee and other directorships or trusteeships they hold are shown below. The business address for each Trustee and officer of the Funds is c/o Highland Capital Management Fund Advisors, L.P., 300 Crescent Court, Suite 700, Dallas, Texas 75201.

The "Highland Funds Complex," as referred to herein, consists of: the Fund, each series of Highland Funds I ("HFI"), each series of Highland Funds II ("HFII"), Highland Global Allocation Fund ("GAF"), Highland Income Fund (formerly, Highland Floating Rate Opportunities Fund) ("HFRO"), NNexPoint Event-Driven Fund ("NEDF"), NexPoint Latin American Opportunities Fund ("NLAF"), NexPoint Real Estate Strategies Fund ("NRESF"), NexPoint Strategic Income Fund ("NSIF"), NexPoint Energy and Materials Opportunities Fund ("NEMO"), NexPoint Discount Strategies Fund ("NDSF"), NexPoint Healthcare Opportunities Fund ("NHOF", and together with NEDF, NLAF, NRESF, NSIF, NEMO and NDSF, the "Interval Funds"), and NexPoint Capital, Inc. (the "BDC"), a closedend management investment company that has elected to be treated as a business development company under the 1940 Act.

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
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#### Independent Trustees

Dr. Bob Froehlich (4/28/1953)	Trustee	3 year term (expiring at 2020 annual meeting). Trustee since December 2013.	Retired.	20	Trustee of ARC Realty Finance Trust, Inc. (from January 2013 to May 2016); Director of KC Concessions, Inc. (since January 2013); Trustee of Realty Capital Income Funds Trust (from January 2014 to December 2016); Director of American Realty Capital Healthcare Trust II (from January 2013 to June 2016); Director, American Realty Capital Daily Net Asset Value Trust, Inc. (from November 2012 to July 2016); Director of American Sports Enterprise, Inc. (since January 2013); Director of Davidson Investment Advisors (from July 2009 to July 2016); Chairman and owner, Kane County Cougars Baseball Club (since January 2013); Advisory Board of Directors, Internet Connectivity Group, Inc. (from January 2014 to April 2016); Director of AXAR	Significant experience in the financial industry; significant managerial and executive experience; significant experience on other boards of directors, including as a member of several audit committees.
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## ADDITIONAL INFORMATION (unaudited) (continued)

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NexPoint Strategic Opportunities Fund

Trustees and Officers

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
<b>Independent Trustees</b>						
					Acquisition Corp. (formerly AR Capital Acquisition Corp.) (from October 2014 to October 2017); Director of The Midwest League of Professional Baseball Clubs, Inc.; Director of Kane County Cougars Foundation, Inc.; Director of Galen Robotics, Inc.; Chairman and Director of FC Global Realty, Inc. (from May 2017 to June 2018); Chairman; Director of First Capital Investment Corp. (from March 2017 to March 2018); and Director and Special Advisor to Vault Data, LLC (since February 2018).	
John Honis <sup>2</sup> (6/16/1958)	Trustee	3 year term (expiring at 2021 annual meeting). Trustee since July 2013.	President of Rand Advisors, LLC since August 2013; and Partner of Highland Capital Management, L.P. ("HCMLP") from February 2007 until his resignation in November 2014.	20	Manager of Turtle Bay Resort, LLC (August 2011 — December 2018); Manager of American Home Patient (November 2011 to February 2016).	Significant experience in the financial industry; significant managerial and executive experience, including experience as president, chief executive officer or chief restructuring officer of five telecommunication firms; experience on other boards of directors.



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## ADDITIONAL INFORMATION (unaudited) (continued)

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NexPoint Strategic Opportunities Fund

Trustees and Officers

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
<b>Independent Trustees</b>						
Ethan Powell <sup>3</sup> (6/20/1975)	Trustee; Chairman of the Board	3 year term (expiring at 2022 annual meeting). Trustee since December 2013; Chairman of the Board since December 2013; and Executive Vice President and Principal Executive Officer from June 2012 until December 2015.	CEO, Chairman and Founder of Impact Shares LLC since December 2015; Trustee/Director of the Highland Funds Complex from June 2012 until July 2013 and since December 2013; Chief Product Strategist of HCMFA from 2012 until December 2015; Senior Retail Fund Analyst of HCMLP from 2007 until December 2015 and HCMFA from its inception until December 2015; President and Principal Executive Officer of NHF from June 2012 until May 2015; Secretary of NHF from May 2015 until December 2015; Executive Vice President and Principal Executive Officer of HFI and HFII from June 2012 until December 2015; and Secretary of HFI and HFII from November 2010 to May 2015.	20	Trustee of Impact Shares Funds I Trust	Significant experience in the financial industry; significant executive experience including past service as an officer of funds in the Highland Funds Complex; significant administrative and managerial experience.
Bryan A. Ward (2/4/1955)	Trustee	3 year term (expiring at 2022 annual meeting). Trustee since May 2006.	Senior Advisor, CrossFirst Bank since April 2019; Private Investor, BW Consulting, LLC since 2014; Senior Manager, Accenture, LLP (a consulting firm) from 1991 until retirement in 2014.	20	Director of Equity Metrix, LLC	Significant experience in the financial industry; significant executive experience including past service as an officer of funds in the Highland Funds Complex; significant administrative and managerial experience.



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## ADDITIONAL INFORMATION (unaudited) (continued)

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NexPoint Strategic Opportunities Fund

Trustees and Officers

Name and Date of Birth	Position(s) with the Fund	Term of Office <sup>1</sup> and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Portfolios in the Highland Funds Complex Overseen by the Trustee	Other Directorships/ Trusteeships Held During the Past Five Years	Experience, Qualifications, Attributes, Skills for Board Membership
<b>Interested Trustee</b>						
Dustin Norris (1/6/1984)	Trustee	Initial 3 year term (expiring at 2021 annual meeting). Trustee since February 2018; Executive Vice President since April 2019	Head of Distribution and Chief Product Strategist at NexPoint since March 2019; President of NexPoint Securities, Inc. (formerly, Highland Capital Funds Distributor, Inc.) since April 2018; Head of Distribution at HCMFA from November 2017 until March 2019; Secretary of HFRO, GAF, HFI and HFII from October 2017 until April 2019; Assistant Secretary of HFRO and GAF II from August 2017 to October 2017; Chief Product Strategist at HCMFA from September 2015 to March 2019; Director of Product Strategy at HCMFA from May 2014 to September 2015; Assistant Secretary of HFI and HFII from March 2017 to October 2017; Secretary of NHF from December 2015 until April 2019; Assistant Treasurer of NexPoint Real Estate Advisors, L.P. since May 2015; Assistant Treasurer of NexPoint Real Estate Advisors II, L.P. since June 2016; Assistant Treasurer of HFI and HFII from November 2012 to March 2017; Assistant Treasurer of NHF from November 2012 to December 2015; Secretary of the BDC from 2014 until April 2019; and Secretary of the Interval Funds from March 2016 until April 2019.	20	None	Significant experience in the financial industry; significant managerial and executive experience, including experience as an officer of the Highland Funds Complex since 2012.



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## ADDITIONAL INFORMATION (unaudited) (continued)

December 31, 2019

NexPoint Strategic Opportunities Fund

### Trustees and Officers

- 1 On an annual basis, as a matter of Board policy, the Governance and Compliance Committee reviews each Trustee's performance and determines whether to extend each such Trustee's service for another year. Effective June 2013, the Board adopted a retirement policy wherein the Governance and Compliance Committee shall not recommend the continued service as a Trustee of a Board member who is older than 80 years of age at the time the Governance and Compliance Committee reports its findings to the Board.
- 2 Since May 1, 2015, Mr. Honis has been treated as an Independent Trustee of the Trust. Prior to that date, Mr. Honis was treated as an Interested Trustee because he was a partner of an investment adviser affiliated with the Adviser until his resignation in November 2014. As of May 31, 2019, Mr. Honis was entitled to receive aggregate severance and/or deferred compensation payments of approximately \$390,000 from another affiliate of the Adviser. Mr. Honis also serves as a director of a portfolio company affiliated with the Adviser.  
In addition, Mr. Honis serves as a trustee of a trust that owns substantially all of the economic interest in an investment adviser affiliated with the Adviser. Mr. Honis indirectly receives an asset-based fee in respect of such interest, which is projected to range from \$450,000-\$550,000 annually. Additionally, an investment adviser controlled by Mr. Honis has entered into a shared services arrangement with an affiliate of the Adviser, pursuant to which the affiliate provides back office support in exchange for approximately \$50,000 per quarter. The affiliated adviser was paid \$147,000 and \$208,000 in 2017 and 2018, respectively. In light of these relationships between Mr. Honis and affiliates of the Adviser, it is possible that the SEC might in the future determine Mr. Honis to be an interested person of the Trust.
- 3 Prior to December 8, 2017, Mr. Powell was treated as an Interested Trustee of the Trust for all purposes other than compensation and the Trust's code of ethics.

Name and Date of Birth	Position(s) with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
<b>Officers</b>			
James Dondero (6/29/1962)	President (Principal Executive Officer)	Indefinite Term; President since May 2015	Co-founder of HCM; Chairman of the Board of NexPoint Residential Trust, Inc. since 2015; NexPoint Hospitality Trust, NexPoint Real Estate Finance, Inc., Jernigan Capital, Inc., Texmark Timber Treasury, L.P., Cornerstone Healthcare Group, Metro-Goldwyn-Mayer and SeaOne Holdings, LLC; Portfolio Manager of NHF; GAF; Highland Energy MLP Fund, Highland Small-Cap Equity Fund and Highland Socially Responsible Equity Equity Fund (each a series of HFII); Highland Opportunistic Credit Fund (series of HFII); the BDC; and the Interval Funds.
Frank Waterhouse (4/14/1971)	Treasurer, Principal Accounting Officer, Principal Financial Officer and Principal Executive Officer	Indefinite Term; Treasurer since May 2015. Principal Financial Officer and Principal Accounting Officer since October 2017. Principal Executive Officer since February 2018.	Partner and Chief Financial Officer of HCMLP; Treasurer of the Highland Funds Complex since May 2015.
Clifford Stoops (11/17/1970)	Assistant Treasurer	Indefinite Term; Assistant Treasurer since March 2017.	Chief Accounting Officer at HCMLP; Assistant Treasurer of the Highland Funds Complex since March 2017.
Jason Post (1/9/1979)	Chief Compliance Officer	Indefinite Term; Chief Compliance Officer since September 2015.	Chief Compliance Officer for HCMFA and NexPoint since September 2015; Chief Compliance Officer and Anti-Money Laundering Officer of the Highland Funds Complex since September 2015. Prior to his current role at HCMFA and NexPoint, Mr. Post served as Deputy Chief Compliance Officer and Director of Compliance for HCMLP.



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## ADDITIONAL INFORMATION (unaudited) (concluded)

December 31, 2019

NexPoint Strategic Opportunities Fund

### Trustees and Officers

Name and Date of Birth	Position(s) with the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
Dustin Norris (1/6/1984)	Executive Vice President; Trustee	Indefinite Term; Executive Vice President since April 2019; Trustee since February 2018	Head of Distribution and Chief Product Strategist at NexPoint since March 2019; President of NexPoint Securities, Inc. since April 2018; Head of Distribution at HCMFA from November 2017 until March 2019; Chief Product Strategist at HCMFA from September 2015 to March 2019; Director of Product Strategy at HCMFA from May 2014 to September 2015; Officer of the Highland Funds Complex since November 2012.
Lauren Thedford (1/7/1989)	Secretary since April 2019	Indefinite Term: Secretary since April 2019	Associate General Counsel at HCMLP since September 2017; In-House Counsel at HCMLP from January 2015 until September 2017; Secretary of the Highland Funds Complex since April 2019.

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## IMPORTANT INFORMATION ABOUT THIS REPORT

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**Investment Adviser**

NexPoint Advisors, L.P.  
200 Crescent Court, Suite 700  
Dallas, TX 75201

**Transfer Agent**

American Stock Transfer & Trust Company, LLC  
6201 15th Avenue  
Brooklyn, NY 11219

**Custodian**

The Bank of New York Mellon  
240 Greenwich Street  
New York, New York 10286

**Independent Registered Public Accounting Firm**

PricewaterhouseCoopers LLP  
2121 N. Pearl Street, Suite 2000,  
Dallas, TX 75201

**Fund Counsel**

K&L Gates LLP  
1 Lincoln Street  
Boston, MA 02111

This report has been prepared for shareholders of NexPoint Strategic Opportunities Fund (the "Fund"). The Fund mails one shareholder report to each shareholder address. If you would like more than one report, please call shareholder services at 1-866-351-4440 to request that additional reports be sent to you.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to its portfolio securities, and the Fund's proxy voting records for the most recent 12-month period ended December 31, are available (i) without charge, upon request, by calling 1-866-351-4440 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT within sixty days after the end of the period. The Fund's Forms N-PORT are available on the SEC's website at <http://www.sec.gov>. Shareholders may also obtain the Form N-PORT by visiting the Fund's website at [www.NexPointAdvisors.com](http://www.NexPointAdvisors.com).

On June 28, 2018, the Fund submitted a CEO annual certification to the New York Stock Exchange ("NYSE") on which the Fund's principal executive officer certified that he was not aware, as of the date, of any violation by the Fund of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund's principal executive officer and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-Q relating to, among other things, the Fund's disclosure controls and procedures and internal controls over financial reporting, as applicable.

The Statement of Additional Information includes additional information about the Fund's Trustees and is available upon request without charge by calling 1-866-351-4440.



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**NexPoint Strategic Opportunities Fund**  
6201 15th Avenue  
Brooklyn, NY 11219

**NexPoint Strategic Opportunities Fund**

Annual Report, December 31, 2019

[www.nexpointfunds.com](http://www.nexpointfunds.com)

NHF-AR-1219



## Item 2. Code of Ethics.

- (a) NexPoint Strategic Opportunities Fund (the "Registrant"), as of the end of the period covered by this report, has adopted a code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party.
- (b) Not applicable.
- (c) There have been no amendments, during the period covered by this report, to a provision of the code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party, and that relates to any element of the code of ethics description.
- (d) The Registrant has not granted any waiver, including any implicit waiver, from a provision of the code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party, that relates to one or more of the items set forth in paragraph (b) of this Item's instructions.
- (e) Not applicable.
- (f) The Registrant's code of ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions is filed herewith as Exhibit (a)(1).

## Item 3. Audit Committee Financial Expert.

As of the end of the period covered by the report, the Registrant's Board of Trustees (the "Board") has determined that Bryan A. Ward, a member of the Audit & Qualified Legal Compliance Committee of the Board (the "Audit Committee"), is an audit committee financial expert as defined by the U.S. Securities and Exchange Commission (the "SEC") in Item 3 of Form N-CSR. Mr. Ward is "independent" as defined by the SEC for purposes of this Item 3 of Form N-CSR.

## Item 4. Principal Accountant Fees and Services.

### Audit Fees

- (a) The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the Registrant's annual financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements for those fiscal years are \$320,500 for the fiscal year ended December 31, 2018 and \$365,000 for the fiscal year ended December 31, 2019.

### Audit-Related Fees

- (b) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit of the Registrant's financial statements and are not reported under paragraph (a) of this Item are \$8,500 for the fiscal year ended December 31, 2018 and \$28,000 for the fiscal year ended December 31, 2019. The nature of the services related to agreed-upon procedures performed on the issuance of the auditors' reports in connection with the Registrant's 17F-2 security counts.

### Tax Fees

- (c) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning are \$15,280 for the fiscal year ended December 31, 2018 and \$21,600 for the fiscal year ended December 31, 2019. The nature of the services related to assistance on the Registrant's tax returns and excise tax calculations.

### All Other Fees

- (d) The aggregate fees billed in each of the last two fiscal years for products and services provided by the principal accountant, other than the services reported in paragraphs (a) through (c) of this Item are \$0 for the fiscal year ended December 31, 2018 and \$0 for the fiscal year ended December 31, 2019.
- (e)(1) Disclose the Audit Committee's pre-approval policies and procedures described in paragraph (c)(7) of Rule 2-01 of Regulation S-X:

The Audit Committee shall:

- (a) have direct responsibility for the appointment, compensation, retention and oversight of the Registrant's independent auditors and, in connection therewith, to review and evaluate matters potentially affecting the independence and capabilities of the auditors; and



(b) review and pre-approve (including associated fees) all audit and other services to be provided by the independent auditors to the Registrant and all non-audit services to be provided by the independent auditors to the Registrant's investment adviser or any entity controlling, controlled by or under common control with the investment adviser (an "Adviser Affiliate") that provides ongoing services to the Registrant, if the engagement relates directly to the operations and financial reporting of the Registrant; and

(c) establish, to the extent permitted by law and deemed appropriate by the Audit Committee, detailed pre-approval policies and procedures for such services; and

(d) review and consider whether the independent auditors' provision of any non-audit services to the Registrant, the Registrant's investment adviser or an Adviser Affiliate not pre-approved by the Audit Committee are compatible with maintaining the independence of the independent auditors.

(e)(2) The percentage of services described in each of paragraphs (b) through (d) of this Item that were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X are as follows:

(b) 100%

(c) 100%

(d) N/A

(f) The percentage of hours expended on the principal accountant's engagement to audit the Registrant's financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full-time, permanent employees was less than fifty percent.

(g) The aggregate non-audit fees billed by the Registrant's principal accountant for services rendered to the Registrant, and rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and an Adviser Affiliate that provides ongoing services to the Registrant for each of the last two fiscal years of the Registrant was \$375,500 for the fiscal year ended December 31, 2018 and \$575,000 for the fiscal year ended December 31, 2019.

(h) The Registrant's Audit Committee has considered whether the provision of non-audit services that were rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and an Adviser Affiliate that provides ongoing services to the Registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

#### Item 5. Audit Committee of Listed Registrants.

The Registrant has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). It is composed of the following Trustees, each of whom is not an "interested person" as defined in the 1940 Act:

Dr. Bob Froehlich

Timothy K. Hui\*

Ethan Powell

Bryan A. Ward

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\* During the period covered by the report Timothy K. Hui was a member of the Audit Committee. Effective March 1, 2019, Mr. Hui retired and Ethan Powell was appointed to the Audit Committee. Mr. Powell is not an "interested person" as defined in the 1940 Act.

#### Item 6. Investments.

(a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the Annual Report to Shareholders filed under Item 1 of this form.

(b) Not applicable.

#### Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

#### NEXPOINT ADVISORS, L.P. PROXY VOTING POLICY

##### Purpose and Scope



The purpose of these voting policies and procedures (the "Policy") is to set forth the principles and procedures by which NexPoint (the "Company") votes or gives consents with respect to the securities owned by Clients for which the Company exercises voting authority and discretion.<sup>1</sup> For avoidance of

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<sup>1</sup> In any case where a Client has instructed the Company to vote in a particular manner on the Client's behalf, those instructions will govern in lieu of parameters set forth in the Policy.

doubt, this includes any proxy and any shareholder vote or consent, including a vote or consent for a private company or other issuer that does not involve a proxy. These policies and procedures have been designed to help ensure that votes are cast in the best interests of Clients in accordance with the Company's fiduciary duties and Rule 206(4)-6 under the Investment Advisers Act of 1940 (the "Advisers Act").

This Policy applies to securities held in all Client accounts (including Retail Funds and other pooled investment vehicles) as to which the Company has explicit or implicit voting authority. Implicit voting authority exists where the Company's voting authority is implied by a general delegation of investment authority without reservation of proxy voting authority to the Client.

If the Company has delegated voting authority to an investment sub-adviser with respect to any Retail Fund, such sub-adviser will be responsible for voting all proxies for such Retail Funds in accordance with the sub-adviser's proxy voting policies. The Compliance Department, to provide oversight over the proxy voting by sub-advisers and to ensure that votes are executed in the best interests of the Retail Funds, shall (i) review the proxy voting policies and procedures of each Retail Fund sub-adviser to confirm that they comply with Rule 206(4)-6, both upon engagement of the sub-adviser and upon any material change to the sub-adviser's proxy voting policies and procedures, and (ii) require each such sub-adviser to provide quarterly certifications that all proxies were voted pursuant to the sub-adviser's policies and procedures or to describe any inconsistent votes.

### **General Principles**

The Company and its affiliates engage in a broad range of activities, including investment activities for their own accounts and for the accounts of various Clients and providing investment advisory and other services to Clients. In the ordinary course of conducting the Company's activities, the interests of a Client may conflict with the interests of the Company, other Clients and/or the Company's affiliates and their clients. Any conflicts of interest relating to the voting of proxies, regardless of whether actual or perceived, will be addressed in accordance with these policies and procedures. The guiding principle by which the Company votes all proxies is to vote in the best interests of each Client by maximizing the economic value of the relevant Client's holdings, taking into account the relevant Client's investment horizon, the contractual obligations under the relevant advisory agreements or comparable documents and all other relevant facts and circumstances at the time of the vote. The Company does not permit voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

### **Voting Procedures**

#### *Third-Party Proxy Advisors*

The Company may engage a third-party proxy advisor ("Proxy Advisor") to provide proxy voting recommendations with respect to Client proxies. Proxy Advisor voting recommendation guidelines are generally designed to increase investors' potential financial gain. When considering whether to retain or continue retaining any particular Proxy Advisor, the Compliance Department will ascertain, among other things, whether the Proxy Advisor has the capacity and competency to adequately analyze proxy issues. In this regard, the Compliance Department will consider, among other things: the adequacy and quality of the Proxy Advisor's staffing and personnel; the robustness of its policies and procedures regarding its ability to (a) ensure that its proxy voting recommendations are based on current and accurate information and (b) identify and address any conflicts of interest and any other considerations that the Compliance Department determines would be appropriate in considering the nature and quality of the services provided by the Proxy Advisor. To identify and address any conflicts that may arise on the part of the Proxy Advisor, the Compliance Department will ensure that the Proxy Advisor notifies the Compliance Department of any relevant business changes or changes to its policies and procedures regarding conflicts.

#### *Third-Party Proxy Voting Services*

The Company may utilize a third-party proxy voting service ("Proxy Voting Service") to monitor holdings in Client accounts for purposes of determining whether there are upcoming shareholder meetings or similar corporate actions and to execute Client proxies on behalf of the Company pursuant to the Company's instructions, which shall be given in a manner consistent with this Policy. The Compliance Department will oversee each Proxy Voting Service to ensure that proxies have been voted in a manner consistent with the Company's instructions.

#### *Monitoring*

Subject to the procedures regarding Nonstandard Proxy Notices described below, the Compliance Department of the Company shall have responsibility for monitoring Client accounts for proxy notices. Except as detailed below, if proxy notices are received by other employees of the Company, such employees must promptly forward all proxy or other voting materials to the Compliance Department.



### *Portfolio Manager Review and Instruction*

From time to time, the settlement group of the Company may receive nonstandard proxy notices, regarding matters including, but not limited to, proposals regarding corporate actions or amendments ("Nonstandard Proxy Notices") with respect to securities held by Clients. Upon receipt of a Nonstandard Proxy Notice, a member of the settlement group (the "Settlement Designee") shall send an email notification containing all relevant information to the Portfolio Manager(s) with responsibility for the security and [redacted].com]. Generally, the relevant Portfolio Manager(s) shall deliver voting instructions for Nonstandard Proxy Notices by replying to the email notice sent to the Portfolio Manager(s) and [redacted].com] by the Settlement Designee or by sending voting instructions to [redacted].com] and [redacted].com]. Any conflicts for Nonstandard Proxy Notices should also be disclosed to the Compliance Department. In the event a Portfolio Manager orally conveys voting instructions to the Settlement Designee or any other member of the Company's settlement group, that Settlement Designee or member of the Company's settlement group shall respond to the original notice email sent to [redacted].com] detailing the Portfolio Manager(s) voting instructions.

With regard to standard proxy notices, on a weekly basis, the Compliance Department will send a notice of upcoming proxy votes related to securities held by Clients and the corresponding voting recommendations of the Proxy Advisor to the relevant Portfolio Manager(s). Upon receipt of a proxy notice from the Compliance Department, the Portfolio Manager(s) will review and evaluate the upcoming votes and recommendations. The Portfolio Managers may rely on any information and/or research available to him or her and may, in his or her discretion, meet with members of an issuer's management to discuss matters of importance to the relevant Clients and their economic interests. Should the Portfolio Manager determine that deviating from the Proxy Advisor's recommendation is in a Client's best interest, the Portfolio Manager shall communicate his or her voting instructions to the Compliance Department.

In the event that more than one Portfolio Manager is responsible for making a particular voting decision and such Portfolio Managers are unable to arrive at an agreement as to how to vote with respect to a particular proposal, they should consult with the applicable Chief Compliance Officer (the "CCO") for guidance.

### *Voting*

Upon receipt of the relevant Portfolio Managers' voting instructions, if any, the Compliance Department will communicate the instructions to the Proxy Voting Service to execute the proxy votes.

### *Non-Votes*

It is the general policy of the Company to vote or give consent on all matters presented to security holders in any vote, and these policies and procedures have been designated with that in mind. However, the Company reserves the right to abstain on any particular vote if, in the judgment of the CCO, or the relevant Portfolio Manager, the effect on the relevant Client's economic interests or the value of the portfolio holding is insignificant in relation to the Client's portfolio, if the costs associated with voting in any particular instance outweigh the benefits to the relevant Clients or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Clients not to vote. Such determination may apply in respect of all Client holdings of the securities or only certain specified Clients, as the Company deems appropriate under the circumstances. As examples, a Portfolio Manager may determine: (a) not to recall securities on loan if, in his or her judgment, the matters being voted upon are not material events affecting the securities and the negative consequences to Clients of disrupting the securities lending program would outweigh the benefits of voting in the particular instance or (b) not to vote proxies relating to certain foreign securities if, in his or her judgment, the expense and administrative inconvenience outweighs the benefits to Clients of voting the securities.

### *Conflicts of Interest*

The Company's Compliance Department is responsible for monitoring voting decisions for any conflicts of interest, regardless of whether they are actual or perceived. All voting decisions contrary to the recommendation of a Proxy Advisor require a mandatory conflicts of interest review by the Compliance Department, which will include a consideration of whether the Company or any Portfolio Manager or other person recommending or providing input on how to vote has an interest in the vote that may present a conflict of interest.

In addition, all Company investment professionals are expected to perform their tasks relating to the voting of proxies in accordance with the principles set forth above, according the first priority to the best interest of the relevant Clients. If at any time a Portfolio Manager or any other investment professional becomes aware of a potential or actual conflict of interest regarding any particular voting decision, he or she must contact the Compliance Department promptly and, if in connection with a proxy that has yet to be voted, prior to such vote. If any investment professional is pressured or lobbied, whether from inside or outside the Company, with respect to any particular voting decision, he or she should contact the Compliance Department promptly. The CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the relevant Clients.

In the event of a conflict, the Company may choose to address such conflict by: (i) voting in accordance with the Proxy Advisor's recommendation; (ii) the CCO determining how to vote the proxy (if the CCO approves deviation from the Proxy Advisor's recommendation, then the CCO shall document the rationale for the vote); (iii) "echo voting" or "mirror voting" the proxy in the same proportion as the votes of other proxy holders that are not Clients; or (iv) with respect to Clients other than Retail Funds, notifying the affected Client of the material conflict of interest and seeking a waiver of the conflict or obtaining such Client's voting instructions. Where the Compliance Department deems appropriate, third parties may be used to help resolve conflicts. In this regard, the CCO or his or her



delegate shall have the power to retain fiduciaries, consultants or professionals to assist with voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals.

Where a conflict of interest arises with respect to a voting decision for a Retail Fund, the Company shall disclose the conflict and the rationale for the vote taken to the Retail Fund's Board of Directors/Trustees at the next regularly scheduled quarterly meeting. The Compliance Department will maintain a log documenting the basis for the decision and will furnish the log to the Board of Trustees.

#### *Material Conflicts of Interest*

The following relationships or circumstances are examples of situations that may give rise to a material conflict of interest for purposes of this Policy. This list is not exclusive or determinative; any potential conflict (including payments of the types described below but less than the specified threshold) should be identified to the Company's Compliance Department:

- (i) The issuer is a Client of the Company, or of an affiliate, accounting for more than 5% of the Company's or affiliate's annual revenues.
- (ii) The issuer is an entity that reasonably could be expected to pay the Company or its affiliates more than \$1 million through the end of the Company's next two full fiscal years.
- (iii) The issuer is an entity in which a "Covered Person" (as defined in the Company's Policies and Procedures Designed to Detect and Prevent Insider Trading and to Comply with Rule 17j-1 of the Investment Company Act of 1940, as amended (the "Code of Ethics")) has a beneficial interest contrary to the position held by the Company on behalf of Clients.
- (iv) The issuer is an entity in which an officer or partner of the Company or a relative of any such person is or was an officer, director or employee, or such person or relative otherwise has received more than \$150,000 in fees, compensation and other payment from the issuer during the Company's last three fiscal years; provided, however, that the Compliance Department may deem such a relationship not to be a material conflict of interest if the Company representative serves as an officer or director of the issuer at the direction of the Company for purposes of seeking control over the issuer.
- (v) The matter under consideration could reasonably be expected to result in a material financial benefit to the Company or its affiliates through the end of the Company's next two full fiscal years (for example, a vote to increase an investment advisory fee for a Retail Fund advised by the Company or an affiliate).
- (vi) Another Client or prospective Client of the Company, directly or indirectly, conditions future engagement of the Company on voting proxies in respect of any Client's securities on a particular matter in a particular way.
- (vii) The Company holds various classes and types of equity and debt securities of the same issuer contemporaneously in different Client portfolios.
- (viii) Any other circumstance where the Company's duty to serve its Clients' interests, typically referred to as its "duty of loyalty," could be compromised.

Notwithstanding the foregoing, a conflict of interest described above shall not be considered material for the purposes of this Policy in respect of a specific vote or circumstance if:

The securities in respect of which the Company has the power to vote account for less than 1% of the issuer's outstanding voting securities, but only if: (i) such securities do not represent one of the 10 largest holdings of such issuer's outstanding voting securities and (ii) such securities do not represent more than 2% of the Client's holdings with the Company.

The matter to be voted on relates to a restructuring of the terms of existing securities or the issuance of new securities or a similar matter arising out of the holding of securities, other than common equity, in the context of a bankruptcy or threatened bankruptcy of the issuer.

#### **Recordkeeping**

Following the submission of a proxy vote, the Registrant will maintain a report of the vote and all relevant documentation.

The Registrant shall retain records relating to the voting of proxies and the Company shall conduct due diligence, including on Proxy Voting Services and Proxy Advisors, as applicable, to ensure the following records are adequately maintained by the appropriate party:

- (i) Copies of this Policy and any amendments thereto.
- (ii) A current copy of the Proxy Advisor's voting guidelines, as amended.
- (iii) A copy of each proxy statement that the Company receives regarding Client securities. The Company may rely on a third party to make and retain, on the Company's behalf, a copy of a proxy statement, provided that the Company has obtained an undertaking from the third party to provide a copy of the proxy statement promptly upon request.



- (iv) Records of each vote cast by the Company on behalf of Clients. The Company may satisfy this requirement by relying on a third party to make and retain, on the Company's behalf, a record of the vote cast, provided that the Company has obtained an undertaking from the third party to provide a copy of the record promptly upon request.
- (v) A copy of any documents created by the Company that were material to making a decision how to vote or that memorializes the basis for that decision.
- (vi) A copy of each written request for information on how the Company voted proxies on behalf of the Client, and a copy of any written response by the Company to any (oral or written) request for information on how the Company voted.

These records shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the Company's fiscal year during which the last entry was made in the records, the first two years in an appropriate office of the Company.<sup>2</sup>

#### **Enforcement of this Policy**

It shall be the responsibility of the Compliance Department to handle or coordinate the enforcement of this Policy. The Compliance Department will periodically sample proxy voting records to ensure that proxies have been voted in accordance with this Policy, with a particular focus on any proxy votes that require additional analysis (e.g., proxies voted contrary to the recommendations of a Proxy Advisor).

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<sup>2</sup> If the Company has essentially immediate access to a book or record (on the Company's proprietary system or otherwise) through a computer located at an appropriate office of the Company, then that book or record will be considered to be maintained at an appropriate office of the Company. "Immediate access" to books and records includes that the Company has the ability to provide promptly to Securities and Exchange Commission (the "SEC") examination staff hard copies of the books and records or access to the storage medium. The party responsible for the applicable books and records as described above shall also be responsible for ensuring that those books and records for the first two years are either physically maintained in an appropriate office of the Company or that the Company otherwise has essentially immediate access to the required books and records for the first two years.

If the Compliance Department determines that a Proxy Advisor or Proxy Voting Service may have committed a material error, the Compliance Department will investigate the error, taking into account the nature of the error, and seek to determine whether the Proxy Advisor or Proxy Voting Service is taking reasonable steps to reduce similar errors in the future.

In addition, no less frequently than annually, the Compliance Department will review the adequacy of this Policy to ensure that it has been implemented effectively and to confirm that this Policy continues to be reasonably designed to ensure that proxies are voted in the best interest of Clients.

#### **Disclosures to Clients and Investors**

The Company includes a description of its policies and procedures regarding proxy voting in Part 2 of Form ADV, along with a statement that Clients can contact the CCO to obtain a copy of these policies and procedures and information about how the Company voted with respect to a Client's securities. This Policy is, however, subject to change at any time without notice.

As a matter of policy, the Company does not disclose how it expects to vote on upcoming proxies. Additionally, the Company does not disclose the way it voted proxies to unaffiliated third parties without a legitimate need to know such information.

#### **Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

##### **(a)(1) Identification of Portfolio Manager(s) or Management Team Members and Description of Role of Portfolio Manager(s) or Management Team Members**

The Registrant's portfolio manager, who is primarily responsible for the day-to-day management of the Registrant's portfolio, is James Dondero.

*James Dondero* — Mr. Dondero has over 25 years of experience in credit markets. In addition to his role at NexPoint Advisors, L.P. ("NexPoint" or the "Adviser"), Mr. Dondero is the co-founder Highland Capital Management, L.P. ("HCMLP") and NexPoint Advisors, L.P. Mr. Dondero has over 30 years of experience investing in credit and equity markets and has helped pioneer credit asset classes. Prior to founding HCMLP in 1993, Mr. Dondero served as Chief Investment Officer of Protective Life's GIC subsidiary and helped grow the business from concept to over \$2 billion between 1989 and 1993. His portfolio management experience includes mortgage-backed securities, investment grade corporates, leveraged bank loans, high-yield bonds, emerging market debt, real estate, derivatives, preferred stocks and common stocks. From 1985 to 1989, he managed approximately \$1 billion in fixed income funds for American Express. Mr. Dondero received a BS in Commerce (Accounting and Finance) from the University of Virginia, and is a Certified Managerial Accountant. Mr. Dondero has earned the right to use the Chartered Financial Analyst designation. He also serves as President of NexPoint Capital, Inc., NexPoint Real Estate Strategies Fund and NexPoint Healthcare Opportunities Fund. Mr. Dondero currently serves as Chairman of NexBank SSB and



NexPoint Residential Trust, Inc. and serves on the Board of Directors of Metro-Goldwyn-Mayer, NexPoint Hospitality Trust, NexPoint Real Estate Finance, Inc., Jernigan Capital, Inc., Cornerstone Healthcare Group, SeaOne Holdings, LLC and Texmark Timber Treasury, L.P.

(a)(2) **Other Accounts Managed by Portfolio Manager(s) or Management Team Member and Potential Conflicts of Interest**

**Other Accounts Managed by Portfolio Manager(s) or Management Team Member**

The following table provides information about funds and accounts, other than the Registrant, for which the Registrant's portfolio manager is primarily responsible for the day-to-day portfolio management as of December 31, 2019.

*James Dondero*

Type of Accounts	Total # of Accounts Managed	Total Assets (millions)	# of Accounts Managed with Performance- Based Advisory Fee	Total Assets with Performance- Based Advisory Fee (millions)
Registered Investment Companies:	11	\$ 1,508	1	\$ 88
Other Pooled Investment Vehicles:	1	\$ 1,974	1	\$ 1,974
Other Accounts:	—	\$ —	—	\$ —

**Potential Conflicts of Interests**

The Adviser is an affiliate of Highland Capital Management Fund Advisors, L.P. ("HCMFA"). The Adviser and/or its general partner, limited partners, officers, affiliates and employees provide investment advice to other parties and manage other accounts and private investment vehicles similar to the Trust. For the purposes of this section, the term "NexPoint" shall include the Adviser and its affiliated investment advisors, including HCMFP and its affiliates. In connection with such other investment management activities, the Adviser and/or its general partner, limited partners, officers, affiliates and employees may decide to invest the funds of one or more other accounts or recommend the investment of funds by other parties, rather than the Registrant's monies, in a particular security or strategy. In addition, the Adviser and such other persons will determine the allocation of funds from the Registrant and such other accounts to investment strategies and techniques on whatever basis they consider appropriate or desirable in their sole and absolute discretion.

NexPoint has built a professional working environment, a firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. NexPoint has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, NexPoint furnishes advisory services to numerous clients in addition to the Registrant, and NexPoint may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts that have performance or higher fees paid to NexPoint or in which portfolio managers have a personal interest in the receipt of such fees) that may be the same as or different from those made to the Registrant. In addition, NexPoint, its affiliates and any of their partners, directors, officers, stockholders or employees may or may not have an interest in the securities whose purchase and sale the Adviser recommends to the Registrant. Actions with respect to securities of the same kind may be the same as or different from the action that the Adviser, or any of its affiliates, or any of their partners, directors, officers, stockholders or employees or any member of their families may take with respect to the same securities. Moreover, the Adviser may refrain from rendering any advice or services concerning securities of companies of which any of the Adviser's (or its affiliates') partners, directors, officers or employees are directors or officers, or companies as to which the Adviser or any of its affiliates or partners, directors, officers and employees of any of them has any substantial economic interest or possesses material non-public information. In addition to its various policies and procedures designed to address these issues, NexPoint includes disclosure regarding these matters to its clients in both its Form ADV and investment advisory agreements.

The Adviser, its affiliates or their partners, directors, officers or employees similarly serve or may serve other entities that operate in the same or related lines of business, including accounts managed by an investment adviser affiliated with the Adviser. Accordingly, these individuals may have obligations to investors in those entities or funds or to other clients, the fulfillment of which might not be in the best interests of the Registrant. As a result, the Adviser will face conflicts in the allocation of investment opportunities to the Registrant and other funds and clients. In order to enable such affiliates to fulfill their fiduciary duties to each of the clients for which they have responsibility, the Adviser will endeavor to allocate investment opportunities in a fair and equitable manner, pursuant to policies and procedures adopted by the Adviser and its advisory affiliates that are designed to manage potential conflicts of interest, which may, subject to applicable regulatory constraints, involve pro rata co-investment by the funds and such other clients or may involve a rotation of opportunities among the funds and such other clients. The Registrant will only make investments in which the Adviser or an affiliate hold an interest to the extent permitted under the 1940 Act and SEC staff interpretations or pursuant to the terms and conditions of the exemptive order received by the Adviser and certain funds affiliated with the Registrant, dated April 19, 2016. For example, exemptive relief is not required for the Registrant to invest in syndicated deals and secondary loan market transactions in which the Adviser or an affiliate has an interest where price is the only negotiated point. The order applies to all "Investment Companies," which includes future closed-end investment companies registered under the 1940 Act that are managed by the Adviser, which includes the Registrant. The Registrant, therefore, may in the future invest in accordance with the terms and conditions of the exemptive order. To mitigate any actual or perceived conflicts of interest, allocation of limited offering securities (such as IPOs and registered secondary offerings) to principal accounts that do not include third party investors may only be made after all other client account orders for the security have been filled. However, there can be no assurance



that such policies and procedures will in every case ensure fair and equitable allocations of investment opportunities, particularly when considered in hindsight.

Conflicts may arise in cases when clients invest in different parts of an issuer's capital structure, including circumstances in which one or more clients own private securities or obligations of an issuer and other clients may own public securities of the same issuer. In addition, one or more clients may invest in securities, or other financial instruments, of an issuer that are senior or junior to securities, or financial instruments, of the same issuer that are held by or acquired for, one or more other clients. For example, if such issuer encounters financial problems, decisions related to such securities (such as over the terms of any workout or proposed waivers and amendments to debt covenants) may raise conflicts of interests. In such a distressed situation, a client holding debt securities of the issuer may be better served by a liquidation of the issuer in which it may be paid in full, whereas a client holding equity securities of the issuer might prefer a reorganization that holds the potential to create value for the equity holders. In the event of conflicting interests within an issuer's capital structure, NexPoint will generally pursue the strategy that NexPoint believes best reflects what would be expected to be negotiated in an arm's length transaction with due consideration being given to NexPoint's fiduciary duties to each of its accounts (without regard to the nature of the accounts involved or fees received from such accounts). This strategy may be recommended by one or more NexPoint investment professionals. A single person may represent more than one part of an issuer's capital structure. The recommended course of action will be presented to the conflicts committee for final determination as to how to proceed. NexPoint may elect, but is not required, to assign different teams to make recommendations for different parts of the capital structure as the conflicts committee determines in its discretion. In the event any NexPoint personnel serve on the board of the subject company, they generally recuse themselves from voting on any board matter with respect to a transaction that has an asymmetrical impact on the capital structure. NexPoint personnel board members may still make recommendations to the conflicts committee. If any such persons are also on the conflicts committee, they may recuse themselves from the committee's determination. A portfolio manager with respect to any applicable NexPoint registered investment company clients ("Retail Accounts") participates in such discussions, but makes an independent determination as to which course of action he or she determines is in the best interest of the applicable Retail Accounts. NexPoint may use external counsel for guidance and assistance.

The Adviser and its affiliates have both subjective and objective procedures and policies in place designed to manage potential conflicts of interest involving clients so that, for example, investment opportunities are allocated in a fair and equitable manner among the Registrant and such other clients. An investment opportunity that is suitable for multiple clients of the Adviser and its affiliates may not be capable of being shared among some or all of such clients due to the limited scale of the opportunity or other factors, including regulatory restrictions imposed by the 1940 Act. There can be no assurance that the Adviser's or its affiliates' efforts to allocate any particular investment opportunity fairly among all clients for whom such opportunity is appropriate will result in an allocation of all or part of such opportunity to the Registrant. Not all conflicts of interest can be expected to be resolved in favor of the Registrant.

Another type of conflict may arise if one client account buys a security and another client account sells or shorts the same security. Currently, such opposing positions are generally not permitted within the same account without prior trade approval by the Adviser's Chief Compliance Officer. However, a portfolio manager may enter into opposing positions for different clients to the extent each such client has a different investment objective and each such position is consistent with the investment objective of the applicable client. In addition, transactions in investments by one or more affiliated client accounts may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of other client accounts.

Because certain client accounts may have investment objectives, strategies or legal, contractual, tax or other requirements that differ (such as the need to take tax losses, realize profits, raise cash, diversification, etc.), an affiliated advisor may purchase, sell or continue to hold securities for certain client accounts contrary to other recommendations. In addition, an affiliated advisor may be permitted to sell securities or instruments short for certain client accounts and may not be permitted to do so for other affiliated client accounts.

As a result of the Fund's arrangements with HCMLP, there may be times when Highland, the Adviser or their affiliates have interests that differ from those of the Fund's shareholders, giving rise to a conflict of interest. The Fund's officers serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as the Fund does, or of investment funds managed by the Adviser or its affiliates. Similarly, the Adviser or its affiliates may have other clients with similar, different or competing investment objectives. In serving in these multiple capacities, they may have obligations to other clients or investors in those entities, the fulfillment of which may not be in the best interests of the Fund or its shareholders. For example, the Fund's officers have, and will continue to have, management responsibilities for other investment funds, accounts or other investment vehicles managed or sponsored by the Adviser and its affiliates. The Fund's investment objective may overlap, in part or in whole, with the investment objective of such affiliated investment funds, accounts or other investment vehicles. As a result, those individuals may face conflicts in the allocation of investment opportunities among the Registrant and other investment funds or accounts advised by or affiliated with the Adviser. The Adviser will seek to allocate investment opportunities among eligible accounts in a manner that is fair and equitable over time and consistent with its allocation policy. However, the Fund can offer no assurance that such opportunities will be allocated to it fairly or equitably in the short- term or over time.

In addition, it is anticipated that a portion of the Registrant's assets will be represented by real estate investment trusts ("REITs"), asset backed securities and/or collateralized loan obligations ("CLOs") sponsored, organized and/or managed by the Adviser and its affiliates. The Adviser will monitor for conflicts of interest in accordance with its fiduciary duties and will provide the independent trustees of the Registrant with an opportunity to periodically review the Registrant's investments in such REITs, asset-backed securities and/or CLOs and assure themselves that continued investment in such securities remains in the best interests of the Registrant and its shareholders. The Adviser may effect client cross-transactions where it causes a transaction to be effected between the Registrant and another client advised by the Adviser or any of its affiliates. The Adviser may engage in a client cross-transaction involving the Registrant any time that the Adviser believes such transaction to be fair to the Registrant and the other client of the Adviser or its affiliates. As further described



below, the Adviser may effect principal transactions where the Registrant may make and/or hold an investment, including an investment in securities, in which the Adviser and/or its affiliates have a debt, equity or participation interest, in each case in accordance with applicable law, which may include the Adviser obtaining the consent and approval of the Registrant prior to engaging in any such principal transaction between the Registrant and the Adviser or its affiliates.

The Adviser may direct the Registrant to acquire or dispose of investments in cross trades between the Registrant and other clients of the Adviser or its affiliates in accordance with applicable legal and regulatory requirements. In addition, to the extent permitted by the 1940 Act and SEC staff interpretations, the Registrant may make and/or hold an investment, including an investment in securities, in which the Adviser and/or its affiliates have a debt, equity or participation interest, and the holding and sale of such investments by the Registrant may enhance the profitability of the Adviser's own investments in such companies.

NexPoint has been historically affiliated through common control with HCMLP, an SEC-registered investment adviser. On October 16, 2019, HCMLP filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the United States Bankruptcy Court for the Northern District of Texas. On January 9, 2020, the bankruptcy court approved a change of control of HCMLP, which involved the resignation of James Dondero as the sole director of, and the appointment of an independent board to, HCMLP's general partner. Mr. Dondero will, however, remain as an employee of HCMLP and as portfolio manager for all funds and vehicles for which he currently holds such titles. Nevertheless, given Mr. Dondero's historic role with HCMLP and his continued ownership interest and roles with respect to the Highland platform as a whole, as well as the shared services agreements between HCMLP and NexPoint, we still treat HCMLP and its affiliates as our affiliates for purposes hereof.

NexPoint is not a party to HCMLP's bankruptcy filing. NexPoint is a party to a shared services arrangement with HCMLP. Under this arrangement our Adviser may utilize employees from HCMLP in connection with various services such as human resources, accounting, tax, valuation, information technology services, office space, employees, compliance and legal. We do not expect HCMLP's bankruptcy filings to impact its provision of services to NexPoint at this time.

#### (a)(3) Compensation Structure of Portfolio Manager(s) or Management Team Members

NexPoint's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors, including the relative performance of a portfolio manager's underlying account, the combined performance of the portfolio managers' underlying accounts, and the relative performance of the portfolio managers' underlying accounts measured against other employees. The principal components of compensation include a base salary, a discretionary bonus and various retirement benefits.

*Base compensation.* Generally, portfolio managers receive base compensation based on their seniority and/or their position with NexPoint, which may include the amount of assets supervised and other management roles within NexPoint. Base compensation is determined by taking into account current industry norms and market data to ensure that NexPoint pays a competitive base compensation.

*Discretionary compensation.* In addition to base compensation, portfolio managers may receive discretionary compensation, which can be a substantial portion of total compensation. Discretionary compensation can include a discretionary cash bonus paid to recognize specific business contributions and to ensure that the total level of compensation is competitive with the market.

Because each person's compensation is based on his or her individual performance, NexPoint does not have a typical percentage split among base salary, bonus and other compensation. Senior portfolio managers who perform additional management functions may receive additional compensation in these other capacities. Compensation is structured such that key professionals benefit from remaining with NexPoint.

#### (a)(4) Disclosure of Securities Ownership

The following table sets forth the dollar range of equity securities beneficially owned by the portfolio manager in the Registrant as of December 31, 2019.

Name of Portfolio Manager	Dollar Ranges of Equity Securities Beneficially Owned by Portfolio Manager
James Dondero	Over \$1,000,000

(b) Not applicable.

#### Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

No such purchases were made by or on behalf of the NexPoint Strategic Opportunities Fund (the "Registrant") or any "affiliated purchaser" during the period covered by this report.



**Item 10. Submission of Matters to a Vote of Security Holders.**

There have been no material changes to the procedures by which the shareholders may recommend nominees to the Registrant's Board.

**Item 11. Controls and Procedures.**

(a) Evaluation of Disclosure Controls and Procedures.

The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Investment Company Act of 1940, as amended, is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Within 90 days prior to the filing date of the Shareholder Report on Form N-CSR, Management carried out an evaluation of the effectiveness of the design and operation of the Registrant's disclosure controls and procedures as of December 31, 2019. Based on such evaluation, the principal executive officer and principal financial officer concluded that the Registrant's disclosure controls and procedures were not effective due to a material weakness relating to controls over the application of fair value accounting with respect to the validation of fair value methodologies. The controls were not sufficiently designed to ensure the appropriateness of the fair value determinations reached for Level 3 real estate-related holdings. A material weakness (as defined in Rule 12b-2 under the Exchange Act) is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Registrant's annual or interim financial statements will not be prevented or detected on a timely basis. While this material weakness did not result in a misstatement, it could result in a misstatement to the investment balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected.

Management has developed a plan to remediate the material weakness described above. Management utilizes one or more independent valuation experts as part of its existing valuation process for Level 3 real estate-related holdings. Management will undertake additional review procedures by designating a member of the Valuation Committee of the Adviser to monitor and report to the Valuation Committee to ensure that for significant real estate-related holdings, fair values for such holdings are validated through one or more other valuation techniques that are acceptable under ASC 820.

(b) Changes in Internal Controls. Other than the planned enhancements to controls noted above, there have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Shareholder Report on Form N-CSR

**Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

(a)

- (1) Gross income from securities lending activities: \$0
- (2) All fees and/or compensation for securities lending activities and related services: \$0
- (3) Aggregate fees/compensation: \$0
- (4) Net income from securities lending activities: \$0

(b)

The Registrant may lend up to 33 1/3% of the Registrant's total assets held by The Bank of New York ("BNY") as custodian to certain qualified brokers, except those securities which the Registrant or the Adviser specifically identifies as not being available. By lending its investment securities, the Registrant attempts to increase its net investment income through the receipt of interest on the loan. Any gain or loss in the market price of the securities loaned that might occur and any interest or dividends declared during the term of the loan would accrue to the account of the Registrant. Risks of delay in recovery of the securities or even loss of rights in the collateral may occur should the borrower of the securities fail financially. Risks may also arise to the extent that the value of the collateral decreases below the value of the securities loaned. Upon entering into a securities lending transaction, the Registrant receives cash or other securities as collateral in an amount equal to or exceeding 100% of the current market value of the loaned securities with respect to securities of the U.S. government or its agencies, 102% of the current market value of the loaned securities with respect to U.S. securities and 105% of the current market value of the loaned securities with respect to foreign securities. Any cash received as collateral is generally invested by BNY, acting in its capacity as securities lending agent (the "Agent"), in the Dreyfus Treasury Obligations Cash Management Fund . Non-cash collateral is not disclosed in the Registrant's Statement of Assets and Liabilities as it is held by the lending agent on behalf of the Registrant and the Registrant does not have the ability to re-hypothecate those securities. A portion of the dividends received on the collateral may be rebated to the borrower of the securities and the remainder is split between BNY, as the securities lending agent, and the Registrant.



**Item 13. Exhibits.**

- (a)(1) [Code of ethics, or amendment thereto, that is the subject of disclosure required by Item 2 is attached hereto.](#)
- (a)(2) [Certifications pursuant to Rule 30a-2\(a\) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.](#)
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (b) [Certifications pursuant to Rule 30a-2\(b\) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.](#)



## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### NEXPOINT STRATEGIC OPPORTUNITIES FUND

By  
(Signature  
and Title): /s/ James Dondero  
James Dondero  
President and Principal Executive Officer

Date: April  
10, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By  
(Signature  
and Title): /s/ James Dondero  
James Dondero  
President and Principal Executive Officer

Date: April  
10, 2020

By (Signature  
and Title): /s/ Frank Waterhouse  
Frank Waterhouse  
Treasurer, Principal Accounting Officer  
and Principal Financial Officer

Date: April  
10, 2020







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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM N-CSR**

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**CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: 811-21869

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**NEXPOINT STRATEGIC OPPORTUNITIES FUND**  
(Exact name of registrant as specified in charter)

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**300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Address of principal executive offices) (Zip code)

---

**NexPoint Advisors, L.P.  
300 Crescent Court  
Suite 700  
Dallas, Texas 75201**  
(Name and Address of Agent for Service)

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**Registrant's telephone number, including area code: (866) 351-4440**

**Date of fiscal year end: December 31**

**Date of reporting period: June 30, 2020**



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**Item 1. Reports to Stockholders.**

A copy of the Semi-Annual Report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the “1940 Act”), is attached herewith.



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# NexPoint Strategic Opportunities Fund

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## Semi-Annual Report June 30, 2020

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Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website ([nexpointgroup.com/](http://nexpointgroup.com/)), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically by contacting your financial intermediary (such as a broker dealer or bank) or, if you are a direct investor, by contacting the Fund's transfer agent at 1-866-351-4440. Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you can call 1-866-351-4440 to let the Fund know you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with a Fund.



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# **NexPoint Strategic Opportunities Fund**

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Economic and market conditions change frequently.  
There is no assurance that the trends described in this report will continue or commence.

**A prospectus must proceed or accompany this report. Please read the prospectus carefully before you invest.**



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## FUND PROFILE (unaudited)

June 30, 2020

NexPoint Strategic Opportunities Fund

### Objective

NexPoint Strategic Opportunities Fund seeks to provide both current income and capital appreciation.

Net Assets as of June 30, 2020

\$805 million

Portfolio Data as of June 30, 2020

The information below provides a snapshot of NexPoint Strategic Opportunities Fund at the end of the reporting period. NexPoint Strategic Opportunities Fund is actively managed and the composition of its portfolio will change over time. Current and future holdings are subject to risk.

### Quality Breakdown as of 6/30/2020 (%)<sup>(1)</sup>

AAA	0.5
BB	0.5
B	1.0
CC	1.9
C	0.1
Equity	78.4
NR	17.6

### Sectors as of 6/30/2020 (%)<sup>(1)(2)</sup>

Real Estate Investment Trust	40.2
Real Estate	24.8
Financial	15.9
Agency Collateralized Mortgage Obligation	15.4
Communication Services	11.9

### Top 10 Holdings as of 6/30/2020 (%)<sup>(1)(2)</sup>

NexPoint Real Estate Opportunities, LLC (Common Stock)	29.9
Jernigan Capital, Inc. 7.00%, (Preferred Stock)	10.0
NREF OP IV, L.P. (LLC Interest)	6.7
FREMF Mortgage Trust, 8/25/2025 (Agency Collateralized Mortgage Obligations)	6.2
FREMF Mortgage Trust, 8/25/2028 (Agency Collateralized Mortgage Obligations)	5.7
TerreStar Corporation (Common Stock)	5.6
Specialty Financial Products, Ltd. (Common Stock)	5.0
SFR WLIF I, LLC (LLC Interest)	4.2
NexPoint Hospitality Trust (Common Stock)	3.7
Creative Science Properties, Inc. (Preferred Stock)	3.3

<sup>(1)</sup> Quality is calculated as a percentage of total bonds & notes. Sectors and holdings are calculated as a percentage of total net assets. The quality ratings reflected were issued by Standard & Poors, a nationally recognized statistical rating organization. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Quality ratings reflect the credit quality of the underlying bonds in the Fund's portfolio and not that of the Fund itself. Quality Ratings are subject to change.

<sup>(2)</sup> Sectors and holdings are calculated as a percentage of total net assets.



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## FINANCIAL STATEMENTS

June 30, 2020

NexPoint Strategic Opportunities Fund

### A guide to understanding the Fund's financial statements

#### Investment Portfolio

The Investment Portfolio details all of the Fund's holdings and its market value as of the last day of the reporting period. Portfolio holdings are organized by type of asset and industry to demonstrate areas of concentration and diversification.

#### Statement of Assets and Liabilities

This statement details the Fund's assets, liabilities, net assets and share price for each share class as of the last day of the reporting period. Net assets are calculated by subtracting all of the Fund's liabilities (including any unpaid expenses) from the total of the Fund's investment and noninvestment assets. The net asset value per share for each class is calculated by dividing net assets allocated to that share class by the number of shares outstanding in that class as of the last day of the reporting period.

#### Statement of Operations

This statement reports income earned by the Fund and the expenses incurred by the Fund during the reporting period. The Statement of Operations also shows any net gain or loss the Fund realized on the sales of its holdings during the period as well as any unrealized gains or losses recognized over the period. The total of these results represents the Fund's net increase or decrease in net assets from operations.

#### Statement of Changes in Net Assets

This statement details how the Fund's net assets were affected by its operating results, distributions to shareholders and shareholder transactions (e.g., subscriptions, redemptions and distribution reinvestments) during the reporting period. The Statement of Changes in Net Assets also details changes in the number of shares outstanding.

#### Statement of Cash Flows

This statement reports net cash and foreign currency provided or used by operating, investing and financing activities and the net effect of those flows on cash and foreign currency during the period.

#### Financial Highlights

The Financial Highlights demonstrate how the Fund's net asset value per share was affected by the Fund's operating results. The Financial Highlights also disclose the classes' performance and certain key ratios (e.g., net expenses and net investment income as a percentage of average net assets).

#### Notes to Financial Statements

These notes disclose the organizational background of the Fund, certain of its significant accounting policies (including those surrounding security valuation, income recognition and distributions to shareholders), federal tax information, fees and compensation paid to affiliates and significant risks and contingencies.



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## INVESTMENT PORTFOLIO (unaudited)

As of June 30, 2020

NexPoint Strategic Opportunities Fund

Shares		Value (\$)	Shares		Value (\$)
<b>Common Stock - 52.5%</b>			<b>REAL ESTATE (continued)</b>		
<b>COMMUNICATION SERVICES - 8.8%</b>			83,034	NexPoint Residential Trust , REIT (d)	2,935,252
13,722	Loral Space & Communications, Inc.	267,854	204,917	Postal Realty Trust, Class A , REIT	3,268,426
309,137	Metro-Goldwyn-Mayer, Inc. (a)	25,452,177	1,763,581	United Development Funding IV , REIT (d)	2,909,909
132,801	TerreStar Corporation (a)(b)(c)(d)(s)	45,052,739			52,576,747
		70,772,770	<b>REAL ESTATE INVESTMENT TRUST - 29.7%</b>		
<b>ENERGY - 0.3%</b>			147,179,635	NexPoint Real Estate Opportunities, LLC, REIT (b)(c)(d)	238,666,496
336	California Resources (a)	410	<b>UTILITIES - 0.3%</b>		
368,680	Fieldwood Energy LLC (a)	36,868	327,750	Central Puerto ADR	832,485
1,216,805	NextDecade Corp. (a)	2,628,299	26,220	Entegra TC LLC (b)	—
40	Transocean (a)	73	63,700	Vistra Energy Corp.	1,186,094
		2,665,650			2,018,579
<b>FINANCIAL - 5.0%</b>				Total Common Stock (Cost \$534,773,370)	422,505,895
47,996	American Banknote Corp. (b)	133,909	<b>Preferred Stock - 25.6%</b>		
43,574,968	Specialty Financial Products, Ltd. (b)(d)	40,280,700	<b>FINANCIAL - 12.7%</b>		
		40,414,609	14,500	Aberdeen Loan Funding, Ltd. (e)	834,475
<b>GAMING/LEISURE - 0.0%</b>			15,000	Brentwood CLO, Ltd. (b)(e)	5,100,000
26,712	LLV Holdco LLC - Series A, Membership Interest (a)(b)(c)(d)	—	13,600	Brentwood Investors , 02/01/2022 (b) (e)(f)	4,624,000
144	LLV Holdco LLC - Series B, Membership Interest (a)(b)(c)(d)	—	1,785,337	Creative Science Properties, Inc. (a) (b)(e)(g)	26,780,055
<b>HEALTHCARE - 1.5%</b>			13,006	Eastland Ltd. , 05/01/2022 (a)(e)(f).	4,313,657
354,400	Aerie Pharmaceuticals, Inc. (a)	5,230,944	7,750	Gleneagles CLO, Ltd. , 12/30/2049 (b)(e)(f)	2,867,500
450,991	Heron Therapeutics, Inc. (a)	6,634,078	13,700	Grayson Investors , 11/01/2021 (b)(e) (f)	4,228,505
50,000	Paratek Pharmaceuticals, Inc. (a)	261,000	42,750	Greenbriar CLO, Ltd. , 11/01/2021 (e) (f)	18,382,500
		12,126,022	125,000	Jasper CLO, Ltd. (b)(e)	5,000,000
<b>HOUSING - 0.0%</b>			10,000	Liberty CLO, Ltd. , 11/01/2017 (e)(f)	2,625,000
368,150	Westgate Investments LLC (a)(b)(c)	—	8,500	Red River CLO, Ltd. , 07/27/2018 (b) (e)	2,139,476
<b>INDUSTRIALS - 0.1%</b>			4,871	Rockwall CDO , 08/01/2024 (b)(e)(f)	876,780
8	Pendrell Corp. (a)	920,000	4,800	Rockwall CDO, Ltd. (b)(e)	1,096,800
<b>INFORMATION TECHNOLOGY - 0.0%</b>			10,500	Rockwall CDO, Ltd. , 08/01/2021 (b) (e)(f)	2,399,250
1	MagnaChip Semiconductor (a)	10	6,000	Southfork CLO, Ltd. , 05/01/2017 (b) (e)(f)	600
<b>MATERIALS - 0.3%</b>			2,000	Stratford CLO , 11/01/2021 (b)(e)(f)	1,120,000
131,500	Loma Negra Cia Industrial Argentina ADR (a)	560,190	41,500	Stratford CLO, Ltd. , 11/01/2021 (e)(f)	8,941,175
356,875	MPM Holdings, Inc. (a)	1,784,375	35,507	Westchester CLO, Ltd. , 08/01/2022 (b)(e)(f)	10,888,813
11,164	Omnimax International, Inc. (a)(b)(c)	447			102,218,586
		2,345,012	<b>REAL ESTATE - 2.8%</b>		
<b>REAL ESTATE - 6.5%</b>			18,508	Creek Pine Holdings, LLC, REIT 10.25% (a)(b)(c)(g)	22,512,169
651,004	Allenby (a)(b)(c)(d)	1	<b>REAL ESTATE INVESTMENT TRUST - 10.1%</b>		
9,900	Alpine Income Property Trust , REIT	160,974	77,923	Bluerock Residential Growth, Inc., REIT 7.63% (g)	1,819,502
2,180,956	Claymore (a)(b)(c)(d)	2	103,116	Bluerock Residential Growth, Inc., REIT, Series D 7.13% (g)	2,304,643
293,449	Cresud SACIF y A ADR (a)	868,610	78,896	Jernigan Capital, Inc., REIT 7.00% (a)(b)(c)(g)	76,924,615
47,000	Independence Realty Trust, Inc. , REIT	540,030			
439,183	Jernigan Capital, Inc. , REIT	6,008,023			
13,571,131	NexPoint Hospitality Trust (b)(d)	29,177,931			
11,716,517	NexPoint Real Estate Capital (b)(c) (d)	6,707,589			

See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements.



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## INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

NexPoint Strategic Opportunities Fund

Shares		Value (\$)	Shares		Value (\$)
<b>Preferred Stock (continued)</b>			<b>METALS &amp; MINERALS - 0.2%</b>		
<b>REAL ESTATE INVESTMENT TRUST (continued)</b>			Omnimax International, Inc.,		
86,294	RAIT Financial Trust, REIT 8.88% (g)	—	7,864,103	Unsecured Term Loan, cash/0% PIK 02/06/21 (b)(d)	1,968,115
	Total Preferred Stock (Cost \$261,507,231)	81,048,760			
		205,779,515	<b>REAL ESTATE - 0.1%</b>		
<b>Agency Collateralized Mortgage Obligations - 15.4%</b>			1,000,000	NREO Special Purpose LLC, Tranche A Term Loan, 1st Lien, 07/01/30 (b)(c)(d)	1,000,000
	FHLMC Multifamily Structured Pass-Through Certificates, Series K-1510, Class X3	935,849	<b>UTILITIES - 0.0%</b>		
3,213,889	Series K-1513, Class X3	859,463	92,329,417	Texas Competitive Electric Holdings Co., LLC, Extended Escrow Loan, (n)	69,247
	FREMF Mortgage Trust, Series 2018-KC02, Class C	49,414,188		Total U.S. Senior Loans (Cost \$55,269,113)	36,602,059
76,080,350	Series 2018-K80, Class D	45,953,782	<b>Collateralized Loan Obligations - 2.5%</b>		
96,460,500	Series 2019-K97, Class D	20,621,592	7,500,000	Acis CLO, Ltd., Series 2015-6A, Class SUB	1,250,000
55,096,698	Series 2019-K97, Class X2A	4,799,850		Acis CLO, Ltd., Series 2014-3A, Class E	
598,485,073	Series 2019-K97, Class X2B	1,065,489	6,000,000	VAR ICE LIBOR USD 3 Month+4.750%, 5.44%, 2/1/2026 (f)	4,190,100
135,904,199	Total Agency Collateralized Mortgage Obligations (Cost \$119,739,349)	123,650,213		Acis CLO, Ltd., Series 2014-3A, Class F	
<b>LLC Interest (b)(c)(d) - 15.2%</b>			5,000,000	VAR ICE LIBOR USD 3 Month+5.600%, 6.29%, 2/1/2026 (f)	2,377,000
397,240	NREF OP I, L.P.	6,653,765		Acis CLO, Ltd., Series 2013-1A, Class SUB	—
3,201,714	NREF OP IV, L.P.	53,628,704	14,000,000	ALM, Series 2016-7R2A, Class SUBR	
40,322,605	SFR WLIF I, LLC	33,285,908		0.00%, 10/15/2116 (f)(h)	671,175
26,968,904	SFR WLIF II, LLC	22,396,865	2,250,000	Ashford Hospitality Trust, Series 2018 - KEYS, Class E	
7,708,491	SFR WLIF III, LLC	6,673,318		VAR ICE LIBOR USD 1 Month+4.150%, 4.33%, 6/15/2035 (f)	669,202
	Total LLC Interest (Cost \$146,979,068)	122,638,560	900,000	CIFC Funding, Series 2014-1A, Class SUB	
<b>U.S. Senior Loans (I) - 4.5%</b>			2,500,000	0.00%, 1/18/2031 (f)(h)	875,000
<b>COMMUNICATION SERVICES - 3.0%</b>			3,214,500	CIFC Funding, Series 2014-4RA, Class SUB	675,045
449,422	TerreStar Corporation Term Loan, 02/28/22 (b)(c)(d)	446,725		CIFC Funding, Series 2013-2A, Class SUB	
22,966,498	TerreStar Corporation, Term Loan A, cash/0% PIK 02/25/22 (b)(c)(d)	22,828,700	5,462,500	0.00%, 10/18/2030 (f)(h)	1,365,625
538,554	TerreStar Corporation, Term Loan C, cash/0% PIK 02/25/30 (b)(c)(d)	535,323		CIFC Funding, Ltd., Series 2015-1A, Class SUB	
243,378	TerreStar Corporation, Term Loan, 1st Lien, 02/28/22 (b)(c)(d)	241,918	3,000,000	0.00%, 1/22/2031 (f)(h)	1,032,900
		24,052,666	635,386	Highland Loan Funding, Series 1A 4.84%, 8/1/2020 (b)	468,470
<b>GAMING/LEISURE - 1.2%</b>				Highland Park CDO I, Series 2006-1A, Class B	
3,856,057	Ginn-LA CS Borrower LLC, Tranche A, 1st Lien, 05/30/21 (b)	122,692	3,922,723	VAR LIBOR USD 3 Month+0.550%, 3.20%, 11/25/2051 (f)	1,294,499
8,264,193	Ginn-LA CS Borrower LLC, Tranche B Term Loan, 1st Lien, 05/30/19 (b)(m)	—		Jamestown CLO IX, Series 2019-9A, Class DR	
11,736,674	LLV Holdco, LLC, Revolving Exit Loan, 09/03/20 (b)(d)	9,389,339	6,000,000	VAR ICE LIBOR USD 3 Month+6.940%, 8.08%, 10/20/2028 (f)	5,089,975
		9,512,031			

4 | See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements.



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## INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

NexPoint Strategic Opportunities Fund

Shares	Value (\$)	Units	Value (\$)
<b>Collateralized Loan Obligations (continued)</b>		<b>ENERGY (continued)</b>	
5,955,627	THL Credit Wind River, Series 2014-2A, Class SUB 0.00%, 1/15/2031 (f)(h) 318,142	681	Sable Permian Resources Land 7.38%, 11/01/21 (f)(m) 51
1,500,000	Valhalla CLO, Ltd., Series 2004-1A 0.00%, 8/1/2020 225,000		51
	Total Collateralized Loan Obligations (Cost \$46,497,734) 20,502,133		
<b>Sovereign Bonds - 2.0%</b>		<b>REAL ESTATE - 0.1%</b>	
41,835,000	Argentine Republic Government International Bond, 5.25%, 12/31/38 (o) 16,495,331	2,000,000	CBL & Associates 5.95%, 12/15/26 580,810
	Total Sovereign Bonds (Cost \$23,826,766) 16,495,331	<b>UTILITIES - 0.0%</b>	
<b>Exchange-Traded Fund - 0.4%</b>		5,000,000	Texas Competitive Electric Holdings Co., LLC 11.50%, (m)(n) 12,500
450,500	Direxion Daily S&P 500 Bear 3X Shares 3,518,405		Total Corporate Bonds & Notes (Cost \$17,408,636) 664,312
	Total Exchange-Traded Funds (Cost \$5,017,804) 3,518,405	<b>Foreign Corporate Bonds &amp; Notes - 0.0%</b>	
<b>Warrants - 0.2%</b>		<b>NETHERLANDS - 0.0%</b>	
<b>ENERGY - 0.0%</b>		93,180,354	Celtic Pharma Phinco BV, 17.00%, (b)(c)(m) —
4,071	Arch Resources, Expires 10/08/2023 (a) 10,178		Total Foreign Corporate Bonds & Notes (Cost \$62,254,527) —
<b>INDUSTRIALS - 0.2%</b>		<b>Convertible Bond - 0.0%</b>	
8,371,900	American Airlines, Expires (a) 1,213,925	<b>HEALTH CARE - 0.0%</b>	
346	Omnimax International, Inc., Expires 12/31/2049 (a)(b)(d) 14	350,000	Paratek Pharmaceuticals 4.75%, 05/01/24 285,856
	1,213,939		Total Convertible Bonds (Cost \$261,536) 285,856
<b>INFORMATION TECHNOLOGY - 0.0%</b>		<b>Shares</b>	
179,322	Avaya Holdings, Expires 12/18/2022 (a) 215,186	<b>Cash Equivalents - 0.4%</b>	
	Total Warrants (Cost \$251,698) 1,439,303	<b>MONEY MARKET FUND (p) - 0.4%</b>	
<b>Units</b>		2,963,900	Dreyfus Treasury & Agency Cash Management, Institutional Class 0.100% 2,963,900
<b>Rights - 0.2%</b>			Total Cash Equivalents (Cost \$2,963,900) 2,963,900
<b>Utilities - 0.2%</b>		<b>Repurchase Agreement (t)(u) - 0.0%</b>	
1,618,542	Texas Competitive Electric Holdings Co., LLC 1,456,688	Citigroup Global Markets 0.070%, dated 06/30/20, to be repurchased on 07/01/20, repurchase price \$1,433 (collateralized by various U.S. Government Agency and U.S. Treasury Obligations, par value \$1 - \$173, 0.000% - 7.875%, 09/17/20 - 02/15/2047, with a total market value of \$1,581) 1,433	
	Total Rights (Cost \$5,000,539) 1,456,688		Total Repurchase Agreement (Cost \$1,433) 1,433
<b>Corporate Bonds &amp; Notes - 0.1%</b>		<b>Purchased Call Option - 0.0%</b>	
<b>COMMUNICATION SERVICES - 0.0%</b>		Total Purchased Call Options (Cost \$1,300,000) 213,400	
26,148	iHeartCommunications, Inc. 6.38%, 05/01/26 25,948		
49,013	8.38%, 05/01/27 45,003		
	70,951		
<b>ENERGY - 0.0%</b>			
18,439,000	Ocean Rig UDW, Inc. 7.25%, 04/01/19 (b)(c)(f)(m) —		

See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements. | 5



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## INVESTMENT PORTFOLIO (unaudited) (continued)

As of June 30, 2020

NexPoint Strategic Opportunities Fund

Shares	Value (\$)
<b>Purchased Put Options - 0.1%</b>	
Total Purchased Put Options (Cost \$482,350)	411,835
<b>Total Investments - 119.1%</b>	<b>959,128,838</b>
(Cost \$1,283,535,054)	
<b>Written Call Options - 0.0%</b>	
Total Written Call Options (Premium \$117,617)	(167,200)
<b>Written Put Options - 0.0%</b>	
Total Written Put Options (Premium \$103,958)	(33,840)
<b>Securities Sold Short - (0.2)%</b>	
<b>Common Stock - (0.2)%</b>	
<b>ENERGY - —%</b>	
(8,451) ESC Seventy Seven	—
<b>INFORMATION TECHNOLOGY - (0.2)%</b>	
(4,700) Coupa Software (q)	(1,302,088)
Total Common Stock (Proceeds \$1,079,231)	(1,302,088)
Total Securities Sold Short - (0.2)% (Proceeds \$1,079,231)	(1,302,088)
<b>Other Assets &amp; Liabilities, Net - (18.9)% (r)</b>	<b>(152,479,875)</b>
<b>Net Assets - 100.0%</b>	<b>805,144,402</b>

- (a) Non-income producing security.
- (b) Securities with a total aggregate value of \$634,837,584, or 78.8% of net assets, were classified as Level 3 within the three-tier fair value hierarchy. Please see Notes to Investment Portfolio for an explanation of this hierarchy, as well as a list of unobservable inputs used in the valuation of these instruments.
- (c) Represents fair value as determined by the Fund's Board of Trustees (the "Board"), or its designee in good faith, pursuant to the policies and procedures approved by the Board. The Board considers fair valued securities to be securities for which market quotations are not readily available and these securities may be valued using a combination of observable and unobservable inputs. Securities with a total aggregate value of \$537,555,284, or 66.8% of net assets, were fair valued under the Fund's valuation procedures as of June 30, 2020. Please see Notes to Investment Portfolio.
- (d) Affiliated issuer. Assets with a total aggregate market value of \$524,779,313, or 65.2% of net assets, were affiliated with the Fund as of June 30, 2020.
- (e) There is currently no rate available.
- (f) Securities exempt from registration under Rule 144A of the 1933 Act. These securities may only be resold in transaction exempt from registration to qualified institutional buyers. At June 30, 2020, these securities amounted to \$107,563,425 or 13.4% of net assets.
- (g) Perpetual security with no stated maturity date.
- (h) Variable or floating rate security, the interest rate of which adjusts periodically based on changes in current interest rates and prepayments on the underlying pool of assets.

- (i) Interest only security ("IO"). These types of securities represent the right to receive the monthly interest payments on an underlying pool of mortgages. Payments of principal on the pool reduce the value of the "interest only" holding.
- (j) As of June 30, 2020, investments with a total aggregate value of \$121,854,901 were fully or partially segregated with broker(s)/custodian as collateral for reverse repurchase agreements.
- (k) Principal only security ("PO"). These types of securities represent the right to receive the monthly principal payments on an underlying pool of mortgages. No payments of interest on the pool are passed through to the "principal only" holder.
- (l) Senior loans (also called bank loans, leveraged loans, or floating rate loans) in which the Fund invests generally pay interest at rates which are periodically determined by reference to a base lending rate plus a spread (unless otherwise identified, all senior loans carry a variable rate of interest). These base lending rates are generally (i) the Prime Rate offered by one or more major United States banks, (ii) the lending rate offered by one or more European banks such as the London Interbank Offered Rate ("LIBOR") or (iii) the Certificate of Deposit rate. As of June 30, 2020, the LIBOR USD 1 Month and LIBOR USD 3 Month rates were 2.49% and 2.60%, respectively, and the Prime Rate was 3.25%. Senior loans, while exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), contain certain restrictions on resale and cannot be sold publicly. Senior secured floating rate loans often require prepayments from excess cash flow or permit the borrower to repay at its election. The degree to which borrowers repay, whether as a contractual requirement or at their election, cannot be predicted with accuracy. As a result, the actual remaining maturity may be substantially less than the stated maturity shown.
- (m) The issuer is, or is in danger of being, in default of its payment obligation.
- (n) Represents value held in escrow pending future events. No interest is being accrued.
- (o) Step Bonds - Represents the current rate, the step rate, the step date and the final maturity date.
- (p) Rate shown is 7 day effective yield.
- (q) No dividend payable on security sold short.
- (r) As of June 30, 2020, \$1,302,088 in cash was segregated or on deposit with the brokers to cover investments sold short and is included in "Other Assets & Liabilities, Net".
- (s) Restricted Securities. These securities are not registered and may not be sold to the public. There are legal and/or contractual restrictions on resale. The Fund does not have the right to demand that such securities be registered. The values of these securities are determined by valuations provided by pricing services, brokers, dealers, market makers, or in good faith under the procedures established by the Fund's Board of Trustees. Additional Information regarding such securities follows:

Restricted Security	Security Type	Acquisition Date	Cost of Security	Market Value at Period End	P c A
TerreStar Corporation	Common Stocks	3/16/2018	\$34,089,464	\$ 45,052,739	

- (t) This security was purchased with cash collateral held from securities on loan. The total value of such securities as of June 30, 2020 was \$1,433.
- (u) Tri-Party Repurchase Agreement.

Purchased call option contracts outstanding as of June 30, 2020 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Cost	Value
<b>PURCHASED CALL OPTIONS:</b>							
USD/CNH Call	\$ 7.70	BNP	October 2020	200,000,000	\$1,540,000,000	\$1,300,000	\$213,400



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## INVESTMENT PORTFOLIO (unaudited) (concluded)

As of June 30, 2020

NexPoint Strategic Opportunities Fund

Purchased put option contracts outstanding as of June 30, 2020 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Cost	Value
<b>PURCHASED PUT OPTIONS:</b>							
Proofpoint	\$ 120.00		August 2020	85	\$ 10,200	\$ 89,611	\$ 109,650
Proofpoint	125.00		August 2020	38	4,750	45,953	63,460
Gilead Sciences	82.50		August 2020	240	19,800	229,869	177,600
Coupa Software	240.00		August 2020	75	18,000	116,917	61,125
						<u>\$482,350</u>	<u>\$411,835</u>

Written call option contracts outstanding as of June 30, 2020 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium	Value
<b>WRITTEN CALL OPTIONS:</b>							
Coupa Software	\$ 260.00		August 2020	(55)	\$ 14,300	\$ 117,617	\$ 167,200

The average amount of borrowing by the Fund on reverse repurchase agreements outstanding during the year ended June 30, 2020 was \$9,761,943 at a weighted average interest rate of 2.71% for BNP Securities and \$111,407,976 at a weighted average interest rate of 3.17% for Mizuho Securities.

Written put option contracts outstanding as of June 30, 2020 were as follows:

Description	Exercise price	Counterparty	Expiration Date	Number of Contracts	Notional Value	Premium	Value
<b>WRITTEN PUT OPTIONS:</b>							
Gilead Sciences	\$ 70.00		August 2020	(240)	\$ 16,800	\$ 103,958	\$ 33,840

Reverse Repurchase Agreements outstanding as of June 30, 2020 were as follows:

Counterparty	Collateral Pledged	Interest Rate	Trade Date	Maturity Date	Repurchase Amount	Principal Amount	Value
Mizuho	FREMF Mortgage Trust, Series 2018-KC02, Class C, 0.00%, 8/25/2025	3.10%	11/01/2019	12/31/2049	\$(38,747,622)	\$ (49,414,187)	\$(38,390,000)
Mizuho	FREMF Mortgage Trust, Series 2018-K80, Class D, 0.00%, 8/25/2028	3.10	11/01/2019	12/31/2049	(35,940,716)	(45,953,782)	(35,609,000)
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class D, 0.00%, 1/25/2030	2.70	6/19/2020	7/19/2020	(14,683,286)	(20,621,592)	(14,683,000)
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class X2A, 0.01%, 7/25/2029	2.70	6/19/2020	7/19/2020	(2,723,053)	(4,799,850)	(2,723,000)
Mizuho	FREMF Mortgage Trust, Series 2019-K97, Class X2B, 0.01%, 1/25/2030	2.70	6/19/2020	7/19/2020	(530,010)	(1,065,489)	(530,000)
Mizuho	FHLMC Multifamily Structured Pass-Through Certificates, Seris K-1510, Class X3, 3.52%, 1/25/2037	1.60	6/15/2020	7/15/2020	(571,008)	(935,849)	(571,000)
Mizuho	FHLMC Multifamily Structured Pass-Through Certificates, Seris K-1513, Class X3, 3.03%, 12/25/2037	1.60	6/15/2020	7/15/2020	(526,007)	(859,463)	(526,000)
<b>Total Reverse Repurchase Agreements</b>						<u>\$(123,650,212)</u>	<u>\$(93,032,000)</u>

See Glossary on page 8 for abbreviations along with accompanying Notes to Financial Statements. | 7



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**GLOSSARY: (abbreviations that may be used in the preceding statements)**

Currency Abbreviations:  
USD      United States Dollar

Glossary:  
ADR      American Depositary Receipt  
CDO      Collateralized Debt Obligation  
CLO      Collateralized Loan Obligation  
PIK      Payment-in-Kind  
REIT      Real Estate Investment Trust



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## STATEMENT OF ASSETS AND LIABILITIES

As of June 30, 2020 (unaudited)

NexPoint Strategic Opportunities Fund

	(\$)
<b>Assets</b>	
Investments, at value	434,347,643
Affiliated investments, at value (Note 11)	524,779,762
Total Investments, at value (Cost \$1,283,535,054)	959,128,838
Cash	165,005
Cash equivalents	2,963,900
Restricted Cash — Securities Sold Short, written options, and reverse repurchase agreements (Note 2)	12,050,000
Foreign tax reclaim receivable	559
Receivable for:	
Dividends and Interest	2,960,440
Fund shares sold	263,951
Investment sold	33,940
Prepaid expenses and other assets	432,557
Total assets	<u>977,999,190</u>
<b>Liabilities:</b>	
Notes payable (Note 6)	55,400,000
Securities sold short, at value (Notes 2 and 8) (Proceeds \$1,079,231)	1,302,088
Reverse repurchase agreements (Note 3)	93,032,000
Written options contracts, at value (Note 3)	201,040
Payable for:	
Due to broker	18,756,708
Interest expense and commitment fee (Note 6)	1,553,149
Investments purchased	1,489,607
Investment advisory and administration fees (Note 8)	785,559
Accounting services fees	158,394
Audit fees	23,533
Trustees fees	52
Accrued expenses and other liabilities	152,658
Total liabilities	<u>172,854,788</u>
<b>Net Assets Applicable to Common Shares</b>	<b><u>805,144,402</u></b>
<b>Net Assets Consist of:</b>	
Paid-in capital in excess of par	1,224,517,939
Total distributable loss	<u>(419,373,537)</u>
<b>Net Assets Applicable to Common Shares</b>	<b><u>805,144,402</u></b>
Investments, at cost	1,274,776,979
Proceeds from securities sold short	1,079,231
<b>Common Shares</b>	
Net assets	805,144,402
Shares outstanding (unlimited authorization)	45,634,716
Net asset value per share ( Net assets/shares outstanding)	17.64

See accompanying Notes to Financial Statements. | 9



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## STATEMENT OF OPERATIONS

For the period ended June 30, 2020 (unaudited)

NexPoint Strategic Opportunities Fund

	(\$)
<b>Investment Income:</b>	
<b>Income:</b>	
Dividends from unaffiliated* issuers	5,056,517
Dividends from affiliated issuers (Note 11)	18,823,917
Less: Foreign taxes withheld	(3,183)
Securities lending income (Note 4)	204
Interest from unaffiliated* issuers	3,256,051
Interest from affiliated issuers	1,956,108
Total income	<u>29,089,614</u>
<b>Expenses:</b>	
Investment advisory (Note 8)	6,231,921
Interest expense and commitment fees (Note 6)	1,702,813
Legal fees	522,357
Administration fees (Note 8)	294,238
Audit and tax preparation fees	210,230
Reports to shareholders	196,109
Insurance	105,036
Trustees fees (Note 8)	92,269
Transfer agent fees	80,792
Pricing fees	66,204
Dividends and fees on shorts	63,675
Custodian/wire agent fees	43,936
Registration fees	6,941
Conversion costs	261,271
Other	<u>122,190</u>
Total operating expenses before waiver and reimbursement	<u>9,999,982</u>
Net operating expenses	<u>9,999,982</u>
Net investment income	<u>19,089,632</u>
<b>Net Realized and Unrealized Gain (loss) on Investments</b>	
<b>Realized Gain (Loss) on:</b>	
Investments from unaffiliated issuers	(56,259,604)
Securities sold short (Note 2)	(214,812)
Written options contracts (Note 3)	3,005,295
Futures contracts (Note 3)	20,073,388
<b>Net Change in Unrealized Appreciation (Depreciation) on:</b>	
Investments from unaffiliated issuers	(4,340,199)
Investments in affiliated issuers (Note 11)	(110,371,212)
Securities sold short (Note 2)	491,036
Futures contracts (Note 3)	<u>1,102,319</u>
Net realized and unrealized gain (loss) on investments	<u>(146,513,789)</u>
Total increase in net assets resulting from operations	<u><u>(127,424,157)</u></u>

\* Unaffiliated issuers are defined as all other issuers not meeting the criteria of an affiliate.

10 | See accompanying Notes to Financial Statements.



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## STATEMENT OF CHANGES IN NET ASSETS

	NexPoint Strategic Opportunities Fund	
	Six Months Ended June 30, 2020 (unaudited) (\$)	Year Ended December 31, 2019 (\$)
<b>Increase (Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	19,089,632	26,116,377
Accumulated net realized (loss) on investments, securities sold short, written options, futures contracts and foreign currency transactions	(33,395,733)	(388,068)
Net change in unrealized appreciation (depreciation) on investments, securities sold short, written options contracts and translation of assets and liabilities denominated in foreign currency	(113,118,056)	40,052,838
Net increase (decrease) from operations	(127,424,157)	65,781,147
<b>Distributions Declared to Common Shareholders:</b>		
Distribution	(36,600,547)	(15,494,304)
Return of capital:	—	(81,197,706)
<b>Total distributions declared to common shareholders:</b>	(36,600,547)	(96,692,010)
Decrease in net assets from operations and distributions	(164,024,704)	(30,910,863)
<b>Share transactions:</b>		
Proceeds from sale of shares (Note 12)	—	237,277,987
Value of distributions reinvested	2,414,625	4,960,710
Shares repurchased of closed-end fund (Note 1)	(6,884,822)	(5,399,704)
Net increase (decrease) from shares transactions	(4,470,197)	236,838,993
<b>Total increase (decrease) in net assets</b>	(168,494,901)	205,928,130
<b>Net Assets</b>		
Beginning of period	973,639,303	767,711,173
End of period	805,144,402	973,639,303
<b>Change in Common Shares</b>		
Issued for distribution reinvested	198,096	264,738
Shares issued in rights offering (Note 12)	—	13,498,570
Shares redeemed (Note 1)	(414,604)	(254,500)
Net increase (decrease) in common shares	(216,508)	13,508,808

See accompanying Notes to Financial Statements. | 11



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## STATEMENT OF CASH FLOWS

For the period ended June 30, 2020 (unaudited)

NexPoint Strategic Opportunities Fund

	(\$)
<b>Cash Flows Provided by Operating Activities:</b>	
Net decrease in net assets resulting from operations	(127,424,157)
<b>Adjustments to Reconcile Net Investment Loss to Net Cash Used Provided by Operating Activities:</b>	
Purchases of investment securities from unaffiliated issuers	(8,341,518)
Purchases of investment securities from affiliated issuers	(103,333,651)
Proceeds from the disposition of investment securities from unaffiliated issues	287,541,582
Proceeds from the disposition of investment securities from affiliated issues	39,354
Purchases of securities sold short	(9,559,541)
Proceeds of securities sold short	1,036,258
Net proceeds received from on options contracts	201,040
Net realized gain on Investments from unaffiliated issuers	55,926,246
Net realized loss on securities sold short and written options contracts	(214,812)
Net change in unrealized appreciation (depreciation) on unaffiliated investments, securities sold short and written options contracts	110,371,212
Net change in unrealized depreciation on investments in affiliated investments	3,849,163
Increase in receivable for investments sold	21,382,735
Increase in dividends and interest receivable	1,499,152
Increase in due from broker	68,105
Decrease in prepaid expenses and other assets	(236,580)
Increase in receivable for variation margin	380,998
Decrease in due to broker	(4,863,546)
Decrease in payable for variation margin	(71,500)
Decrease in payable for investments purchased	(3,643,057)
Increase in payables to related parties	(537,642)
Increase in payable for interest expense and commitment fees	70,890
Increase in payable for accounting service fees	6,782
Decrease in accrued expenses and other liabilities	(312,055)
Net cash flow provided by operating activities	<u>223,835,458</u>
<b>Cash Flows Used In Financing Activities:</b>	
Decrease in notes payable	(54,907,960)
Decrease in due to custodian	(8,190,737)
Decrease in notes payable	(125,037,786)
Distributions paid in cash	(34,185,922)
Payments on shares redeemed	(6,884,822)
Proceeds from shares sold	197,217
Net cash flow used in financing activities	<u>(229,010,010)</u>
Net decrease in Cash	<u>(5,174,552)</u>
<b>Cash and Foreign Currency/Due to Custodian:</b>	
Beginning of period	20,353,457
End of period	<u>15,178,905</u>
<b>Supplemental disclosure of cash flow information:</b>	
Reinvestment of distributions	2,414,625
Cash paid during the period for interest expense and commitment fees	<u>1,631,924</u>

\* Restricted cash consists of cash that has been segregated to cover the Portfolio's collateral or margin obligations under derivative contracts. It is separately reported on the Statement of Assets and Liabilities as Restricted Cash — Securities Sold Short, written options, and reverse repurchase agreements.

12 | See accompanying Notes to Financial Statements.



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## FINANCIAL HIGHLIGHTS

### NexPoint Strategic Opportunities Fund

Selected data for a share outstanding throughout each period is as follows:

	For the Six Months Ended June 30, 2020 (unaudited)	2019	2018	2017	2016	2015*
<b>Net Asset Value, Beginning of Period</b>	\$ 21.23	\$ 23.74	\$ 26.02	\$ 25.89	\$ 22.92	\$ 53.92
<b>Income from Investment Operations:</b>						
Net investment income <sup>(a)</sup>	0.42	0.65	0.75	0.93	4.08	8.75 <sup>(b)</sup>
Net realized and unrealized gain (loss)	(3.21)	0.97	0.83	2.88	1.69	(16.08)
<b>Total from Investment Operations</b>	<b>(2.79)</b>	<b>1.62</b>	<b>1.58</b>	<b>3.81</b>	<b>5.77</b>	<b>(7.33)</b>
<b>Less Distributions Declared to Common Shareholders:</b>						
From net investment income	(0.80)	(0.38)	(0.77)	(2.39)	(2.80)	(2.88)
From return of capital	—	(2.02)	(1.63)	(0.01)	—	—
From spin-off <sup>(d)</sup>	—	—	—	—	—	(20.79)
<b>Total distributions declared to Common Shareholders</b>	<b>(0.80)</b>	<b>(2.40)</b>	<b>(2.40)</b>	<b>(2.40)</b>	<b>(2.80)</b>	<b>(23.67)</b>
<b>Issuance of Common Shares<sup>(e)</sup></b>						
Shares issued	—	(1.73)	(1.46)	(1.28)	—	—
<b>Net Asset Value, End of period<sup>(b)</sup></b>	<b>\$ 17.64</b>	<b>\$ 21.23</b>	<b>\$ 23.74</b>	<b>\$ 26.02</b>	<b>\$ 25.89</b>	<b>\$ 22.92</b>
<b>Market Value, End of period</b>	<b>\$ 21.02</b>	<b>\$ 17.71</b>	<b>\$ 19.93</b>	<b>\$ 25.29</b>	<b>\$ 22.77</b>	<b>\$ 20.44</b>
<b>Market Value Total Return<sup>(f)</sup></b>	<b>(13.53)%</b>	<b>4.76%</b>	<b>(8.93)%</b>	<b>27.31%</b>	<b>27.69%</b>	<b>(18.09)%</b>
<b>Ratios to Average Net Assets / Supplemental Data:<sup>(d)</sup></b>						
Net Assets, End of Period (000's)	\$ 805,144	\$ 973,639	\$ 767,711	\$ 592,309	\$ 414,800	\$ 366,078
<b>Common Shares Information at End of Period:</b>						
<b>Ratios based on average net assets of Common Shares:</b>						
Gross operating expenses <sup>(g)</sup>	2.73%	3.25%	2.65%	2.58%	3.12%	3.43%
Net investment income	4.55%	2.91%	3.02%	3.69%	17.34%	24.23% <sup>(h)</sup>
<b>Ratios based on average Managed Assets (as defined in Notes 8) of Common Shares:</b>						
Gross operating expenses <sup>(g)</sup>	1.21%	2.48%	2.14%	2.21%	2.17%	2.23%
Net investment income	2.79%	2.23%	2.44%	3.16%	12.05%	15.79% <sup>(i)</sup>
Portfolio turnover rate <sup>(j)</sup>	11%	63%	48%	36%	41%	31%
Average commission rate paid <sup>(k)</sup>	\$ .0014	\$ 0.0029	\$ 0.0263	\$ 0.0286	\$ 0.0294	\$ 0.0223

\* Per share data prior to October 6, 2015 has been adjusted to give effect to a 4 to 1 reverse stock split.

(a) Net investment income (loss) per share was calculated using average shares outstanding during the period.

(b) Includes non-recurring dividend from NexPoint REIT.

(c) Less than 0.005%.

(d) On April 1, 2015, the Fund completed a spinoff transaction whereby shares of NexPoint Residential Trust, Inc. were distributed to shareholders in a pro-rata taxable distribution.

(e) Shares issued at a discount to NAV. The per share impact was derived by computing (A) the number of shares issued times (B) the difference between the net proceeds per share and NAV divided by (C) the total shares outstanding following the share issuance.

(f) Based on market value per share. Distributions, if any, are assumed for purposes of this calculation to be reinvested at prices obtained under the Fund's Dividend Reinvestment Plan.

(g) Supplemental expense ratios are shown below:

(h) Net investment income (excluding non-recurring dividend from NexPoint REIT) was 9.76%

(i) Net investment income (excluding non-recurring dividend from NexPoint REIT) was 6.36%

(j) Excludes in-kind activity

(k) Represents the total dollar amount of commissions paid on portfolio transactions divided by total number of portfolio shares purchased and sold for which commissions were charged







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## FINANCIAL HIGHLIGHTS (concluded)

NexPoint Strategic Opportunities Fund						
	For the Six Months Ended June 30, 2020 (unaudited)	For the Years Ended December 31,				
		2019	2018	2017	2016	2015
<b>Ratios based on average net assets of Common Shares:</b>						
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	2.73%	3.25%	2.65%	2.58%	3.12%	3.43%
Interest expense and commitment fees	0.41%	1.22%	0.90%	0.69%	0.93%	0.71%
Dividends and fees on securities sold short	0.02%	0.02%	—%(c)	—%(c)	0.07%	0.24%
<b>Ratios based on average Managed Assets of Common Shares;</b>						
Net operating expenses (net of waiver/reimbursement, if applicable, but gross of all other operating expenses)	1.21%	2.48%	2.14%	2.21%	2.17%	2.23%
Interest expense and commitment fee	0.20%	0.93%	0.73%	0.59%	6.50%	4.60%
Dividends and fees on securities sold short	0.01%	—%	—%(c)	—%(c)	0.05%	0.15%

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## NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2020

NexPoint Strategic Opportunities Fund

### Note 1. Organization

NexPoint Strategic Opportunities Fund (the "Fund") is a Delaware statutory trust and is registered with the U.S. Securities and Exchange Commission (the "SEC") under the Investment Company Act of 1940, as amended (the "1940 Act"), as a non-diversified, closed-end management investment company. This report includes information for the year ended December 31, 2019. The Fund trades on the New York Stock Exchange ("NYSE") under the ticker symbol NHF. The Fund may issue an unlimited number of common shares, par value \$0.001 per share ("Common Shares"). The Fund commenced operations on June 29, 2006. NexPoint Advisors, L.P. ("NexPoint" or "the Investment Adviser"), an affiliate of Highland Capital Management Fund Advisors, L.P. ("Highland"), is the investment adviser and administrator to the Fund.

On October 25, 2019, the Board of the Fund authorized the repurchase of up to \$25 million of the Fund's shares over a six-month period following conversion of the Fund from an open-end Fund to a closed-end fund. Under this program, the Fund repurchased 254,500 shares through December 2019, at an average price of \$16.79, for a total investment of \$4.3 million.

On April 24, 2020, the Board of the Fund authorized the repurchase of up to \$10% of the Fund's shares over a twelve-month period. Under this program, the Fund repurchased 414,640 shares through June 2020, at an average price of \$8.7, for a total investment of \$3.6 million.

### Note 2. Significant Accounting Policies

The following summarizes the significant accounting policies consistently followed by the Fund in the preparation of its financial statements.

#### Use of Estimates

The Fund is an investment company that applies the accounting and reporting guidance of Accounting Standards Codification Topic 946 applicable to investment companies. The Fund's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which require the Investment Adviser to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially.

#### Fund Valuation

The net asset value ("NAV") of the Fund's common shares is calculated daily on each day that the NYSE is open for

NYSE, usually 4:00 PM, Eastern Time. The NAV is calculated by dividing the value of the Fund's net assets attributable to common shares by the numbers of common shares outstanding.

#### Valuation of Investments

In computing the Fund's net assets attributable to its common shares, securities with readily available market quotations on the NYSE, National Association of Securities Dealers Automated Quotation ("NASDAQ") or other nationally recognized exchange, use the closing quotations on the respective exchange for valuation of those securities. Securities for which there are no readily available market quotations will be valued pursuant to policies adopted by the Fund's Board of Trustees (the "Board"). Typically, such securities will be valued at the mean between the most recently quoted bid and ask prices provided by the principal market makers. If there is more than one such principal market maker, the value shall be the average of such means. Securities without a sale price or quotations from principal market makers on the valuation day may be priced by an independent pricing service. Generally, the Fund's loan and bond positions are not traded on exchanges and consequently are valued based on a mean of the bid and ask price from the third-party pricing services or broker-dealer sources that the Investment Adviser has determined to have the capability to provide appropriate pricing services which have been approved by the Board.

Securities for which market quotations are not readily available, or for which the Fund has determined that the price received from a pricing service or broker-dealer is "stale" or otherwise does not represent fair value (such as when events materially affecting the value of securities occur between the time when market price is determined and calculation of the Fund's NAV, will be valued by the Fund at fair value, as determined by the Board or its designee in good faith in accordance with procedures approved by the Board, taking into account factors reasonably determined to be relevant, including, but not limited to: (i) the fundamental analytical data relating to the investment; (ii) the nature and duration of restrictions on disposition of the securities; and (iii) an evaluation of the forces that influence the market in which these securities are purchased and sold. In these cases, the Fund's NAV will reflect the affected portfolio securities' fair value as determined in the judgment of the Board or its designee instead of being determined by the market. Using a fair value pricing methodology to value securities may result in a value that is different from a security's most recent sale price and from the prices used by other investment companies to calculate their NAVs. Determination of fair value is uncertain because it involves subjective judgments and estimates.







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

There can be no assurance that the Fund's valuation of a security will not differ from the amount that it realizes upon the sale of such security. Those differences could have a material impact to the Fund. The NAV shown in the Fund's financial statements may vary from the NAV published by the Fund as of its period end because portfolio securities transactions are accounted for on the trade date (rather than the day following the trade date) for financial statement purposes.

### Fair Value Measurements

The Fund has performed an analysis of all existing investments and derivative instruments to determine the significance and character of inputs to their fair value determination. The levels of fair value inputs used to measure the Fund's investments are characterized into a fair value hierarchy. Where inputs for an asset or liability fall into more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's valuation. The three levels of the fair value hierarchy are described below:

- Level 1* — Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement;
- Level 2* — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active, but are valued based on executed trades; broker quotations that constitute an executable price; and alternative pricing sources supported by observable inputs are classified within Level 2. Level 2 inputs are either directly or indirectly observable for the asset in connection with market data at the measurement date; and
- Level 3* — Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. In certain cases, investments classified within Level 3 may include securities for which the Fund has obtained indicative quotes from broker-dealers that do not necessarily represent prices the broker may be willing to trade on, as such quotes can be subject to material management judgment. Unobservable inputs are those inputs that reflect the Fund's own assumptions that market participants would use to price the asset or liability based on the best available information.

The Investment Adviser has established policies and procedures, as described above and approved by the Board, to ensure that valuation methodologies for

the fair value hierarchy are fair and consistent. A Pricing Committee has been established to provide oversight of the valuation policies, processes and procedures, and is comprised of personnel from the Investment Adviser and its affiliates. The Pricing Committee meets monthly to review the proposed valuations for investments and financial instruments and is responsible for evaluating the overall fairness and consistent application of established policies.

As of June 30, 2020, the Fund's investments consisted of senior loans, asset-backed securities, corporate bonds and notes, foreign bonds, sovereign bonds, common stocks, preferred stocks, exchange-traded funds, warrants, LLC Interests, MLPs, Purchased Options, and securities sold short. The fair value of the Fund's loans, bonds and asset-backed securities are generally based on quotes received from brokers or independent pricing services. Loans, bonds, and asset-backed securities with quotes that are based on actual trades with a sufficient level of activity on or near the measurement date are classified as Level 2 assets. Senior loans, bonds and asset-backed securities that are priced using quotes derived from implied values, indicative bids, or a limited number of actual trades are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable.

The fair value of the Fund's common stocks, preferred stocks, exchange-traded funds, and warrants that are not actively traded on national exchanges are generally priced using quotes derived from implied values, indicative bids, or a limited amount of actual trades and are classified as Level 3 assets because the inputs used by the brokers and pricing services to derive the values are not readily observable. The Fund's real estate investments include equity interests in limited liability companies and equity issued by Real Estate Investment Trusts ("REITs") that invest in commercial real estate. The fair value of real estate investments that are not actively traded on national exchanges are based on internal models developed by the Investment Adviser. The significant inputs to the models include cash flow projections for the underlying properties, capitalization rates and appraisals performed by independent valuation firms. These inputs are not readily observable, and the Fund has classified the investments as Level 3 assets. Exchange-traded options are valued based on the last trade price on the primary exchange on which they trade. If an option does not trade, the mid-price, which is the mean of the bid and ask price, is utilized to value the option.

At the end of each calendar quarter, the Investment Adviser evaluates the Level 2 and 3 assets and liabilities for changes in liquidity, including but not limited to: whether a broker is willing to execute at the quoted price, the depth and consistency of prices from third party services, and the existence



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

of contemporaneous, observable trades in the market. Additionally, the Investment Adviser evaluates the Level 1 and 2 assets and liabilities on a quarterly basis for changes in listings or delistings on national exchanges.

Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Fund's investments may fluctuate from period to period. Additionally, the fair value of investments may differ significantly from the values that would

have been used had a ready market existed for such investments and may differ materially from the values the Fund may ultimately realize. Further, such investments may be subject to legal and other restrictions on resale or otherwise less liquid than publicly traded securities.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Transfers in and out of the levels are recognized at the value at the end of the period.

A summary of the inputs used to value the Fund's assets as of June 30, 2020 is as follows:

	Total value at June 30, 2020	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
<b>NexPoint Strategic Opportunities Fund</b>				
<b>Assets</b>				
Common Stock				
Communication Services	\$ 70,772,770	\$ 267,854	\$ 25,452,177	\$ 45,052,739
Energy	2,665,650	2,628,782	36,868	—
Financial	40,414,609	—	—	40,414,609
Gaming/Leisure	—	—	—	—
Healthcare	12,126,022	12,126,022	—	—
Housing	—	—	—	—
Industrials	920,000	—	920,000	—
Information Technology	10	10	—	—
Materials	2,345,012	560,190	1,784,375	447
Real Estate	52,576,747	16,691,224	—	35,885,523
Real Estate Investment Trust	238,666,496	—	—	238,666,496
Utilities	2,018,579	2,018,579	—	—
Preferred Stock				
Financial	102,218,586	—	35,096,807	67,121,779
Real Estate	22,512,169	—	—	22,512,169
Real Estate Investment Trust	81,048,760	—	4,124,145	76,924,615
Agency Collateralized Mortgage Obligations	123,650,213	—	123,650,213	—
LLC Interest	122,638,560	—	60,282,469	62,356,091
U.S. Senior Loans				
Communication Services	24,052,666	—	—	24,052,666
Gaming/Leisure	9,512,031	—	—	9,512,031
Metals & Minerals	1,968,115	—	—	1,968,115
Real Estate	1,000,000	—	—	1,000,000
Utilities	69,247	—	69,247	—
Collateralized Loan Obligations	20,502,133	—	11,131,843	9,370,290
Sovereign Bonds	16,495,331	—	16,495,331	—
Exchange Traded Funds	3,518,405	3,518,405	—	—
Warrants				
Energy	10,178	—	10,178	—
Industrials	1,213,939	—	1,213,925	14
Information Technology	215,186	—	215,186	—
Rights				
Utilities	1,456,688	—	1,456,688	—

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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

	Total value at June 30, 2020	Level 1 Quoted Price	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Corporate Bonds & Notes				
Communication Services	\$ 70,951	\$ —	\$ 70,951	\$ —
Energy	51	—	51	—
Real Estate	580,810	—	580,810	—
Utilities	12,500	—	12,500	—
Convertible Bonds	285,856	—	285,856	—
Foreign Corporate Bonds & Notes				
Healthcare <sup>(1)</sup>	—	—	—	—
Netherlands <sup>(1)</sup>	—	—	—	—
Cash Equivalents	2,963,900	2,963,900	—	—
Repurchase Agreement	1,433	1,433	—	—
Purchased Call Options	213,400	—	213,400	—
Purchased Put Options	411,835	—	411,835	—
<b>Total Assets</b>	<b>959,128,838</b>	<b>40,776,399</b>	<b>283,514,855</b>	<b>634,837,584</b>
<b>Liabilities</b>				
Written Call Options	(167,200)	—	(167,200)	—
Written Put Options	(33,840)	—	(33,840)	—
Securities Sold Short	—	—	—	—
Common Stock				
Energy <sup>(1)</sup>	—	—	—	—
Information Technology	(1,302,088)	(1,302,088)	—	—
<b>Total Liabilities</b>	<b>(1,503,128)</b>	<b>(1,302,088)</b>	<b>(201,040)</b>	<b>—</b>
<b>Total</b>	<b>\$ 957,625,710</b>	<b>\$ 39,474,311</b>	<b>\$ 283,313,815</b>	<b>\$ 634,837,584</b>

(1) This category includes securities with a value of zero.

The table below sets forth a summary of changes in the Fund's Level 3 assets (assets measured at fair value using significant unobservable inputs) for the period ended June 30, 2020.

	Balance as of 12/31/2019	Transfers into Level 3	Transfers Out of Level 3	Net Amortization (Accretion) of Premium/ (Discount)	Net Realized Gains/ (Losses)	Net Unrealized Gains/ (Losses)	Net Purchase	Net (Sales)	Distribution to Return of Capital	Balance as of 6/30/2020
<b>NexPoint Strategic Opportunities Fund</b>										
<b>U.S. Senior Loan</b>	\$ 38,197,179	\$ —	\$ —	\$ —	\$ 3,198	\$ (3,447,997)	\$ 1,790,454	\$ (10,022)	\$ —	\$ 36,532,812
<b>Corporate Bonds &amp; Notes</b>	1,272,291	—	—	—	—	(1,272,291)	—	—	—	—
<b>Warrant</b>	1,078	—	—	—	—	(1,064)	—	—	—	14
<b>Preferred Stock</b>	130,708,695	67,514,243	—	—	(680,730)	(870,665)	2,396,370	—	(32,509,350)	166,558,563
<b>LLC Interest</b>	73,986,897	—	—	—	—	(11,630,806)	—	—	—	62,356,091
<b>Collateralized Loan Obligation</b>	504,179	12,117,989	—	—	—	(3,251,878)	—	—	—	9,370,290
<b>Common Stock</b>	344,303,196	66,719,159	—	—	—	(36,637,766)	7,449,844	(21,814,619)	—	360,019,814
<b>Total</b>	<b>\$588,973,515</b>	<b>\$146,351,391</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (677,532)</b>	<b>\$ (57,112,467)</b>	<b>\$ 11,636,668</b>	<b>\$ (21,824,641)</b>	<b>\$ (32,509,350)</b>	<b>\$ 634,837,584</b>

Investments designated as Level 3 may include assets valued using quotes or indications furnished by brokers which are based on models or estimates and may not be executable prices. In light of the developing market conditions, the Investment Adviser continues to search for observable data points and evaluate broker quotes and indications received for portfolio investments.



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

The following is a summary of significant unobservable inputs used in the fair valuation of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Market Value at 6/30/2020	Valuation Technique	Unobservable Inputs	Input Value(s)
Common Stock	\$360,019,814	Multiples Analysis	Unadjusted Price/MHz-PoP	\$0.10 - \$0.95
			Multiple of EBITDA	4.80x - 7.00x
			Liquidity Discount	25%
		Discounted Cash Flow	Discount Rate	14.0% - 20.0%
		Transaction Analysis	Multiple of EBITDA	6.25x - 6.75x
		Transaction Indication of Value	Enterprise Value (\$mm)	\$771.00
			Transaction Price per Share	\$2.75 - \$31.24
		Direct Capitalization Method	Capitalization Rates	5.45% - 8.25%
		Net Asset Value	N/A	N/A
		Practical Expedient		
		Black-Scholes Model	Volatility Assumption	50 - 60%
		Market Approach	Comparable Companies Selection	Various Public Hospitality REITs
Preferred Stock	166,558,563	Discounted Cash Flow	Discount Rate	11% - 13%
		Transaction Indication of Value	Transaction Price per Share	\$15.00
		Third Party Indication of Value	Broker Quote	Various
LLC Interest	62,356,091	Discounted Cash Flow	Discount Rate	1.30% - 6.93%
		Net Asset Value	N/A	N/A
U.S. Senior Loans	36,532,812	Discounted Cash Flow	Discount Rate	11.35%
			Spread Adjustment	0.35%
		Adjusted Appraisal	Liquidity Discount	10%
			Asset Specific Adjustment	10%
		Black-Scholes Model	Volatility Assumption	50 - 60%
		Transaction Indication of Value	% of Par	20%
			Risk-Free Rate	1.54%
Collateralized Loan Obligations	9,370,290	Discounted Cash Flow	Discount Rate	9.1%
		Third Party Indication of Value	Broker Quote	Various
Warrants	14	Multiples Analysis	Multiple of EBITDA	6.25x - 7.00x
		Discounted Cash Flow	Discount Rate	20%
		Transaction Analysis	Multiple of EBITDA	6.25x - 6.75x
		Black-Scholes Model	Volatility Assumption	50-60%
<b>Total</b>	<b>\$634,837,584</b>			

In addition to the unobservable inputs utilized for various valuation methodologies, the Fund frequently uses a combination of two or more valuation methodologies to determine fair value for a single holding. In such instances, the Fund assesses the methodologies and ascribes weightings to each methodology. The weightings ascribed to any individual methodology ranged from as low as 5% to as high as 95% as of June 30, 2020. The selection of weightings is an inherently subjective process, dependent on professional judgement. These selections may have a material impact to the concluded fair value for such holdings.

The significant unobservable input used in the fair value measurement of the Fund's REIT assets are the discount

rates and capitalization rates. Significant decreases (increases) in any of those inputs in isolation could result in a significantly higher (lower) fair value measurement.

The significant unobservable input used in the fair value measurement of the Fund's preferred stock asset and LLC interests is the discount rate. Significant decreases (increases) in any of those inputs in isolation could result in a significantly higher (lower) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Fund's bank loan securities are: liquidity discount, asset specific adjustment, discount rate, spread adjustment, volatility assumption and risk-free rate.



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement.

The significant unobservable inputs used in the fair value measurement of the Fund's common equity securities are: multiple of EBITDA, price/MHz-PoP multiple, risk discount, liquidity discount, discount rate and transaction price. Significant increases (decreases) in any of those inputs in isolation could result in a significantly lower (higher) fair value measurement. Generally, a change in the assumption used for the risk discount is accompanied by a directionally opposite change in the assumption for the price/MHz-PoP multiple.

### Security Transactions

Security transactions are accounted for on the trade date. Realized gains/(losses) on investments sold are recorded on the basis of the specific identification method for both financial statement and U.S. federal income tax purposes taking into account any foreign taxes withheld.

### Income Recognition

Corporate actions (including cash dividends) are recorded on the ex-dividend date, net of applicable withholding taxes, except for certain foreign corporate actions, which are recorded as soon after ex-dividend date as such information becomes available and is verified. Interest income is recorded on the accrual basis.

Accretion of discount and amortization of premium on taxable bonds and loans are computed to the call or maturity date, whichever is shorter, using the effective yield method. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and rates.

### U.S. Federal Income Tax Status

The Fund is treated as a separate taxpayer for U.S. federal income tax purposes. The Fund intends to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code of 1986, as amended, and will distribute substantially all of its taxable income and gains, if any, for the tax year, and as such will not be subject to U.S. federal income taxes. In addition, the Fund intends to distribute, in each calendar year, all of its net investment income, capital gains and certain other amounts, if any, such that the Fund should not be subject to U.S. federal excise tax. Therefore, no U.S. federal income or excise tax provisions are recorded.

The Investment Adviser has analyzed the Fund's tax positions taken on U.S. federal income tax returns for all open tax years (current and prior three tax years), and has concluded

that no provision for U.S. federal income tax is required in the Fund's financial statements. The Fund's U.S. federal and state income and U.S. federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue. Furthermore, the Investment Adviser of the Fund is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months.

### Distributions to Shareholders

The Fund plans to pay distributions from net investment income monthly and net realized capital gains annually to common shareholders. To permit the Fund to maintain more stable monthly distributions and annual distributions, the Fund may from time to time distribute less than the entire amount of income and gains earned in the relevant month or year, respectively. The undistributed income and gains would be available to supplement future distributions. In certain years, this practice may result in the Fund distributing, during a particular taxable year, amounts in excess of the amount of income and gains earned therein. Such distributions would result in a portion of each distribution occurring in that year to be treated as a return of capital to shareholders. Shareholders of the Fund will automatically have all distributions reinvested in Common Shares of the Fund issued by the Fund in accordance with the Fund's Dividend Reinvestment Plan (the "Plan") unless an election is made to receive cash. The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the NAV per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the NYSE on the Declaration Date. Participants in the Plan requesting a sale of securities through the plan agent of the Plan are subject to a sales fee and a brokerage commission.

### Statement of Cash Flows

Information on financial transactions which have been settled through the receipt or disbursement of cash is presented in the Statement of Cash Flows. The cash amount shown in the Statement of Cash Flows is the amount included within the Fund's Statement of Assets and Liabilities and includes cash on hand at its custodian bank and/or sub-custodian bank(s) and investments in money market funds deemed to be cash equivalents, and restricted cash posted as collateral in a segregated account or with broker-dealers.

### Cash & Cash Equivalents

The Fund considers liquid assets deposited with a bank and certain short-term debt instruments of sufficient credit







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

quality with original maturities of three months or less to be cash equivalents. The Fund also considers money market instruments that invest in cash equivalents to be cash equivalents. These investments represent amounts held with financial institutions that are readily accessible to pay Fund expenses or purchase investments. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. The value of cash equivalents denominated in foreign currencies is determined by converting to U.S. dollars on the date of the Statement of Assets and Liabilities.

### Foreign Currency

Accounting records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates using the current 4:00 PM London Time Spot Rate. Fluctuations in the value of the foreign currencies and other assets and liabilities resulting from changes in exchange rates, between trade and settlement dates on securities transactions and between the accrual and payment dates on dividends, interest income and foreign withholding taxes, are recorded as unrealized foreign currency gains/(losses). Realized gains/(losses) and unrealized appreciation/(depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Statement of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

### Securities Sold Short

The Fund may sell securities short. A security sold short is a transaction in which the Fund sells a security it does not own in anticipation that the market price of that security will decline. When the Fund sells a security short, it must borrow the security sold short from a broker-dealer and deliver it to the buyer upon conclusion of the transaction. A Fund may have to pay a fee to borrow particular securities and is often obligated to pay over any dividends or other payments received on such borrowed securities. In some circumstances, a Fund may be allowed by its prime broker to utilize proceeds from securities sold short to purchase additional investments, resulting in leverage. Securities and cash held as collateral for securities sold short are shown on the Investments Portfolios for the Fund. Cash held as collateral for securities sold short is classified as restricted cash on the Statement of Assets and Liabilities, as applicable. Restricted cash in the amount of \$12,050,000 was held with the broker for the Fund.

When securities are sold short, the Fund intends to limit exposure to a possible market decline in the value of its portfolio securities through short sales of securities that the Investment Adviser believes possess volatility characteristics similar to those being hedged. In addition, the Fund may use short sales for non-hedging purposes to pursue its investment objective. Subject to the requirements of the 1940 Act and the Internal Revenue Code of 1986, as amended (the "Code"), the Fund will not make a short sale if, after giving effect to such sale, the market value of all securities sold short by the Fund exceeds 25% of the value of its total assets. The Fund may make short sales "against the box" without respect to such limitations.

### Other Fee Income

Fee income may consist of origination/closing fees, amendment fees, administrative agent fees, transaction break-up fees and other miscellaneous fees. Origination fees, amendment fees, and other similar fees are non-recurring fee sources. Such fees are received on a transaction by transaction basis and do not constitute a regular stream of income and are recognized when incurred.

### Note 3. Derivative Transactions

The Fund is subject to interest rate risk in the normal course of pursuing its investment objectives. The Fund enters into derivative transactions for the purpose of hedging against the effects of changes in the value of portfolio securities due to anticipated changes in market conditions, to gain market exposure for residual and accumulating cash positions and for managing the duration of fixed income investments.

### Options

The Fund may utilize options on securities or indices to varying degrees as part of their principal investment strategy. An option on a security is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option at a specified exercise or "strike" price. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. The Fund may hold options, write option contracts, or both.

If an option written by the Fund expires unexercised, the Fund realizes on the expiration date a capital gain equal to the premium received by the Fund at the time the option was written. If an option purchased by the Fund expires unexercised, the Fund realizes a capital loss equal to the premium paid. Prior to the earlier of exercise or expiration, an exchange-traded option may be closed out by an







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

offsetting purchase or sale of an option of the same series (type, underlying security, exercise price and expiration). There can be no assurance, however, that a closing purchase or sale transaction can be effected when the Fund desires. The Fund will realize a capital gain from a closing purchase transaction if the cost of the closing option is less than the premium received from writing the option, or, if the cost of the closing option is more than the premium received from writing the option, a capital loss. The Fund will realize a capital gain from a closing sale transaction if the premium received from the sale is more than the original premium paid when the option position was opened, or a capital loss, if the premium received from a sale is less than the original premium paid.

### Reverse Repurchase Agreements

The Fund may engage in reverse repurchase agreement transactions with respect to instruments that are consistent with the Fund's investment objective or policies.

### Additional Derivative Information

The Fund follows adopted amendments to authoritative guidance on disclosures about derivative instruments and hedging activities which require that the Fund disclose:

- how and why an entity uses derivative instruments;
- how derivative instruments and related hedged items are accounted for;
- how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows; and
- how the netting of derivatives subject to master netting arrangements (if applicable) affects the net exposure of the Fund related to the derivatives.

The fair value of derivative instruments on the Statement of Assets and Liabilities have the following risk exposure at June 30, 2020:

Risk Exposure	Fair Value	
	Asset Derivative	Liability Derivative
Foreign Exchange Risk	\$ 213,400 <sup>(1)</sup>	\$ —
Equity Price Risk	\$ 411,835 <sup>(1)</sup>	\$ (201,040) <sup>(1)</sup>

<sup>(1)</sup> Statement of Assets and Liabilities location: Unaffiliated Investments at value.

The effect of derivative instruments on the Statement of Operations for the period ended June 30, 2020, is as follows:

Risk Exposure	Net Realized Gain(Loss) on Derivatives	Net Change in Unrealized Appreciation/(Depreciation) on Derivatives
Equity Price Risk	\$ 24,660,933 <sup>(1)(2)(3)</sup>	\$ 1,052,339 <sup>(4)(5)(6)</sup>
Foreign Currency Risk	(1,582,250) <sup>(1)(2)(3)</sup>	761,050 <sup>(4)</sup>

<sup>(1)</sup> Statement of Operations location: Realized gain (loss) on future contracts.

- Statement of Operations location: Realized gain (loss) on investments from unaffiliated issuers.
- Statement of Operations location: Realized gain (loss) on written options contracts.
- Statement of Operations location: Net change in unrealized appreciation/(depreciation) on investments.
- Statement of Operations location: Net change in unrealized appreciation/(depreciation) on written options contracts.
- Statement of Operations location: Net change in unrealized appreciation/(depreciation) on futures contracts.

The average monthly volume of derivative activity for the period ended June 30, 2020, is as follows:

	Units/Contracts	Appreciation/(Depreciation)
Purchased Options Contracts	354,167,865	—
Written Options Contracts	618	—
Futures Contracts <sup>(1)</sup>	—	995,394

<sup>(1)</sup> Futures Contracts average monthly volume is calculated using Appreciation/(Depreciation).

### Note 4. Securities Lending

Effective April 8, 2019, the Fund entered into a custody agreement with Bank of New York Mellon ("BNY"). Prior to April 4, 2019, State Street Bank and Trust Company ("State Street") served as the custodian to the Fund. The Fund could seek additional income by making secured loans of its portfolio securities through its custodian. Such loans would be in an amount not greater than one-third of the value of the Fund's total assets. BNY would charge a fund fees based on a percentage of the securities lending income. The Fund would receive collateral consisting of cash (U.S. and foreign currency), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, sovereign debt, convertible bonds, irrevocable bank letters of credit or such other collateral as may be agreed on by the parties to a securities lending arrangement, initially with a value of 102% or 105% of the market value of the loaned securities and thereafter maintained at a value of 100% of the market value of the loaned securities. If the collateral consists of non-cash collateral, the borrower would pay the Fund a loan premium fee. If the collateral consists of cash, BNY would reinvest the cash. Although voting rights, or rights to consent, with respect to the loaned securities pass to the borrower, the Fund would recall the loaned securities upon reasonable notice in order that the securities could be voted by the Fund if the holders of such securities are asked to vote upon or consent to matters materially affecting the investment. The Fund also could call such loans in order to sell the securities involved.

Securities lending transactions were entered into pursuant to securities Loan Agreements ("SLA"), which would provide the right, in the event of default (including bankruptcy or insolvency) for the non-defaulting party to liquidate the collateral and calculate a net exposure to the defaulting party or request additional collateral. In the event that a borrower



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June 30, 2020

NexPoint Strategic Opportunities Fund

defaulted, the Fund, as lenders, would offset the market value of the collateral received against the market value of the securities loaned. The value of the collateral is typically greater than that of the market value of the securities loaned, leaving the lender with a net amount payable to the defaulting party. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of an SLA counterparty's bankruptcy or insolvency. Under the SLA, the Fund can reinvest cash collateral, or, upon an event of default, resell or repledge the collateral, and the borrower can resell or repledge the loaned securities. The risks of securities lending also include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate this risk, the Fund benefits from a borrower default indemnity provided by BNY. BNY's indemnity generally provides for replacement of securities lent or the approximate value thereof.

### Note 5. U.S. Federal Income Tax Information

The character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from U.S. GAAP. These differences include (but are not limited to) investments organized as partnerships for tax purposes, foreign taxes, investments in futures, losses deferred to off-setting positions, tax treatment of organizational start-up costs, losses deferred due to wash sale transactions. Reclassifications are made to the Fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. These reclassifications have no impact on the NAV of the Fund.

For the year ended December 31, 2019, permanent differences chiefly resulting from foreign currency gains and losses, defaulted bonds, partnership basis adjustments, return of capital distributions from real estate investment trusts, passive foreign investment companies and, expired capital loss carry-overs, and paydowns and controlled foreign corporations were identified and reclassified among the components of the Fund's net assets as follows:

Total Distributable Earnings (Loss)	Paid-in-Capital
\$6,966,108	\$ (6,966,108)

(1) Included in Total Distributable Earning (Loss) on the Statement of Assets and Liabilities.

For the year ended December 31, 2019, the Fund's most recent tax year end, components of distributable earnings on a tax basis are as follows:

Other Temporary Differences <sup>(1)</sup>	Accumulated Capital and Other Losses	Net Tax Appreciation/ (Depreciation)
\$(57,749)	\$(51,636,718)	\$(203,654,367)

(1) Other Temporary Differences is comprised of dividend payable.

For the year ended December 31, 2019, the Fund had capital loss carryovers as indicated below. The capital loss carryovers are available to offset future realized capital gains to the extent provided in the Code and regulations promulgated thereunder. To the extent that these carryover losses are used to offset future capital gains, it is probable that the gains so offset will not be distributed to shareholders because they would be taxable as ordinary income.

No Expiration Long-Term	Total
\$(51,636,718) <sup>(1)</sup>	\$(51,636,718)

(1) During the current fiscal year, the Fund utilized \$34,067,597 of capital loss carryforwards.

The tax character of distributions paid during the years ended December 31, 2019 and December 31, 2018 (unless otherwise indicated) is as follows:

Distributions Paid From:	2019	2018
Ordinary Income <sup>(1)</sup>	\$ 15,494,304	\$ 21,840,799
Return of Capital	81,197,706	46,180,632

(1) For tax purposes, short-term capital gains distributions, if any, are considered ordinary income distributions.

Unrealized appreciation and depreciation at June 30, 2020, based on cost of investments for U.S. federal income tax purposes is:

Gross Appreciation	Gross Depreciation	Net Appreciation/ (Depreciation) <sup>(1)</sup>	Cost
\$102,757,163	\$(418,328,105)	\$ (315,570,942)	\$1,274,698,347

(1) Any differences between book-basis and tax-basis net unrealized appreciation/(depreciation) are primarily due to wash sales, non-taxable dividends, partnership, Controlled Foreign Corporation and Passive Foreign Investment Company (Qualifying Electing Fund) basis adjustments and defaulted bonds.

### Qualified Late Year Ordinary and Post October Losses

Under current laws, certain capital losses and specified losses realized after October 31 may be deferred and treated as occurring on the first day of the following fiscal year. For the fiscal year ended December 31, 2019, the Fund did not elect to defer net realized losses incurred from November 1, 2019 through December 31, 2019.

### Note 6. Credit Agreements and Reverse Repurchase Agreement

On May 16, 2013, the Fund entered into a Committed Facility Agreement with BNP Paribas Prime Brokerage, Inc. ("BNPP PB, Inc.") (the "Committed Facility Agreement"). The current facility size of the Committed Facility Agreement is \$135,000,000 and the Fund is required to pay 0.55% on the







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

### June 30, 2020

### NexPoint Strategic Opportunities Fund

uncommitted balance and LIBOR + a spread on amounts borrowed. The spread ranges from 0.60% to 1.30% depending on the quality of the holdings pledged to collateralize the loan. As of May 15, 2020, this Committed Facility Agreement was terminated with BNPP PB, Inc.

For the period ended June 30, 2020, the average daily note balance was \$44,819,276 at a weighted average interest rate of 2.44%, excluding any commitment fee. With respect to the note balance, interest expense of \$285,011 and uncommitted balance fee of \$49,505 are included in interest expense in the Statement of Operations.

On November 16, 2017, the Fund entered into an agreement with BNP Paribas Securities Corporation ("BNP Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to BNP Securities for an agreed-upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from BNP Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. As of May 15, 2020, this Repurchase Agreement was terminated with BNP securities.

On September 25, 2018, the Fund entered into an agreement with Mizuho Securities USA LLC ("Mizuho Securities") under which it may from time to time enter into reverse repurchase transactions pursuant to the terms of a master repurchase agreement and related annexes (collectively the "Repurchase Agreement"). A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of securities or other assets and agrees to repurchase them at a date certain or on demand. Pursuant to the Repurchase Agreement, the Fund may agree to sell securities or other assets to Mizuho Securities for an agreed upon price (the "Purchase Price"), with a simultaneous agreement to repurchase such securities or other assets from Mizuho Securities for the Purchase Price plus a price differential that is economically similar to interest. The price differential is negotiated for each transaction. This creates leverage for the Fund because the cash received can be used to purchase other securities. At June 30, 2020, the Fund's outstanding balance on the Mizuho Securities was \$93,032,000. The Fund's average daily balance was \$111,407,976 at a weighted average interest rate of 3.17% for the days outstanding.

The Fund's average daily balance was \$9,761,943 at a weighted average interest rate of 2.71% for the days outstanding.

On February 16, 2018, the Fund entered into a bridge credit agreement (the "Bridge Agreement") with KeyBank, NA ("KeyBank") whereby KeyBank agreed to loan the Fund up to \$36,500,000. The interest is paid at a rate of LIBOR + 2.00%. The Fund paid an upfront fee of \$182,500 to KeyBank as a condition to closing. On February 16, 2018, KeyBank loaned \$20 million to the Fund as a part of the Bridge Agreement. On May 29, 2018, the Fund amended the Bridge Agreement with KeyBank whereby KeyBank agreed to loan the Fund up to \$71,500,000 with a refinancing date of August 31, 2018, subject to extensions. The Fund paid an upfront fee of \$52,500 to KeyBank as a condition to add the new maturity and updated commitment. On August 14, 2018, the Fund amended and restated the Bridge Agreement with KeyBank whereby KeyBank agreed to loan the fund up to \$75,000,000. On September 14, 2018, the available balance stepped down to \$60,000,000. During the 2019, the Fund amended the Bridge Agreement several times to provide additional short-term financing of \$37,500,000 and \$40,000,000 ("2019 KeyBank Amendments"). The \$37,500,000 was paid back during the year, and \$22,000,000 remained outstanding on the second 2019 KeyBank Amendments as of December 31, 2019. The Fund paid an upfront fee of \$40,000 to KeyBank as a condition to closing these 2019 KeyBank Amendments. The maturity date is August 29, 2020, subject to extensions, and interest is paid at a rate of LIBOR + 2.00%. As of December 31, 2019, the carrying value of the Committed Facility Agreement was \$77,400,000. The fair value of the outstanding Committed Facility Agreement was estimated to be \$77,676,961, and would be categorized as Level 3 within the fair value hierarchy. The fair value was estimated based on discounting the cash flows owed using a discount rate of 0.50% over the 90-day risk free rate.

For the period ended June 30, 2020, the average daily note balance was \$56,004,396 at a weighted average interest rate of 3.08%, excluding any commitment fee. With respect to the note balance, interest expense of \$872,456 and uncommitted balance fee of \$0 are included in interest expense in the Statement of Operations.







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June 30, 2020

NexPoint Strategic Opportunities Fund

### Note 7. Asset Coverage

The Fund is required to maintain 300% asset coverage with respect to amounts outstanding (excluding short-term borrowings) under its various leverage facilities. Asset coverage is calculated by subtracting the Fund's total liabilities, not including any amount representing bank borrowings and senior securities, from the Fund's total assets and dividing the result by the principal amount of the borrowings outstanding. As of the dates indicated below, the Fund's debt outstanding and asset coverage was as follows:

Date	Total Amount Outstanding	% of Asset Coverage of Indebtedness
6/30/2020	\$153,034,020	621.1%
12/31/2019	332,977,746 <sup>(3)</sup>	392.4 <sup>(3)</sup>
12/31/2018	244,107,979 <sup>(3)</sup>	414.5 <sup>(3)</sup>
12/31/2017	31,933,494	1,954.8
12/31/2016	124,983,081	431.9
12/31/2015	186,625,315 <sup>(1)</sup>	296.2 <sup>(1)(2)</sup>
12/31/2014	385,336,455	323.0
12/31/2013	318,500,000	327.5
12/31/2012	225,000,000	311.7
12/31/2011	173,000,000	356.1
12/31/2010	120,000,000	510.6

(1) Excludes borrowings of \$29,300,000 deemed to be short-term in nature.

(2) The Fund closes its net asset value daily, and using asset prices available at the time of the December 31, 2015 NAV close, the Fund calculated asset coverage of greater than 300%. The Fund received updated prices for certain instruments in January that were used for financial reporting purposes as part of this report. These updated prices pushed the percentage of asset coverage down to 296.2%. As of February 4, 2016, the date that the Fund declared the February monthly dividend, the percentage of asset coverage was over 300%.

(3) The KeyBank Bridge Agreement referenced in Note 6 is shared with two subsidiaries, of which the Fund acts as a guarantor for the agreement. As such, an additional \$4.6mm of the subsidiaries borrowings on the KeyBank Bridge Agreement is reflected in the asset coverage table for a comprehensive view of the Asset Coverage of Indebtedness percentage.

### Note 8. Investment Advisory, Administration and Trustee Fees

#### Investment Advisory Fee

The Investment Adviser to the Fund receives an annual fee, paid monthly, in an amount equal to 1.00% of the average weekly value of the Fund's Managed Assets. The Fund's "Managed Assets" is an amount equal to the total assets of the Fund, including any form of leverage, minus all accrued expenses incurred in the normal course of operations, but not excluding any liabilities or obligations attributable to investment leverage obtained through (i) indebtedness of any type (including, without limitation, borrowing through a credit facility or the issuance of debt securities), (ii) the issuance of preferred stock or other preference securities, (iii) the reinvestment of collateral received for securities loaned in accordance with the Fund's investment objectives and policies, and/or (iv) any other means.

#### Administration Fee

The Investment Adviser provides administrative services to the Fund. For its services, the Investment Adviser receives an annual fee, payable monthly, in an amount equal to 0.20% of the average weekly value of the Fund's Managed Assets. Under a separate sub-administration agreement, the Investment Adviser has delegated certain administrative functions to State Street Bank and Trust Company. The Investment Adviser pays State Street Bank and Trust Company directly for these sub-administration services.

#### Fees Paid to Officers and Trustees

Each Trustee receives an annual retainer of \$150,000 payable in quarterly installments and allocated among each portfolio in the Fund Complex overseen by such Trustee based on relative net assets. The "Fund Complex" consists of all of the registered investment companies advised by the Investment Adviser or its affiliated advisers and NexPoint Capital, Inc., a closed-end management investment company that has elected to be treated as a business development company under the 1940 Act as of the date of this report.

The Fund pays no compensation to its officers, all of whom are employees of the Investment Adviser or one of its affiliates.

Trustees are reimbursed for actual out-of-pocket expenses relating to attendance at meetings, however, the Chairman of the Board and the Chairman of the Audit Committee each receive an additional payment of \$10,000 payable in quarterly installments and allocated among each portfolio in the Funds Complex based on relative net assets.

The Trustees do not receive any separate compensation in connection with service on Committees or for attending Board or Committee Meetings. The Trustees do not have any pension or retirement plan.

#### Indemnification

Under the Fund's organizational documents, the officers and Trustees have been granted certain indemnification rights against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain a variety of indemnification clauses.

The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund and, therefore, cannot be estimated.







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

### Note 9. Disclosure of Significant Risks and Contingencies

The primary risks of investing in the Fund are described below in alphabetical order:

#### Counterparty Risk

Counterparty risk is the potential loss the Fund may incur as a result of the failure of a counterparty or an issuer to make payments according to the terms of a contract. Counterparty risk is measured as the loss the Fund would record if its counterparties failed to perform pursuant to the terms of their obligations to the Fund. Because the Fund may enter into over-the-counter forwards, options, swaps and other derivative financial instruments, the Fund may be exposed to the credit risk of their counterparties. To limit the counterparty risk associated with such transactions, the Fund conducts business only with financial institutions judged by the Investment Adviser to present acceptable credit risk.

#### Covenant-Lite Loans Risk

Loans in which the Fund invests include covenant-lite loans, which carry more risk to the lender than traditional loans as they may contain fewer or less restrictive covenants on the borrower than traditionally included in loan documentation or may contain other borrower friendly characteristics. The Fund may experience relatively greater difficulty or delays in enforcing its rights on its holdings of certain covenant-lite loans and debt securities than its holdings of loans or securities with the usual covenants.

#### Emerging Markets Risk

Any investments in Emerging Market Countries (countries in which the capital markets are developing) may involve greater risks than investments in more developed markets and the prices of such investments may be more volatile. The consequences of political, social or economic changes in these markets may have disruptive effects on the market prices of the Fund's investments and the income they generate, as well as the Fund's ability to repatriate such amounts.

#### Illiquid and Restricted Securities Risk

Certain investments made by the Fund are, and others may be, illiquid, and consequently the Fund 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 Fund. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale and other factors. Furthermore, the nature of the Fund's investments, especially those in financially distressed companies, may require a long holding period

in private placement transactions) and illiquid securities may offer higher yields than comparable publicly traded securities. The Fund, however, may not be able to sell these securities when the Investment Adviser considers it desirable to do so or, to the extent they are sold privately, may have to sell them at less than the price of otherwise comparable securities. Restricted securities are subject to limitations on resale which can have an adverse effect on the price obtainable for such securities. Also, if in order to permit resale the securities are registered under the Securities Act at a Fund's expense, the Fund's expenses would be increased. A high percentage of illiquid securities in a Fund creates a risk that such a Fund may not be able to redeem its shares without causing significant dilution to remaining shareholders.

#### Interest Rate Risk

The risk that fixed income securities will decline in value because of changes in interest rates. When interest rates decline, the value of fixed rate securities already held by the Fund can be expected to rise. Conversely, when interest rates rise, the value of existing fixed rate portfolio securities can be expected to decline. A fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a fund with a shorter average portfolio duration.

On July 27, 2017, the head of the United Kingdom's Financial Conduct Authority announced a desire to phase out the use of LIBOR by the end of 2021. Due to this announcement, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. As such, the potential effect of a transition away from LIBOR on the Fund or the financial instruments in which the Fund invests can not yet be determined. A successor rate could impact the liquidity and potentially the value of investments that reference LIBOR. The transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that currently rely on LIBOR. The transition may also result in a change in (i) the value of certain instruments held by the Fund (ii) the cost of temporary borrowing for the Fund or (iii) the effectiveness of related Fund transactions such as hedges, as applicable. When LIBOR is discontinued, the LIBOR replacement rate may be lower than market expectations, which could have an adverse impact on the value of preferred and debt-securities with floating or fixed-to-floating rate coupons. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses to the Fund. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

#### Leverage Risk

The Fund may use leverage in its investment program, including the use of borrowed funds and investments in certain



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Fund purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Fund's use of leverage would result in a lower rate of return than if the Fund were not leveraged.

### Pandemics and Associated Economic Disruption

An outbreak of respiratory disease caused by a novel coronavirus was first detected in China in December 2019 and subsequently spread internationally. This coronavirus has resulted in the closing of borders, enhanced health screenings, healthcare service preparation and delivery, quarantines, cancellations, disruptions to supply chains and customer activity, as well as general anxiety and economic uncertainty. The impact of this coronavirus may be short term or may last for an extended period of time and result in a substantial economic downturn. Health crises caused by outbreaks of disease, such as the coronavirus, may exacerbate other pre-existing political, social and economic risks. This outbreak, and other epidemics and pandemics that may arise in the future, could negatively affect the global economy, as well as the economies of individual countries, individual companies and the market in general in significant and unforeseen ways. For example, a widespread health crisis such as a global pandemic could cause substantial market volatility, exchange trading suspensions and closures, impact the Fund's ability to complete repurchase requests, and affect Fund performance. Any such impact could adversely affect the Fund's performance, the performance of the securities in which the Fund invests, lines of credit available to the Fund and may lead to losses on your investment in the Fund. In addition, the increasing interconnectedness of markets around the world may result in many markets being affected by events or conditions in a single country or region or events affecting a single or small number of issuers.

### Preferred stock risk

Preferred stock, which may include preferred stock in real estate transactions, represents an equity or ownership interest in an issuer that pays dividends at a specified rate and that has precedence over common stock in the payment of dividends. In the event an issuer is liquidated or declares bankruptcy, the claims of creditors and owners of bonds take precedence over the claims of those who own preferred and common stock. If interest rates rise, the fixed dividend

interest on debt securities, preferred stock dividends are payable only if declared by the issuer's board. The value of convertible preferred stock can depend heavily upon the value of the security into which such convertible preferred stock is converted, depending on whether the market price of the underlying security exceeds the conversion price.

### Real Estate Industry Risk

Issuers principally engaged in real estate industry, including real estate investment trusts, may be subject to risks similar to the risks associated with the direct ownership of real estate, including: (i) changes in general economic and market conditions; (ii) changes in the value of real estate properties; (iii) risks related to local economic conditions, overbuilding and increased competition; (iv) increases in property taxes and operating expenses; (v) changes in zoning laws; (vi) casualty and condemnation losses; (vii) variations in rental income, neighborhood values or the appeal of property to tenants; (viii) the availability of financing and (ix) changes in interest rates and leverage.

### REIT-Specific 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. Real estate investment performance is also subject to the success that a particular property manager has in managing the property.

### Risks Associated with Options on Securities

There are several risks associated with transactions in options on securities. For example, there are significant differences between the securities and options markets that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. A transaction in options or securities may be unsuccessful to some degree because of market behavior or unexpected events.

When the Fund writes a covered call option, the Fund forgoes, during the option's life, the opportunity to profit from increases in the market value of the security covering the call option above the sum of the premium and the strike price of the call, but retains the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation and once an option writer has received an exercise notice, it must deliver the underlying security in exchange for the strike price.

When the Fund writes a covered put option, the Fund bears the risk of loss if the value of the underlying stock declines below the exercise price minus the put premium. If the option is exercised, the Fund could incur a loss if it is required to purchase the stock underlying the put option at a price



on preferred stocks may be less attractive, causing the price of preferred stocks to decline. Preferred stock may have mandatory sinking fund provisions, as well as provisions allowing the stock to be called or redeemed prior to its maturity, which can have a negative impact on the stock's price when interest rates decline. Unlike

greater than the market price of the stock at the time of exercise plus the put premium the Fund received when it wrote the option. While the Fund's potential gain in writing a covered put option



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

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is limited to distributions earned on the liquid assets securing the put option plus the premium received from the purchaser of the put option, the Fund risks a loss equal to the entire exercise price of the option minus the put premium.

### Risks of Investing in Obligations of Stressed, Distressed and Bankrupt Issuers

The Fund may invest in companies that are troubled, in distress or bankrupt. As such, they are subject to a multitude of legal, industry, market, environmental and governmental forces that make analysis of these companies inherently difficult. Further, the Investment Adviser relies on company management, outside experts, market participants and personal experience to analyze potential investments for the Fund. There can be no assurance that any of these sources will prove credible, or that the resulting analysis will produce accurate conclusions.

### Risks of Non-Diversification and Other Focused Strategies

While the Investment Adviser invests in a number of fixed income and equity instruments issued by different real estate, issuers and employs multiple investment strategies with respect to the Fund investment portfolio, it is possible that a significant amount of the Fund investments could be invested in the instruments of only a few companies or other issuers or that at any particular point in time one investment strategy could be more heavily weighted than the others. The focus of the Fund's investment portfolio in any one issuer would subject the Fund to a greater degree of risk with respect to defaults by such issuer or other adverse events affecting that issuer, and the focus of the portfolio in any one industry or group of industries would subject the Fund to a greater degree of risk with respect to economic downturns relating to such industry or industries. The focus of the Fund investment portfolio in any one investment strategy would subject the Fund to a greater degree of risk than if the Fund investment portfolio were varied in its investments with respect to several investment strategies.

### Reverse Repurchase Agreement Risk

The Fund may enter into reverse repurchase transactions with BNP Securities or other banks and securities dealers. A reverse repurchase transaction is a repurchase transaction in which the Fund is the seller of, rather than the investor in, securities or other assets and agrees to repurchase them at a date certain or on demand. Use of a reverse repurchase transaction may be preferable to a regular sale and later repurchase of securities or other assets because it avoids certain market risks and transaction costs. Reverse repurchase transactions involve the risk that the market value of securities and/or other assets purchased by the Fund with the proceeds received by the Fund in connection

obligated to repurchase under such reverse repurchase transactions. They also involve the risk that the counterparty liquidates the securities delivered to it by the Fund under the reverse repurchase agreement following the occurrence of an event of default under the reverse repurchase agreement by the Fund. At the time when the Fund enters into a reverse repurchase transactions, liquid securities (cash, U.S. Government securities or other debt obligations) of the Fund having a value at least as great as the Purchase Price of the securities to be purchased will be segregated on the books of the Fund throughout the period of the obligation. The use of these investment strategies may increase net asset value fluctuation.

### Senior Loans Risk

The Fund's investments in Senior Loans are typically below investment grade and are considered speculative because of the credit risk of their issuers. As with any debt instrument, Senior Loans are generally subject to the risk of price declines and to increases in interest rates, particularly long-term rates. Senior loans are also subject to the risk that, as interest rates rise, the cost of borrowing increases, which may increase the risk of default. In addition, the interest rates of floating rate loans typically only adjust to changes in short-term interest rates; long-term interest rates can vary dramatically from short-term interest rates. Therefore, senior Loans may not mitigate price declines in a rising long-term interest rate environment. The secondary market for loans is generally less liquid than the market for higher grade debt. Less liquidity in the secondary trading market could adversely affect the price at which the Fund could sell a loan, and could adversely affect the Fund's income. The volume and frequency of secondary market trading in such loans varies significantly over time and among loans. Although Senior Loans in which the Fund will invest will often be secured by collateral, there can be no assurance that liquidation of such collateral would satisfy the Borrower's obligation in the event of a default or that such collateral could be readily liquidated.

LIBOR is the average offered rate for various maturities of short-term loans between major international banks who are members of the British Bankers Association. LIBOR is the most common benchmark interest rate index used to make adjustments to variable-rate loans. It's used throughout global banking and financial industries to determine interest rates for a variety of financial instruments (such as debt instruments and derivatives) and borrowing arrangements. Due to manipulation allegations in 2012 and reduced activity in the financial markets that it measures, in July 2017, the Financial Conduct Authority, the United Kingdom financial regulatory body, announced a desire to phase out the use of LIBOR by the end of 2021. Please refer to "Interest Rate Risk" for more information.



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

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NexPoint Strategic Opportunities Fund

### Short Sales Risk

Short sales by the Fund that are not made where there is an offsetting long position in the asset that it is being sold short theoretically involve unlimited loss potential since the market price of securities sold short may continuously increase. Short selling allows the Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of securities to rise further, thereby exacerbating the loss. The Fund may mitigate such losses by replacing the securities sold short before the market price has increased significantly. Under adverse market conditions, the Fund might have difficulty purchasing securities to meet margin calls on its short sale delivery obligations, and might have to sell portfolio securities to raise the capital necessary to meet its short sale obligations at a time when fundamental investment considerations would not favor such sales.

### Structured Finance Securities Risk

A portion of the Fund's investments may consist of equipment trust certificates, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Such structured finance securities are generally backed by an asset or a pool of assets, which serve as collateral. Depending on the type of security, the collateral may take the form of a portfolio of mortgage loans or bonds or other assets. The Fund and other investors in structured finance securities ultimately bear the credit risk of the underlying collateral. In some instances, the structured finance securities are issued in multiple tranches, offering investors various maturity and credit risk characteristics, often categorized as senior, mezzanine and subordinated/equity according to their degree of risk. The riskiest securities are the equity tranche, which bears the bulk of defaults from the bonds or loans serving as collateral, and thus may protect the other, more senior tranches from default. If there are defaults or the relevant collateral otherwise underperforms, scheduled payments to senior tranches of such securities take precedence over those of mezzanine tranches, and scheduled payments to mezzanine tranches take precedence over those to subordinated/equity tranches. A senior tranche typically has higher ratings and lower yields than the underlying securities, and may be rated investment grade. Despite the protection from the equity tranche, other tranches can experience substantial losses due to actual defaults, increased sensitivity to defaults due to previous defaults and the disappearance of protecting tranches,

### Gain Contingency

Claymore Holdings, LLC, a partially-owned affiliate of the Fund, is engaged in ongoing litigation that could result in a possible gain contingency to the Fund. The probability, timing, and potential amount of recovery, if any, are unknown.

### Valuation Risk

Certain of the Fund's assets are fair valued, including the Fund's investment in equity issued by TerreStar Corporation ("TerreStar"). TerreStar is a nonoperating company that does not currently generate substantial revenue and which primarily derives its value from licenses for use of two spectrum frequencies, the license with respect to one of which was granted a conditional waiver by the FCC on April 30, 2020. The fair valuation of TerreStar involves significant uncertainty as it is materially dependent on estimates of the value of both spectrum licenses.

### Note 10. Investment Transactions Purchases & Sales of Securities

The cost of purchases and the proceeds from sales of investments, other than short-term securities, for the period ended June 30, 2020, were as follows:

Purchases	Other Securities	Sales
\$80,796,605		\$246,384,002







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

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NexPoint Strategic Opportunities Fund

### Note 11. Affiliated Issuers

Under Section 2 (a)(3) of the Investment Company Act of 1940, as amended, a portfolio company is defined as “affiliated” if a fund owns five percent or more of its outstanding voting securities or if the portfolio company is under common control. The table below shows affiliated issuers of the Fund as of June 30, 2020:

Issuer	Shares at December 31, 2019	Beginning Value as of December 31, 2019	Purchases at Cost	Proceeds from Sales	Distribution of Return of Capital	Net Realized Gain/Loss on the Sales of Affiliated Issuers	Change Unrealized Appreciation/ Depreciation	Ending Value as of June 30, 2020	Shares at December 31, 2019	Affiliated Income
<b>Majority Owned, Not Consolidated</b>										
NexPoint Real Estate Opportunities, LLC, REIT (Common Stocks)	146,055,529	\$ 237,982,879	\$ 1,808,905	\$ —	\$ —	\$ —	\$ (1,125,288)	\$ 238,666,496	147,179,635	\$ 7,150,005
NexPoint Real Estate Capital Specialty Financial Products, Ltd. (Common Stocks)	11,389,726	34,066,670	188,167	—	21,814,619	—	(49,361,867)	6,707,589	11,716,517	6,538,167
Other Affiliates										
SFR WLIF I, LLC	40,322,605	39,730,669	—	—	—	—	(6,444,761)	\$ 33,285,908	40,322,605	1,686,556
SFR WLIF II, LLC	26,968,904	26,714,857	—	—	—	—	(4,317,992)	22,396,865	26,968,904	1,111,955
SFR WLIF III, LLC	7,708,491	7,541,371	—	—	—	—	(868,053)	6,673,318	7,708,491	214,591
LLV Holdco LLC (U.S. Senior Loans, Common Stocks & Warrants)	11,763,530	9,389,339	—	—	—	—	—	9,389,339	11,763,530	—
NexPoint Residential Trust, Inc.	81,229	3,655,305	51,411	(39,354)	—	—	(732,110)	2,935,252	83,034	12,410
NexPoint Hospitality Trust	13,370,573	66,719,159	1,002,793	—	—	—	(38,544,020)	29,177,932	13,571,131	1,002,793
NREF OP I REIT	—	—	7,944,794	—	—	—	(1,291,029)	6,653,765	397,240	246,201
NREF OP IV REIT	—	—	64,034,274	—	—	—	(10,405,570)	53,628,704	3,201,714	1,796,264
TerreStar Corp. (U.S. Senior Loans & Common Stocks)	22,797,318	59,427,642	267,575	—	—	—	9,410,188	69,105,405	24,330,653	25,455
United Development Funding IV	1,763,581	5,149,656	—	—	—	—	(2,239,747)	2,909,909	1,763,581	114,633
Omnimax International (U.S. Senior Loans, Common Stocks & Warrants)	7,352,734	6,224,560	771,133	—	—	—	(5,027,117)	1,968,576	7,875,612	880,956



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June 30, 2020

NexPoint Strategic Opportunities Fund

Issuer	Shares at December 31, 2019	Beginning Value as of December 31, 2019	Purchases at Cost	Proceeds from Sales	Distribution of Return of Capital	Net Realized Gain/Loss on the Sales of Affiliated Issuers	Change Unrealized Appreciation/ Depreciation	Ending Value as of June 30, 2020	Shares at December 31, 2019	Affiliated Income
<b>Other Controlled Companies</b>										
Allenby (Common Stocks)	631,135	\$ 1	\$ 19,870	\$ —	\$ —	\$ —	\$ (19,870)	\$ 1	651,004	\$ —
Claymore (Common Stocks)	2,019,369	2	161,587	—	—	—	(161,587)	2	2,180,956	—
NREO Special Purpose LLC, Tranche A Term Loan, 1st Lien (U.S. Senior Loan)	—	—	1,000,000	—	—	—	—	1,000,000	1,000,000	—
<b>Total</b>	<b>331,223,139</b>	<b>\$ 531,856,677</b>	<b>\$ 81,519,032</b>	<b>\$ (39,354)</b>	<b>\$ 21,814,619</b>	<b>\$ —</b>	<b>\$ (110,371,212)</b>	<b>\$ 524,779,762</b>	<b>344,289,575</b>	<b>\$ 20,780,025</b>

The Investment Adviser has been historically affiliated through common control with Highland Capital Management, L.P. ("HCMLP"), an SEC-registered investment adviser.

On October 16, 2019, HCMLP filed for Chapter 11 bankruptcy protection with the United States Bankruptcy Court for the District of Delaware. The case was subsequently transferred to the United States Bankruptcy Court for the Northern District of Texas. On January 9, 2020, the bankruptcy court approved a change of control of HCMLP, which involved the resignation of James Dondero as the sole director of, and the appointment of an independent board to, HCMLP's general partner. Mr. Dondero will, however, remain as an employee of HCMLP and as portfolio manager for all funds and vehicles for which he currently holds such titles. Nevertheless, given Mr. Dondero's historic role with HCMLP and his continued ownership interest and roles with respect to the Highland platform as a whole, as well as the shared services agreements between HCMLP and our Investment Adviser, we still treat HCMLP and its affiliates as our affiliates for purposes hereof.

On August 12, 2020, HCMLP filed of a plan of reorganization (the "Filed Plan") with the Court in advance of a mediation process to resolve the case (the "Mediation Plan") involving HCMLP, the official committee of unsecured creditors, and other parties involved in the reorganization proceedings. Under both the Filed Plan and the Mediation Plan (together the "Plans"), HCMLP's investment and business activities are expected to continue without interruption, including the shared services arrangement with NexPoint. Under this arrangement the Investment Adviser may utilize employees from HCMLP in connection with

technology services, office space, employees, compliance and legal. NexPoint is neither party to HCMLP's bankruptcy filing nor subject to the Plans.

We do not expect HCMLP's bankruptcy filings to impact its provision of services to NexPoint at this time.

### Note 12. Rights Offering

On April 19, 2017, the Fund announced a non-transferable rights offering (the "2017 Offering") to purchase additional shares of common stock of the Fund. Each shareholder of record on May 5, 2017 received one right for each common share held. Holders were entitled to purchase one new share of common stock for every three rights held at a subscription price of \$20.93 per share, which was calculated as the lesser of (1) 95% of the reported net asset value on May 24, 2017 (the "2017 Expiration Date"), or (2) 95% of the average of the last reported sales price of the Fund's common shares on NYSE on the 2017 Expiration Date and on each of the four trading days preceding the 2017 Expiration Date. The 2017 Offering was oversubscribed, with total subscriptions equal to 233% of the primary offering. As a result of the 2017 Offering and the Fund's exercise of an over-allotment option, 6,682,882 additional shares were issued. On November 2, 2016, the Fund announced a stock repurchase plan (the "Repurchase Plan") initially sized at \$10 million as approved by the Board. The Repurchase Plan was scheduled to begin in December 2017 and continue for approximately six months. In connection with the Offering, the Board approved the extension of the Repurchase Plan for a period of one year from the 2017 Expiration Date. The Repurchase Plan expired on May 24, 2018. No repurchases were made as part of the repurchase plan prior to its expiration.







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## NOTES TO FINANCIAL STATEMENTS (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

On April 20, 2018, the Fund announced a non-transferable rights offering (the "2018 Offering") to purchase additional shares of common stock of the Fund. Each shareholder of record on May 9, 2018 received one right for each common share held. Holders were entitled to purchase one new share of common stock for every three rights held at a subscription price of \$21.30 per share, which was calculated as the lesser of (1) 95% of the reported net asset value on May 29, 2018 (the "2018 Expiration Date"), or (2) 95% of the average of the last reported sales price of the Fund's common shares on NYSE on the 2018 Expiration Date and on each of the four trading days preceding the 2018 Expiration Date. The 2018 Offering was oversubscribed, with total subscriptions equal to 177% of the primary offering. As a result of the 2018 Offering and the Fund's exercise of an over-allotment option, 9,494,823 additional shares were issued.

On April 11, 2019, the Fund announced a non-transferable rights offering (the "2019 Offering") to purchase additional shares of common stock of the Fund. Each shareholder of record on April 29, 2019 received one right for each common share held. Holders were entitled to purchase one new share of common stock for every three rights held at a subscription

price of \$17.77 per share, which was calculated as the lesser of (1) 95% of the reported net asset value on May 22, 2019 (the "2019 Expiration Date"), or (2) 95% of the average of the last reported sales price of the Fund's common shares on NYSE on the 2019 Expiration Date and on each of the four trading days preceding the 2019 Expiration Date. The 2019 Offering was oversubscribed, with total subscriptions equal to 231% of the primary offering. As a result of the 2019 Offering and the Fund's exercise of an over-allotment option, 13,498,570 additional shares were issued.

### Note 13. New Accounting Pronouncements

In August 2018, the FASB issued Accounting Standards Update 2018-13, Fair Value Measurement (Topic 820). The new guidance includes additions and modifications to disclosures requirements for fair value measurements. For public entities, the amendments are effective for consolidated financial statements issued for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. At this time, management is currently evaluating the impact of this new guidance on the consolidated financial statements and disclosures.

### Note 14. Unconsolidated Significant Subsidiaries

In accordance with Regulation S-X and GAAP, the Fund is not permitted to consolidate any subsidiary or other entity that is not an investment company, including those in which the Fund has a controlling interest unless the business of the controlled subsidiary consists of providing services to the Fund. In accordance with Regulation S-X Rules 3-09 and 4-08(g), the Fund evaluates its unconsolidated controlled subsidiaries as significant subsidiaries under the respective rules. As of June 30, 2020, NexPoint Real Estate Opportunities, LLC was considered a significant unconsolidated subsidiary under Regulation S-X Rule 4-08(g), while NexPoint Real Estate Capital, LLC and Specialty Financial Products Designated Activity Company did not meet the qualifications of a significant subsidiary. All subsidiaries are wholly owned by the Fund. Based on the requirements under Regulation S-X Rule 4-08(g), the summarized consolidated financial information of these unconsolidated subsidiaries is presented below:

	NexPoint Real Estate Capital, LLC June 30, 2020	NexPoint Real Estate Opportunities, LLC June 30, 2020	Specialty Financial Products Designated Activity Company June 30, 2020
<b>Balance Sheet:</b>			
Current Assets	\$ 812,000	\$ 16,406,000	\$ 108,861
Noncurrent Assets	6,720,000	398,884,000	33,673,183
<b>Total Assets</b>	<b>7,532,000</b>	<b>415,290,000</b>	<b>33,782,043</b>
Current Liabilities	90,000	10,284,000	320,904
Noncurrent Liabilities	459,000	227,195,000	33,455,767
<b>Total Liabilities</b>	<b>549,000</b>	<b>237,479,000</b>	<b>33,776,671</b>
Preferred Stock	100,000	125,000	—
	NexPoint Real Estate Capital, LLC June 30, 2020	NexPoint Real Estate Opportunities, LLC June 30, 2020	Specialty Financial Products Designated Activity Company June 30, 2020
Non-controlling interest (in consolidated investments)	—	(2,658,000)	—
Invested Equity	6,883,000	180,344,000	—
<b>Total Equity</b>	<b>6,983,000</b>	<b>177,811,000</b>	<b>5,372</b>



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## NOTES TO FINANCIAL STATEMENTS (unaudited) (concluded)

June 30, 2020

NexPoint Strategic Opportunities Fund

	NexPoint Real Estate Capital, LLC For the Period Ended June 30, 2020	NexPoint Real Estate Opportunities, LLC For the Period Ended June 30, 2020	Specialty Financial Products Designated Activity Company For the Period Ended June 30, 2020
<b>Summary of Operations:</b>			
Net Sales	\$ 966,000	\$ 19,626,000	\$ 36,199
Gross Profit	914,000	(3,289,000)	1,000
Net Income	906,000	(3,266,000)	750
Net Income attributable to non-controlling interest (in consolidated investments), preferred shares, and other comprehensive income	8,000	(23,000)	—

### Note 15. Subsequent Events

The Investment Adviser has evaluated the impact of all subsequent events on the Fund through the date the consolidated financial statements were issued, and has determined that there were no such subsequent events to report which have not already been recorded or disclosed in these financial statements and accompanying notes except as noted below.

On July 10, 2020, the Fund filed a definitive proxy statement with the SEC in connection with its proposal to convert the Fund from a registered investment company to a diversified REIT. The filing also included a notice of a special meeting of shareholders, which was held on August 28, 2020 where the shareholders approved the proposal. The proposal to change

the Fund's business from a registered investment company to a diversified REIT and to amend certain fundamental investment restrictions aims to increase shareholder value.

On August 3, 2020, Jernigan Capital, Inc. ("JCAP"), an owner of self-storage facilities and a leading capital partner for self-storage entrepreneurs nationwide, announced that it had entered into a definitive merger agreement with an affiliate of the Fund, pursuant to which JCAP will be acquired by the Fund, certain of its affiliates and certain third parties in an all-cash transaction valued at approximately \$900 million, including debt and preferred stock to be assumed or refinanced.

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## ADDITIONAL INFORMATION (unaudited)

June 30, 2020

NexPoint Strategic Opportunities Fund

### Additional Portfolio Information

The Investment Adviser and its affiliates manage other accounts, including registered and private funds and individual accounts. Although investment decisions for the Fund are made independently from those of such other accounts, the Investment Adviser may, consistent with applicable law, make investment recommendations to other clients or accounts that may be the same or different from those made to the Fund, including investments in different levels of the capital structure of a company, such as equity versus senior loans, or that involve taking contradictory positions in multiple levels of the capital structure. The Investment Adviser has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, this may create situations where a client could be disadvantaged because of the investment activities conducted by the Investment Adviser for other client accounts. When the Fund and one or more of such other accounts is prepared to invest in, or desires to dispose of, the same security, available investments or opportunities for each will be allocated in a manner believed by the Investment Adviser to be equitable to the Fund and such other accounts. The Investment Adviser also may aggregate orders to purchase and sell securities for the Fund and such other accounts. Although the Investment Adviser believes that, over time, the potential benefits of participating in volume transactions and negotiating lower transaction costs should benefit all accounts including the Fund, in some cases these activities may adversely affect the price paid or received by the Fund or the size of the position obtained or disposed of by the Fund.

### Dividend Reinvestment Plan

Unless the registered owner of Common Shares elects to receive cash by contacting American Stock Transfer & Trust Company, LLC ("AST" or the "Plan Agent"), as agent for shareholders in administering the Plan, a registered owner will receive newly issued Common Shares for all dividends declared for Common Shares of the Fund. If a registered owner of Common Shares elects not to participate in the Plan, they will receive all dividends in cash paid by check mailed directly to them (or, if the shares are held in street or other nominee name, then to such nominee) by AST, as dividend disbursing agent. Shareholders may elect not to participate in the Plan and to receive all dividends in cash by sending written instructions or by contacting AST, as dividend disbursing agent, at the address set forth below.

Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by contacting the Plan Agent before the dividend record date;

otherwise such termination or resumption will be effective with respect to any subsequently declared dividend. Some brokers may automatically elect to receive cash on the shareholders' behalf and may reinvest that cash in additional Common Shares of the Fund for them. The Plan Agent will open an account for each shareholder under the Plan in the same name in which such shareholder's Common Shares are registered.

Whenever the Fund declares a dividend payable in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in Common Shares. The Common Shares will be acquired by the Plan Agent through receipt of additional unissued but authorized Common Shares from the Fund ("newly issued Common Shares"). The number of newly issued Common Shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the lesser of (i) the net asset value per Common Share determined on the Declaration Date and (ii) the market price per Common Share as of the close of regular trading on the New York Stock Exchange (the "NYSE") on the Declaration Date.

The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Common Shares in the account of each Plan participant will be held by the Plan Agent on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants. In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of Common Shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan. There will be no brokerage charges with respect to Common Shares issued directly by the Fund.

The automatic reinvestment of dividends will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Accordingly, any taxable dividend received by a participant that is reinvested in additional Common Shares will be subject to federal (and possibly state and local) income tax even though such participant will not receive a corresponding amount of cash with which to pay such taxes. Participants who request a sale of shares through the Plan Agent pay a brokerage commission of \$0.04 per share sold. The Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to



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## ADDITIONAL INFORMATION (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

include a service charge payable by the participants. All correspondence concerning the Plan should be directed to the Plan Agent at American Stock Transfer & Trust Company, LLC 6201 15th Avenue Brooklyn, NY 11219; telephone (718) 921-8200.

### Shareholder Loyalty Program

To promote loyalty and long-time alignment of interests among the Fund's shareholders, the Investment Adviser offers an incentive to shareholders that buy and hold the Fund's common shares for a period of at least twelve months through its Shareholder Loyalty Plan (the "Plan"). To participate in the Plan, existing shareholders must open an account (the "Account") with the Plan's administrator, Global Shares. Subsequently, if a participant makes contributions to the Account during a defined trading period to purchase shares, NexPoint will make a corresponding contribution on such participant's behalf (the "Gross-up"). The Gross-up is determined by NexPoint and may be adjusted at any point without notice by NexPoint prospectively from time to time in accordance with the terms of the Plan. For example, if a participant contributes \$10,000 to the Account during a defined trading period to purchase shares and NexPoint has determined the participant's Gross-up will be 2%, NexPoint will make a corresponding contribution of \$200, or 2% of the total \$10,000, to purchase additional Shares for the participant (the "Gross-up Shares"). In addition, Plan participants will not be required to pay any customary purchase commissions or distribution fees on the purchase of shares under the Plan.

NexPoint will pay all expenses incident to the purchase of shares under the Plan and for operation of the Plan, including the costs of recordkeeping, accounting fees, legal fees and the costs of delivery of stock certificates, if any, to participants; provided, however, that NexPoint will not pay any expenses incurred in connection with any sale or transfer of shares credited to a participant's Account. Expenses incurred in connection with any such sales will be deducted from the proceeds of sale prior to any remittance to the participant.

While the portion of the Fund's common shares that are acquired through the participant's contribution will vest immediately, the Gross-up Shares will not vest until the first anniversary of the date that the Gross-up Shares were purchased. Vested shares and Gross-up Shares will be held in the Account with Global Shares' broker, Maxim Group, LLC ("Maxim"). A participant may not sell or otherwise withdraw, pledge, transfer, assign, hypothecate or dispose of any Gross-up Shares prior to the date on which they become vested Shares. Under the Plan, participants must contribute a minimum of \$2,500 for purchases of shares in the initial contribution and each subsequent monthly contribution

unless NexPoint, in its sole discretion, decides to permit contributions for a lesser amount. The maximum monthly contribution limit under the Plan is \$1,000,000, which amount may be adjusted from time to time by NexPoint in its sole discretion.

All dividends received on shares that are purchased under the Plan will be automatically reinvested through the Plan. Shares acquired through the reinvestment of dividends paid to the holder of a vested share will vest immediately. Shares acquired through the reinvestment of dividends paid to the holder of a non-vested Gross-up share will vest on the first anniversary of the reinvest date. In addition, for dividends paid to holders of vested shares, NexPoint will provide a Gross-up on the amount of such reinvested dividends.

Maxim maintains all shareholders' accounts in the Plan and, upon request, furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for tax records. Shares in the account of each Plan participant will be held by Maxim on behalf of the Plan participant, and each shareholder proxy will include those shares purchased or received pursuant to the Plan. Maxim will forward all proxy solicitation materials to participants and vote proxies for shares held under the Plan in accordance with the instructions of the participants.

In the case of shareholders such as banks, brokers or nominees which hold shares for others who are the beneficial owners, Global Shares and Maxim will administer the Plan on the basis of the number of common shares certified from time to time by the record shareholder's name and held for the account of beneficial owners who participate in the Plan.

NexPoint reserves the right to amend or terminate the Plan. To help align the interests of NexPoint's employees with the interests of the Fund's shareholders, NexPoint also offers the Plan to its employees.

Participants in the Plan should be aware that their receipt of Gross-up Shares under the Plan constitutes taxable income to them. In addition, such participants owe taxes on that portion of any distribution that constitutes taxable income in respect of shares of our common stock held in their Plan accounts, whether or not such shares of common stock have vested in the hands of the participants. To the extent any payments or distributions under the Plan are subject to U.S. federal, state or local taxes, the Fund, any participating affiliate of the Fund or the agent for the Plan may satisfy its tax withholding obligation by (1) withholding shares allocated to the participant's account or (2) deducting cash from the participant's account. Plan participants should consult their tax advisers regarding the tax consequences to them of participating in the Plan.







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## ADDITIONAL INFORMATION (unaudited) (continued)

June 30, 2020

NexPoint Strategic Opportunities Fund

The Plan may create an incentive for shareholders to invest additional amounts in the Fund. Because the Adviser's management fee is based on a percentage of the assets of the Fund, the Plan will result in increased net revenues to NexPoint if the increase in the management fee due to the increased asset base offsets the costs associated with establishing and maintaining the Plan.

### Changes of Independent Registered Public Accounting Firms

On June 8, 2020, the Fund dismissed PricewaterhouseCoopers LLP ("PwC") as the Fund's independent registered public accounting firm, effective on such date. The decision to dismiss PwC was approved by the audit committee and by the full Board. On June 18, 2020, the Fund approved the appointment of Cohen & Company ("Cohen") as the Fund's independent registered public accounting firm. Per Item 304(a)(1): (ii) State whether the principal accountant's report on the financial statements for either of the **past two years** contained an adverse opinion or a disclaimer of opinion, or was qualified or modified as to uncertainty, audit scope, or accounting principles; and also describe the nature of each such adverse opinion, disclaimer of opinion, modification, or qualification. (iv) State whether during the registrant's **two most recent fiscal years and any subsequent interim period preceding such resignation, declination or dismissal** there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement(s), if not resolved to the satisfaction of the former accountant, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report. Cohen was engaged by the Fund on August 7, 2020. During the Fund's year ended December 31, 2019 and the subsequent interim period through June 8, 2020, during which PwC served as the Fund's independent registered public accounting firm, there were no: (1) disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) with PwC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements if not resolved to their satisfaction would have caused them to make reference in connection with their opinion to the subject matter of the disagreement, or (2) reportable events (as described in Item 304(a)(1)(v) of Regulation S-K). PwC was also the auditor of the Fund for the year ended December 31, 2018, and December 31, 2017. During the year ended December 31, 2019 and the subsequent interim period through June 8, 2020, neither Management, the Fund, nor anyone on its behalf, consulted Cohen regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that

that was either the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K). The Fund provided PwC with a copy of the disclosure it is making in response to Item 304(a) of Regulation SK and requested that PwC furnish the Fund with letters addressed to the SEC, pursuant to Item 304(a) stating their agreement with the statements made and, if not, stating the respects in which they do not agree, including any new information, clarification of the Fund's expression of its view, or the respects in which it does not agree with the statements made by the Fund in response to Item 304(a).

### Submission of Proposal to a Vote of Shareholders

On July 10, 2020, the Fund filed a definitive proxy statement with the SEC in connection with its proposal to convert the Fund from a registered investment company to a diversified REIT. The filing also included a notice of a special meeting of shareholders, which was held on August 28, 2020 (the results of which are set forth below). The proposal to change the Fund's business from a registered investment company to a diversified REIT and to amend certain fundamental investment restrictions aims to increase shareholder value.

The annual meeting of shareholders of the Fund was held on July 14, 2020. The following is a summary of the proposals submitted to shareholders for a vote at the meeting and the votes cast.

<u>Proposal</u>	<u>Votes For</u>	<u>Votes Withheld</u>
To elect Dr. Bob Froehlich as a Class II Trustee of the Fund to serve for a three-year term expiring at the 2023 Annual Meeting.	35,086,391	5,225,887
To elect Mr. Edward Constantino as a Class II Trustee of the Fund to serve for a three-year term expiring at the 2023 Annual Meeting.	35,143,775	5,168,504

In addition to the two Trustees who were elected at the annual meeting, as noted above, the following other Trustees continued in office after the Fund's annual meeting: John Honis, Ethan Powell and Bryan A. Ward.

The special meeting of shareholders of the Fund was held on August 28, 2020. The following is a summary of the proposals submitted to shareholders for a vote at the meeting and the votes cast.

<u>Proposal</u>	<u>Votes For</u>	<u>Votes Withheld</u>
To approve a change in the Fund's business from a registered investment company that invests primarily in debt and equity securities to a diversified REIT and to amend the Fund's fundamental investment restrictions to permit the Fund to engage in its new business.	23,466,013	4,154,880
To approve the amendment and restatement of the Fund's Agreement and Declaration of Trust.	23,352,337	4,366,082



might be rendered on the financial statements of the Fund  
and no written report or oral advice was provided to the  
Fund by Cohen or (ii) any matter

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ADDITIONAL INFORMATION (unaudited) (concluded)



June 30, 2020 NexPoint Strategic Opportunities Fund

Privacy Policy

We recognize and respect your privacy expectations, whether you are a visitor to our web site, a potential shareholder, a current shareholder or even a former shareholder.

*Collection of Information.* We may collect nonpublic personal information about you from the following sources:

- **Account applications and other forms, which may include your name, address and social security number, written and electronic correspondence and telephone contacts;**
- **Web site information, including any information captured through the use of “cookies”; and**
- **Account history, including information about the transactions and balances in your accounts with us or our affiliates.**

*Disclosure of Information.* We may share the information we collect with our affiliates. We may also disclose this information as otherwise permitted by law. We do not sell your personal information to third parties for their independent use.

*Confidentiality and Security of Information.* We restrict access to nonpublic personal information about you to our employees and agents who need to know such information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information, although you should be aware that data protection cannot be guaranteed.



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## IMPORTANT INFORMATION ABOUT THIS REPORT

### Investment Adviser

NexPoint Advisors, L.P.  
200 Crescent Court, Suite 700  
Dallas, TX 75201

### Transfer Agent

American Stock Transfer & Trust Company,  
LLC  
6201 15th Avenue  
Brooklyn, NY 11219

### Custodian

The Bank of New York Mellon  
240 Greenwich Street  
New York, New York 10286

### Independent Registered Public Accounting Firm

Cohen & Company, Ltd.  
1350 Euclid Ave, Suite 800  
Cleveland, OH 44115

### Fund Counsel

K&L Gates LLP  
1 Lincoln Street  
Boston, MA 02111

This report has been prepared for shareholders of NexPoint Strategic Opportunities Fund (the "Fund"). The Fund mails one shareholder report to each shareholder address. If you would like more than one report, please call shareholder services at 1-866-351-4440 to request that additional reports be sent to you.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to its portfolio securities, and the Fund's proxy voting records for the most recent 12-month period ended December 31, are available (i) without charge, upon request, by calling 1-866-351-4440 and (ii) on the Securities and Exchange Commission's website at <http://www.sec.gov>.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT. The Fund's Forms N-PORT are available on the SEC's website at <http://www.sec.gov>. Shareholders may also obtain the Form N-PORT by visiting the Fund's website at [www.NexPointAdvisors.com](http://www.NexPointAdvisors.com).

On June 18, 2019 and July 15, 2020, the Fund submitted a CEO annual certification to the New York Stock Exchange ("NYSE") on which the Fund's principal executive officer certified that he was not aware, as of the date, of any violation by the Fund of the NYSE's Corporate Governance listing standards. In addition, as required by Section 302 of the Sarbanes-Oxley Act of 2002 and related SEC rules, the Fund's principal executive officer and principal financial officer made quarterly certifications, included in filings with the SEC on Forms N-CSR and N-PORT relating to, among other things, the Fund's disclosure controls and procedures and internal controls over financial reporting, as applicable.

The Statement of Additional Information includes additional information about the Fund's Trustees and is available upon request without charge by calling 1-866-351-4440.



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**NexPoint Strategic Opportunities Fund**  
**6201 15th Avenue**  
**Brooklyn, NY 11219**

**NexPoint Strategic Opportunities Fund**

Semi-Annual Report, June 30, 2020

[www.NexPointGroup.com](http://www.NexPointGroup.com)

NHF-SAR-0620



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**Item 2. Code of Ethics.**

Not applicable.

**Item 3. Audit Committee Financial Expert.**

Not applicable.

**Item 4. Principal Accountant Fees and Services.**

Not applicable.

**Item 5. Audit Committee of Listed Registrants.**

Not applicable.

**Item 6. Investments.**

(a) Schedule of Investments in securities of unaffiliated issuers as of the close of the reporting period is included as part of the Semi-Annual Report to Shareholders filed under Item 1 of this form.

(b) Not applicable.

**Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Not applicable.

**Item 8. Portfolio Managers of Closed-End Management Investment Companies.**

There has been no change, as of the date of this filing, in any of the portfolio managers identified in response to paragraph (a)(1) of this Item in NexPoint Strategic Opportunities Fund's (the "Registrant") most recently filed annual report on Form N-CSR.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.**

Purchases were made by the Registrant during the period covered by this report:

**AFFILIATED PURCHASES OF EQUITY SECURITIES**

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
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March 1 through March 31, 2020 <sup>1</sup>	582,404	9.15	415,019	2,732,240
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<sup>1</sup> Purchases by affiliates as a part of the Registrant's Repurchase Program.

### **Item 10. Submission of Matters to a Vote of Security Holders.**

At a meeting of the Board on June 18, 2020, pursuant to the Board's authority to adopt, amend or repeal the Fund's bylaws (the "Bylaws"), the Board amended the Bylaws to clarify that:

1. With respect to an annual meeting of shareholders, the notice of annual meeting shall state the purpose or purposes for which such meeting is to be held and shall include a statement that such purposes include: "The transaction of such other proper business as may properly come before the annual meeting."
2. With respect to a special meeting of shareholders called by a majority of the Trustees, the President or shareholders pursuant to the Declaration of Trust, the notice of special meeting provided to shareholders shall state the purpose or purposes for which such meeting is to be held and shall not provide for the transaction of any business other than the particular purpose specified in the notice of the special meeting. Only the business stated in the notice of a special meeting may be conducted at such special meeting.
3. Shareholders making nominations or proposals for any annual meeting of shareholders must comply with certain advance notice, minimum share holding and informational requirements in order to properly make such nomination or proposal.
4. The chairman of any meeting of the shareholders may adjourn the meeting from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communications, if any, by which shareholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken.

### **Item 11. Controls and Procedures.**

#### **(a) Evaluation of Disclosure Controls and Procedures.**

The Registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Registrant's filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Investment Company Act of 1940, as amended, is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to the Registrant's management, including its principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. The Registrant's management, including the principal executive officer and principal financial officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

As of the period covered by this report, we, including our president and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based upon that evaluation and subject to the foregoing, our president and chief financial officer concluded that the Registrant's disclosure controls and procedures were not effective as of June 30, 2020, due to the ongoing material weakness in its internal control over financial reporting described below.

#### **Material Weaknesses in Internal Control over Financial Reporting**

Management previously identified a material weakness as of December 31, 2019, which remained as of June 30, 2020, that the Adviser's disclosure controls and procedures were not effective due to a material weakness over the application of fair value accounting with respect to the validation of fair value methodologies. Specifically, the controls were not sufficiently designed to ensure the appropriateness of the fair value determinations reached for Level 3 real estate-related holdings. While this control deficiency did not result in a misstatement, it could result in a misstatement to the investment balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected. Accordingly, management has determined that this control deficiency constitutes a material weakness. Additionally, the Material Weakness could result in a misstatement to the investment balances or disclosures that would result in a material misstatement to the annual or interim financial statements that would not be prevented or detected.



**Remediation of Material Weaknesses in Internal Control over Financial Reporting**

Management has developed a plan to remediate the material weakness described above. Management utilizes one or more independent valuation experts as part of its existing valuation process for Level 3 real estate-related holdings. Management has undertaken additional review procedures by designating a member of the Valuation Committee to monitor and report to the Valuation Committee to ensure that for significant real estate-related holdings, fair values for such holdings are validated through one or more other valuation techniques that are acceptable under ASC 820.



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We are committed to continuing to improve our internal control processes and will continue to review, optimize and enhance our financial reporting controls and procedures. As we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures to address control deficiencies, or we may modify, or in appropriate circumstances not continue, certain of the remediation measures described above.

We believe the measures already implemented as described above will facilitate the remediation of the control deficiencies we have identified and strengthen our internal control over financial reporting. Based on the steps we have taken to date and the anticipated timing of appropriate test work to ensure adequate design and operating effectiveness of such steps, we expect that the remediation of the Material Weakness will be completed on or about September 30, 2020. We cannot assure you, however, that the steps already taken will remediate such weaknesses, nor can we be certain of whether additional actions will be required or the costs of any such actions. The Material Weakness will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

- (b) Changes in Internal Controls. Other than the completed enhancements to controls noted above, there have been no changes in the Registrant's internal controls or in other factors that could materially affect the internal controls over financial reporting subsequent to the date of their evaluation in connection with the preparation of this Shareholder Report on Form N-CSR.

### **Item 12. Disclosure of Securities Lending Activities for Closed-End Management Investment Companies.**

- (a) Not applicable.
- (b) Not applicable.

### **Item 13. Exhibits.**

- (a)(1) Not applicable.
- (a)(2) [Certifications pursuant to Rule 30a-2\(a\) under the 1940 Act and Section 302 of the Sarbanes-Oxley Act of 2002 are attached hereto.](#)
- (a)(3) Not applicable.
- (a)(4) Not applicable.
- (b) [Certifications pursuant to Rule 30a-2\(b\) under the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.](#)



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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**NEXPOINT STRATEGIC OPPORTUNITIES FUND**

By (Signature and Title): /s/ James Dondero

                      
James Dondero  
President and Principal Executive Officer

Date: September 10, 2020

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By (Signature and Title): /s/ James Dondero

                      
James Dondero  
President and Principal Executive Officer

Date: September 10, 2020

By (Signature and Title): /s/ Frank Waterhouse

                      
Frank Waterhouse  
Treasurer, Principal Accounting Officer and  
Principal Financial Officer

Date: September 10, 2020



162944.pdf (“Parsons Feedback Form”); David Schreiner, 6/18/2018, <https://www.sec.gov/comments/s7-08-18/s70818-3899390-162946.pdf> (“Schreiner Feedback Form”); Ron Seits, 6/18/2018, <https://www.sec.gov/comments/s7-08-18/s70818-3899580-162956.pdf> (“Seits Feedback Form”); Mark Shaffer, 6/18/2018, <https://www.sec.gov/comments/s7-08-18/s70818-3899570-162954.pdf> (“Shaffer Feedback Form”); Malia Starmer, 6/18/2018, <https://www.sec.gov/comments/s7-08-18/s70818-3899562-162953.pdf> (“Starmer1 Feedback Form”); Jason Starmer, 6/18/2018, <https://www.sec.gov/comments/s7-08-18/s70818-3899436-162949.pdf> (“Starmer2 Feedback Form”).

[FR Doc. 2019–12376 Filed 7–11–19; 8:45 am]

BILLING CODE 8011–01–C

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Part 276

[Release No. IA–5248; File No. S7–07–18]

RIN 3235–AM36

### Commission Interpretation Regarding Standard of Conduct for Investment Advisers

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Interpretation.

**SUMMARY:** The Securities and Exchange Commission (the “SEC” or the “Commission”) is publishing an interpretation of the standard of conduct for investment advisers under the Investment Advisers Act of 1940 (the “Advisers Act” or the “Act”).

**DATES:** Effective July 12, 2019.

#### FOR FURTHER INFORMATION CONTACT:

Olawalé Oriola, Senior Counsel; Matthew Cook, Senior Counsel; or Jennifer Songer, Branch Chief, at (202) 551–6787 or [IArules@sec.gov](mailto:IArules@sec.gov), Investment Adviser Regulation Office, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–8549.

**SUPPLEMENTARY INFORMATION:** The Commission is publishing an interpretation of the standard of conduct for investment advisers under the Advisers Act [15 U.S.C. 80b].<sup>1</sup>

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#### I. Introduction

##### A. Overview of Comments

<sup>1</sup> 15 U.S.C. 80b. Unless otherwise noted, when we refer to the Advisers Act, or any paragraph of the Advisers Act, we are referring to 15 U.S.C. 80b of the United States Code, at which the Advisers Act is codified, and when we refer to rules under the Advisers Act, or any paragraph of these rules, we are referring to title 17, part 275 of the Code of Federal Regulations [17 CFR 275], in which these rules are published.

#### II. Investment Advisers’ Fiduciary Duty

##### A. Application of Duty Determined by Scope of Relationship

##### B. Duty of Care

1. Duty To Provide Advice That Is in the Best Interest of the Client
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##### B. Potential Economic Effects

### I. Introduction

Under federal law, an investment adviser is a fiduciary.<sup>2</sup> The fiduciary duty an investment adviser owes to its client under the Advisers Act, which comprises a duty of care and a duty of loyalty, is important to the Commission’s investor protection efforts. Also important to the Commission’s investor protection efforts is the standard of conduct that a broker-dealer owes to a retail customer when it makes a recommendation of any securities transaction or investment strategy involving securities.<sup>3</sup> Both

<sup>2</sup> *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 194 (1963) (“SEC v. Capital Gains”); see also *infra* footnotes 34–44 and accompanying text; Investment Adviser Codes of Ethics, Investment Advisers Act Release No. 2256 (July 2, 2004); Compliance Programs of Investment Companies and Investment Advisers, Investment Advisers Act Release No. 2204 (Dec. 17, 2003); Electronic Filing by Investment Advisers; Proposed Amendments to Form ADV, Investment Advisers Act Release No. 1862 (Apr. 5, 2000). Investment advisers also have antifraud liability with respect to prospective clients under section 206 of the Advisers Act.

<sup>3</sup> See Regulation Best Interest, Exchange Act Release No. 34–86031 (June 5, 2019) (“Reg. BI Adoption”). This final interpretation regarding the standard of conduct for investment advisers under the Advisers Act (“Final Interpretation”) interprets section 206 of the Advisers Act, which is applicable to both SEC- and state-registered investment advisers, as well as other investment advisers that are exempt from registration or subject to a prohibition on registration under the Advisers Act. This Final Interpretation is intended to highlight the principles relevant to an adviser’s fiduciary duty. It is not, however, intended to be the exclusive resource for understanding these principles. Separately, in various circumstances, case law, statutes (such as the Employee Retirement Income Security Act of 1974 (“ERISA”)), and state law impose obligations on investment advisers. In some cases, these standards may differ from the standard enforced by the Commission.

investment advisers and broker-dealers play an important role in our capital markets and our economy more broadly. Investment advisers and broker-dealers have different types of relationships with investors, offer different services, and have different compensation models. This variety is important because it presents investors with choices regarding the types of relationships they can have, the services they can receive, and how they can pay for those services.

On April 18, 2018, the Commission proposed rules and forms intended to enhance the required standard of conduct for broker-dealers<sup>4</sup> and provide retail investors with clear and succinct information regarding the key aspects of their brokerage and advisory relationships.<sup>5</sup> In connection with the publication of these proposals, the Commission published for comment a separate proposed interpretation regarding the standard of conduct for investment advisers under the Advisers Act (“Proposed Interpretation”).<sup>6</sup> We stated in the Proposed Interpretation, and we continue to believe, that it is appropriate and beneficial to address in one release and reaffirm—and in some cases clarify—certain aspects of the fiduciary duty that an investment adviser owes to its clients under section 206 of the Advisers Act.<sup>7</sup> After

<sup>4</sup> Regulation Best Interest, Exchange Act Release No. 83062 (Apr. 18, 2018) (“Reg. BI Proposal”).

<sup>5</sup> Form CRS Relationship Summary; Amendments to Form ADV; Required Disclosures in Retail Communications and Restrictions on the use of Certain Names or Titles, Investment Advisers Act Release No. 4888 (Apr. 18, 2018) (“Relationship Summary Proposal”).

<sup>6</sup> Proposed Commission Interpretation Regarding Standard of Conduct for Investment Advisers; Request for Comment on Enhancing Investment Adviser Regulation, Investment Advisers Act Release No. 4889 (Apr. 18, 2018).

<sup>7</sup> Further, the Commission recognizes that many advisers provide impersonal investment advice. See, e.g., Advisers Act rule 203A–3 (defining “impersonal investment advice” in the context of defining “investment adviser representative” as “investment advisory services provided by means of written material or oral statements that do not purport to meet the objectives or needs of specific individuals or accounts”). This Final Interpretation

Continued



considering the comments received, we are publishing this Final Interpretation with some clarifications to address comments.<sup>8</sup>

#### A. Overview of Comments

We received over 150 comment letters on our Proposed Interpretation from individuals, investment advisers, trade or professional organizations, law firms, consumer advocacy groups, and bar associations.<sup>9</sup> Although many commenters generally agreed that the Proposed Interpretation was useful,<sup>10</sup> some noted the challenges inherent in a Commission interpretation covering the broad scope of the fiduciary duty that an investment adviser owes to its clients under the Advisers Act.<sup>11</sup> Some of these commenters suggested modifications to or withdrawal of the Proposed Interpretation.<sup>12</sup> Although most

does not address the extent to which the Advisers Act applies to different types of impersonal investment advice.

<sup>8</sup> In the Proposed Interpretation, the Commission also requested comment on: Licensing and continuing education requirements for personnel of SEC-registered investment advisers; delivery of account statements to clients with investment advisory accounts; and financial responsibility requirements for SEC-registered investment advisers, including fidelity bonds. We are continuing to evaluate the comments received in response.

<sup>9</sup> Comment letters submitted in File No. S7-09-18 are available on the Commission's website at <https://www.sec.gov/comments/s7-09-18/s70918.htm>. We also considered those comments submitted in File No. S7-08-18 (Comments on Relationship Summary Proposal) and File No. S7-07-18 (Comments on Reg. BI Proposal). Those comments are available on the Commission's website at <https://www.sec.gov/comments/s7-08-18/s70818.htm> and <https://www.sec.gov/comments/s7-07-18/s70718.htm>.

<sup>10</sup> See, e.g., Comment Letter of North American Securities Administrators Association (Aug. 23, 2018) ("NASAA Letter") (stating that the Proposed Interpretation is a "useful resource"); Comment Letter of Invesco (Aug. 7, 2018) ("Invesco Letter") (agreeing that "there are benefits to having a clear statement regarding the fiduciary duty that applies to an investment adviser").

<sup>11</sup> See, e.g., Comment Letter of Pickard Djinis and Pisarri LLP (Aug. 7, 2018) ("Pickard Letter") (noting the Commission's "efforts to synthesize case law, legislative history, academic literature, prior Commission releases and other sources to produce a comprehensive explanation of the fiduciary standard of conduct"); Comment Letter of Dechert LLP (Aug. 7, 2018) ("Dechert Letter") ("It is crucial that any universal interpretation of an adviser's fiduciary duty be based on sound and time-tested principles. Given the difficulty of defining and encompassing all of an adviser's responsibilities to its clients, while also accommodating the diversity of advisory arrangements, interpretive issues will arise in the future."); Comment Letter of the Hedge Funds Subcommittee of the Federal Regulation of Securities Committee of the Business Law Section of the American Bar Association (Aug. 24, 2018) ("ABA Letter") ("We note at the outset that it is difficult to capture the nature of an investment adviser's fiduciary duty in a broad statement that has universal applicability.");

<sup>12</sup> See, e.g., Comment Letter of L.A. Schnase (Jul. 30, 2018) (urging the Commission not to issue the

commenters agreed that an investment adviser's fiduciary duty comprises a duty of care and a duty of loyalty, as described in the Proposed Interpretation, they had differing views on aspects of the fiduciary duty and in some cases sought clarification on its application.<sup>13</sup>

Some commenters requested that we adopt rule text instead.<sup>14</sup> The relationship between an investment adviser and its client has long been based on fiduciary principles not generally set forth in specific statute or rule text. We believe that this principles-based approach should continue as it expresses broadly the standard to which investment advisers are held while allowing them flexibility to meet that standard in the context of their specific services. In our view, adopting rule text is not necessary to achieve our goal in this Final Interpretation of reaffirming and in some cases clarifying certain aspects of the fiduciary duty.

## II. Investment Advisers' Fiduciary Duty

The Advisers Act establishes a federal fiduciary duty for investment advisers.<sup>15</sup> This fiduciary duty is based

Proposed Interpretation in final form, or at least not without substantial rewriting or reshaping); Comment Letter of Money Management Institute (Aug. 7, 2018) ("MMI Letter") (urging the Commission to "revise the interpretation so that it reflects the common law principles in which an investment adviser's fiduciary duty is grounded"); Dechert Letter (recommending that we withdraw the Proposed Interpretation and instead rely on existing authority and sources of law, as well as existing Commission practices for providing interpretive guidance, in order to define the source and scope of an investment adviser's fiduciary duty).

<sup>13</sup> See, e.g., Comment Letter of Cambridge Investment Research Inc. (Aug. 7, 2018) ("Cambridge Letter") (stating that "greater clarity on all aspects of an investment adviser's fiduciary duty will improve the ability to craft such policies and procedures, as well as support the elimination of confusion for retail clients and investment professionals"); Comment Letter of Institutional Limited Partners Association (Aug. 6, 2018) ("ILPA Letter 1") ("Interpretation will provide more certainty regarding the fiduciary duties owed by private fund advisers to their clients."); Comment Letter of New York City Bar Association (Jun. 26, 2018) ("NY City Bar Letter") (stating that the uniform interpretation of an investment adviser's fiduciary duty is necessary).

<sup>14</sup> Some commenters suggested that we codify the Proposed Interpretation. See, e.g., Comment Letter of Roy Tanga (Apr. 25, 2018); Comment Letter of Financial Engines (Aug. 6, 2018) ("Financial Engines Letter"); ILPA Letter 1; Comment Letter of AARP (Aug. 7, 2018) ("AARP Letter"); Comment Letter of Gordon Donohue (Aug. 6, 2018); Comment Letter of Financial Planning Coalition (Aug. 7, 2018) ("FPC Letter").

<sup>15</sup> *Transamerica Mortgage Advisors, Inc. v. Lewis*, 444 U.S. 11, 17 (1979) ("Transamerica Mortgage v. Lewis") ("§ 206 establishes federal fiduciary standards to govern the conduct of investment advisers.") (quotation marks omitted); *Santa Fe Industries, Inc. v. Green*, 430 U.S. 462, 471, n.11

on equitable common law principles and is fundamental to advisers' relationships with their clients under the Advisers Act.<sup>16</sup> The investment adviser's fiduciary duty is broad and applies to the entire adviser-client relationship.<sup>17</sup> The fiduciary duty to which advisers are subject is not specifically defined in the Advisers Act or in Commission rules, but reflects a Congressional recognition "of the delicate fiduciary nature of an investment advisory relationship" as well as a Congressional intent to "eliminate, or at least to expose, all conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which was not disinterested."<sup>18</sup> An adviser's fiduciary duty is imposed under the Advisers Act in recognition of the nature of the relationship between an investment adviser and a client and the desire "so far as is presently practicable

(1977) (in discussing *SEC v. Capital Gains*, stating that the Supreme Court's reference to fraud in the "equitable" sense of the term was "premised on its recognition that Congress intended the Investment Advisers Act to establish federal fiduciary standards for investment advisers"); *SEC v. Capital Gains*, *supra* footnote 2; Amendments to Form ADV, Investment Advisers Act Release No. 3060 (July 28, 2010) ("Investment Advisers Act Release 3060") ("Under the Advisers Act, an adviser is a fiduciary whose duty is to serve the best interests of its clients, which includes an obligation not to subrogate clients' interests to its own," citing Proxy Voting by Investment Advisers, Investment Advisers Act Release No. 2106 (Jan. 31, 2003) ("Investment Advisers Act Release 2106").

<sup>16</sup> See *SEC v. Capital Gains*, *supra* footnote 2 (discussing the history of the Advisers Act, and how equitable principles influenced the common law of fraud and changed the suits brought against a fiduciary, "which Congress recognized the investment adviser to be").

<sup>17</sup> The Commission has previously recognized the broad scope of section 206 of the Advisers Act in a variety of contexts. See, e.g., Investment Advisers Act Release 2106, *supra* footnote 15; Timbervest, LLC, et al., Advisers Act Release No. 4197 (Sept. 17, 2015) (Commission Opinion) ("[O]nce an investment advisory relationship is formed, the Advisers Act does not permit an adviser to exploit that fiduciary relationship by defrauding his client in any investment transaction connected to the advisory relationship."); see also *SEC v. Lauer*, 2008 WL 4372896, at 24 (S.D. Fla. Sept. 24, 2008) ("Unlike the antifraud provisions of the Securities Act and the Exchange Act, Section 206 of the Advisers Act does not require that the activity be 'in the offer or sale of any' security or 'in connection with the purchase or sale of any security.'"); Thomas P. Lemke & Gerald T. Lins, Regulation of Investment Advisers (2013 ed.), at § 2:30 ("[T]he SEC has . . . applied [sections 206(1) and 206(2)] where fraud arose from an investment advisory relationship, even though the wrongdoing did not specifically involve securities.");

<sup>18</sup> See *SEC v. Capital Gains*, *supra* footnote 2; see also In the Matter of Arleen W. Hughes, Exchange Act Release No. 4048 (Feb. 18, 1948) ("Arleen Hughes") (Commission Opinion) (discussing the relationship of trust and confidence between the client and a dual registrant and stating that the registrant was a fiduciary and subject to liability under the antifraud provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934).



to eliminate the abuses” that led to the enactment of the Advisers Act.<sup>19</sup> It is made enforceable by the antifraud provisions of the Advisers Act.<sup>20</sup>

An investment adviser’s fiduciary duty under the Advisers Act comprises a duty of care and a duty of loyalty.<sup>21</sup> This fiduciary duty requires an adviser “to adopt the principal’s goals, objectives, or ends.”<sup>22</sup> This means the

<sup>19</sup> See *SEC v. Capital Gains*, *supra* footnote 2 (noting that the “declaration of policy” in the original bill, which became the Advisers Act, declared that “the national public interest and the interest of investors are adversely affected . . . when the business of investment advisers is so conducted as to defraud or mislead investors, or to enable such advisers to relieve themselves of their fiduciary obligations to their clients. It is hereby declared that the policy and purposes of this title, in accordance with which the provisions of this title shall be interpreted, are to mitigate and, so far as is presently practicable to eliminate the abuses enumerated in this section”) (citing S. 3580, 76th Cong., 3d Sess., § 202 and Investment Trusts and Investment Companies, Report of the Securities and Exchange Commission, Pursuant to Section 30 of the Public Utility Holding Company Act of 1935, on Investment Counsel, Investment Management, Investment Supervisory, and Investment Advisory Services, H.R. Doc. No. 477, 76th Cong. 2d Sess., 1, at 28) (emphasis added).

<sup>20</sup> *Id.*; *Transamerica Mortgage v. Lewis*, *supra* footnote 15 (“[T]he Act’s legislative history leaves no doubt that Congress intended to impose enforceable fiduciary obligations.”). Some commenters questioned the standard to which the Advisers Act holds investment advisers. See, e.g., Comment Letter of Stark & Stark, PC (undated) (“The duty of care at common law and under the Advisers Act only requires that advisers not be negligent in performing their duties.”) (internal citation omitted); Comment Letter of Institutional Limited Partners Association (Nov. 21, 2018) (“ILPA Letter 2”) (“The Advisers Act standard is a lower simple ‘negligence’ standard.”). Claims arising under Advisers Act section 206(2) are not scienter-based and can be adequately pled with only a showing of negligence. *Robare Group, Ltd., et al. v. SEC*, 922 F.3d 468, 472 (D.C. Cir. 2019) (“*Robare v. SEC*”); *SEC v. Steadman*, 967 F.2d 636, 643, n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains*, *supra* footnote 2) (“[A] violation of § 206(2) of the Investment Advisers Act may rest on a finding of simple negligence.”); *SEC v. DiBella*, 587 F.3d 553, 567 (2d Cir. 2009) (“the government need not show intent to make out a section 206(2) violation”); *SEC v. Gruss*, 859 F. Supp. 2d 653, 669 (S.D.N.Y. 2012) (“Claims arising under Section 206(2) are not scienter-based and can be adequately pled with only a showing of negligence.”). However, claims arising under Advisers Act section 206(1) require scienter. See, e.g., *Robare v. SEC*; *SEC v. Moran*, 922 F. Supp. 867, 896 (S.D.N.Y. 1996); *Carroll v. Bear, Stearns & Co.*, 416 F. Supp. 998, 1001 (S.D.N.Y. 1976).

<sup>21</sup> See, e.g., Investment Advisers Act Release 2106, *supra* footnote 15. These duties were generally recognized by commenters. See, e.g., Comment Letter of Consumer Federation of America (Aug. 7, 2018) (“CFA Letter”); Comment Letter of the Investment Adviser Association (Aug. 6, 2018) (“IAA Letter”); Comment Letter of Investments & Wealth Institute (Aug. 6, 2018); Comment Letter of Raymond James (Aug. 7, 2018); FPC Comment Letter. *But see* Dechert Letter (questioning the sufficiency of support for a duty of care).

<sup>22</sup> Arthur B. Laby, *The Fiduciary Obligations as the Adoption of Ends*, 56 Buffalo Law Review 99 (2008); see also Restatement (Third) of Agency,

adviser must, at all times, serve the best interest of its client and not subordinate its client’s interest to its own. In other words, the investment adviser cannot place its own interests ahead of the interests of its client. This combination of care and loyalty obligations has been characterized as requiring the investment adviser to act in the “best interest” of its client at all times.<sup>23</sup> In our view, an investment adviser’s obligation to act in the best interest of its client is an overarching principle that encompasses both the duty of care and the duty of loyalty. As discussed in more detail below, in our view, the duty of care requires an investment adviser to provide investment advice in the best interest of its client, based on the client’s objectives. Under its duty of loyalty, an investment adviser must eliminate or make full and fair disclosure of all conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which is not disinterested such that a client can provide informed consent to the conflict.<sup>24</sup> We believe this is another part of an investment adviser’s obligation to act in the best interest of its client.

#### A. Application of Duty Determined by Scope of Relationship

An adviser’s fiduciary duty is imposed under the Advisers Act in recognition of the nature of the relationship between an adviser and its client—a relationship of trust and

§ 2.02 Scope of Actual Authority (2006) (describing a fiduciary’s authority in terms of the fiduciary’s reasonable understanding of the principal’s manifestations and objectives).

<sup>23</sup> Investment Advisers Act Release 3060, *supra* footnote 15 (adopting amendments to Form ADV and stating that “under the Advisers Act, an adviser is a fiduciary whose duty is to serve the best interests of its clients, which includes an obligation not to subrogate clients’ interests to its own,” citing Investment Advisers Act Release 2106, *supra* footnote 15). See *SEC v. Tambone*, 550 F.3d 106, 146 (1st Cir. 2008) (“*SEC v. Tambone*”) (“Section 206 imposes a fiduciary duty on investment advisers to act at all times in the best interest of the fund . . .”); *SEC v. Moran*, 944 F. Supp. 286, 297 (S.D.N.Y. 1996) (“*SEC v. Moran*”) (“Investment advisers are entrusted with the responsibility and duty to act in the best interest of their clients.”). Although most commenters agreed that an adviser has an obligation to act in its client’s best interest, some questioned whether the Proposed Interpretation appropriately considered the best interest obligation as part of the duty of care, or whether it instead should be considered part of the duty of loyalty. See, e.g., MMI Letter; Comment Letter of Investment Company Institute (Aug. 7, 2018) (“ICI Letter”).

<sup>24</sup> See *infra* footnotes 67–70 and accompanying text for a more detailed discussion of informed consent and how it is generally considered on an objective basis and may be inferred.

confidence.<sup>25</sup> The adviser’s fiduciary duty is principles-based and applies to the entire relationship between the adviser and its client. The fiduciary duty follows the contours of the relationship between the adviser and its client, and the adviser and its client may shape that relationship by agreement, provided that there is full and fair disclosure and informed consent.<sup>26</sup> With regard to the scope of the adviser-client relationship, we recognize that investment advisers provide a wide range of services, from a single financial plan for which a client may pay a one-time fee, to ongoing portfolio management for which a client may pay a periodic fee based on the value of assets in the portfolio. Investment advisers also serve a large variety of clients, from retail clients with limited assets and investment knowledge and experience to institutional clients with very large portfolios and substantial knowledge, experience, and analytical resources.<sup>27</sup> In our experience, the principles-based fiduciary duty imposed by the Advisers Act has provided sufficient flexibility to serve as an effective standard of conduct for investment advisers, regardless of the services they provide or the types of clients they serve.

Although all investment advisers owe each of their clients a fiduciary duty under the Advisers Act, that fiduciary duty must be viewed in the context of the agreed-upon scope of the relationship between the adviser and the client. In particular, the specific obligations that flow from the adviser’s fiduciary duty depend upon what functions the adviser, as agent, has agreed to assume for the client, its principal. For example, the obligations

<sup>25</sup> See, e.g., Hearings on S. 3580 before Subcommittee of the Senate Committee on Banking and Currency, 76th Cong., 3d Sess. (leading investment advisers emphasized their relationship of “trust and confidence” with their clients); *SEC v. Capital Gains*, *supra* footnote 2 (citing same).

<sup>26</sup> Several commenters asked that we clarify that an adviser and its client can tailor the scope of the relationship to which the fiduciary duty applies through contract. See, e.g., MMI Letter; Financial Engines Letter; ABA Letter.

<sup>27</sup> This Final Interpretation also applies to automated advisers, which are often colloquially referred to as “robo-advisers.” Automated advisers, like all SEC-registered investment advisers, are subject to all of the requirements of the Advisers Act, including the requirement that they provide advice consistent with the fiduciary duty they owe to their clients. See Division of Investment Management, Robo Advisers, IM Guidance Update No. 2017–02 (Feb. 2017), available at <https://www.sec.gov/investment/im-guidance-2017-02.pdf> (describing Commission staff’s guidance as to three distinct areas under the Advisers Act that automated advisers should consider, due to the nature of their business model, in seeking to comply with their obligations under the Advisers Act).



of an adviser providing comprehensive, discretionary advice in an ongoing relationship with a retail client (e.g., monitoring and periodically adjusting a portfolio of equity and fixed income investments with limited restrictions on allocation) will be significantly different from the obligations of an adviser to a registered investment company or private fund where the contract defines the scope of the adviser's services and limitations on its authority with substantial specificity (e.g., a mandate to manage a fixed income portfolio subject to specified parameters, including concentration limits and credit quality and maturity ranges).<sup>28</sup>

While the application of the investment adviser's fiduciary duty will vary with the scope of the relationship, the relationship in all cases remains that of a fiduciary to the client. In other words, an adviser's federal fiduciary duty may not be waived, though it will apply in a manner that reflects the agreed-upon scope of the relationship.<sup>29</sup> A contract provision purporting to waive the adviser's federal fiduciary duty generally, such as (i) a statement that the adviser will not act as a fiduciary, (ii) a blanket waiver of all conflicts of interest, or (iii) a waiver of any specific obligation under the Advisers Act, would be inconsistent

with the Advisers Act,<sup>30</sup> regardless of the sophistication of the client.<sup>31</sup>

<sup>30</sup> See sections 206 and 215(a). Commenters generally agreed that a client cannot waive an investment adviser's fiduciary duty through agreement. See Dechert Letter; Comment Letter of Ropes & Gray LLP (Aug. 7, 2018) ("Ropes & Gray Letter"), at n.20; see also *supra* footnote 29. In the Proposed Interpretation, we stated that "the investment adviser cannot disclose or negotiate away, and the investor cannot waive, the federal fiduciary duty." One commenter disputed this broad statement, believing that it called into question "the ability of an investment adviser and client to define the scope of the adviser's services and duties." ABA Letter; see also Financial Engines Letter. We have modified this statement to clarify that a general waiver of the fiduciary duty would violate that duty and to provide examples of such a general waiver.

<sup>31</sup> Some commenters mentioned a 2007 No-Action Letter in which staff indicated that whether a clause in an advisory agreement that purports to limit an adviser's liability under that agreement (a so-called "hedge clause") would violate sections 206(1) and 206(2) of the Advisers Act depends on all of the surrounding facts and circumstances. Heitman Capital Management, LLC, SEC Staff No-Action Letter (Feb. 12, 2007) ("Heitman Letter"). A few commenters indicated that the Heitman Letter expanded the ability of investment advisers to private funds, and potentially other sophisticated clients, to disclaim their fiduciary duties under state law in an advisory agreement. See, e.g., ILPA Letter 1; ILPA Letter 2. The commenters' descriptions of the Heitman Letter suggest that it may have been applied incorrectly. The Heitman Letter does not address the scope or substance of an adviser's federal fiduciary duty; rather, it addresses the extent to which hedge clauses may be misleading in violation of the Advisers Act's antifraud provisions. Another commenter agreed with this reading of the Heitman Letter. See Comment Letter of American Investment Council (Feb. 25, 2019). In response to these comments, we express below the Commission's views about an adviser's obligations under sections 206(1) and 206(2) of the Advisers Act with respect to the use of hedge clauses. Accordingly, because we are expressing our views in this Final Interpretation, the Heitman Letter is withdrawn.

This Final Interpretation makes clear that an adviser's federal fiduciary duty may not be waived, though its application may be shaped by agreement. This Final Interpretation does not take a position on the scope or substance of any fiduciary duty that applies to an adviser under applicable state law. See *supra* footnote 3. The question of whether a hedge clause violates the Advisers Act's antifraud provisions depends on all of the surrounding facts and circumstances, including the particular circumstances of the client (e.g., sophistication). In our view, however, there are few (if any) circumstances in which a hedge clause in an agreement with a retail client would be consistent with those antifraud provisions, where the hedge clause purports to relieve the adviser from liability for conduct as to which the client has a non-waivable cause of action against the adviser provided by state or federal law. Such a hedge clause generally is likely to mislead those retail clients into not exercising their legal rights, in violation of the antifraud provisions, even where the agreement otherwise specifies that the client may continue to retain its non-waivable rights. Whether a hedge clause in an agreement with an institutional client would violate the Advisers Act's antifraud provisions will be determined based on the particular facts and circumstances. To the extent that a hedge clause creates a conflict of interest between an adviser and its client, the adviser must address the conflict as required by its duty of loyalty.

## B. Duty of Care

As fiduciaries, investment advisers owe their clients a duty of care.<sup>32</sup> The Commission has discussed the duty of care and its components in a number of contexts.<sup>33</sup> The duty of care includes, among other things: (i) The duty to provide advice that is in the best interest of the client, (ii) the duty to seek best execution of a client's transactions where the adviser has the responsibility to select broker-dealers to execute client trades, and (iii) the duty to provide advice and monitoring over the course of the relationship.

### 1. Duty To Provide Advice That Is in the Best Interest of the Client

The duty of care includes a duty to provide investment advice that is in the best interest of the client, including a duty to provide advice that is suitable for the client.<sup>34</sup> In order to provide such

<sup>32</sup> See Investment Advisers Act Release 2106, *supra* footnote 15 (stating that under the Advisers Act, "an adviser is a fiduciary that owes each of its clients duties of care and loyalty with respect to all services undertaken on the client's behalf, including proxy voting," which is the subject of the release, and citing *SEC v. Capital Gains* *supra* footnote 2, to support this point). This Final Interpretation does not address the specifics of how an investment adviser might satisfy its fiduciary duty when voting proxies. See also Restatement (Third) of Agency, § 8.08 (discussing the duty of care that an agent owes its principal as a matter of common law); Tamar Frankel & Arthur B. Laby, *The Regulation of Money Managers* (updated 2017) ("Advice can be divided into three stages. The first determines the needs of the particular client. The second determines the portfolio strategy that would lead to meeting the client's needs. The third relates to the choice of securities that the portfolio would contain. The duty of care relates to each of the stages and depends on the depth or extent of the advisers' obligation towards their clients.").

<sup>33</sup> See, e.g., Suitability of Investment Advice Provided by Investment Advisers; Custodial Account Statements for Certain Advisory Clients, Investment Advisers Act Release No. 1406 (Mar. 16, 1994) ("Investment Advisers Act Release 1406") (stating that advisers have a duty of care and discussing advisers' suitability obligations); Interpretive Release Concerning the Scope of Section 28(e) of the Securities Exchange Act of 1934 and Related Matters, Exchange Act Release No. 23170 (Apr. 28, 1986) ("Exchange Act Release 23170") ("an adviser, as a fiduciary, owes its clients a duty of obtaining the best execution on securities transactions"). We highlight certain contexts, but not all, in which the Commission has addressed the duty of care. See, e.g., Investment Advisers Act Release 2106, *supra* footnote 15.

<sup>34</sup> In 1994, the Commission proposed a rule that would have made express the fiduciary obligation of investment advisers to make only suitable recommendations to a client. Investment Advisers Act Release 1406, *supra* footnote 33. Although never adopted, the rule was designed, among other things, to reflect the Commission's interpretation of an adviser's *existing* suitability obligation under the Advisers Act. In addition, we do not cite Investment Advisers Act Release 1406 as the source of authority for the view we express here, which at least one comment letter suggested, but cite it merely to show that the Commission has long held this view. See Comment Letter of the Managed Funds Association and the Alternative Investment

<sup>28</sup> See, e.g., *infra* text following footnote 35.

<sup>29</sup> Because an adviser's federal fiduciary obligations are enforceable through section 206 of the Advisers Act, we would view a waiver of enforcement of section 206 as implicating section 215(a) of the Advisers Act, which provides that "any condition, stipulation or provision binding any person to waive compliance with any provision of this title . . . shall be void." See also Restatement (Third) of Agency, § 8.06 Principal's Consent (2006) ("[T]he law applicable to relationships of agency as defined in § 1.01 imposes mandatory limits on the circumstances under which an agent may be empowered to take disloyal action. These limits serve protective and cautionary purposes. Thus, an agreement that contains general or broad language purporting to release an agent in advance from the agent's general fiduciary obligation to the principal is not likely to be enforceable. This is because a broadly sweeping release of an agent's fiduciary duty may not reflect an adequately informed judgment on the part of the principal; if effective, the release would expose the principal to the risk that the agent will exploit the agent's position in ways not foreseeable by the principal at the time the principal agreed to the release. In contrast, when a principal consents to specific transactions or to specified types of conduct by the agent, the principal has a focused opportunity to assess risks that are more readily identifiable.").



advice, an adviser must have a reasonable understanding of the client's objectives. The basis for such a reasonable understanding generally would include, for retail clients, an understanding of the investment profile, or for institutional clients, an understanding of the investment mandate.<sup>35</sup> The duty to provide advice that is in the best interest of the client based on a reasonable understanding of the client's objectives is a critical component of the duty of care.

#### Reasonable Inquiry Into Client's Objectives

How an adviser develops a reasonable understanding will vary based on the specific facts and circumstances, including the nature of the client, the scope of the adviser-client relationship, and the nature and complexity of the anticipated investment advice.

In order to develop a reasonable understanding of a retail client's objectives, an adviser should, at a minimum, make a reasonable inquiry into the client's financial situation, level of financial sophistication, investment experience, and financial goals (which we refer to collectively as the retail client's "investment profile"). For example, an adviser undertaking to formulate a comprehensive financial plan for a retail client would generally need to obtain a range of personal and financial information about the client such as current income, investments, assets and debts, marital status, tax

status, insurance policies, and financial goals.<sup>36</sup>

In addition, it will generally be necessary for an adviser to a retail client to update the client's investment profile in order to maintain a reasonable understanding of the client's objectives and adjust the advice to reflect any changed circumstances.<sup>37</sup> The frequency with which the adviser must update the client's investment profile in order to consider changes to any advice the adviser provides would itself turn on the facts and circumstances, including whether the adviser is aware of events that have occurred that could render inaccurate or incomplete the investment profile on which the adviser currently bases its advice. For instance, in the case of a financial plan where the investment adviser also provides advice on an ongoing basis, a change in the relevant tax law or knowledge that the client has retired or experienced a change in marital status could trigger an obligation to make a new inquiry.

By contrast, in providing investment advice to institutional clients, the nature and extent of the reasonable inquiry into the client's objectives generally is shaped by the specific investment mandates from those clients. For example, an investment adviser engaged to advise on an institutional client's investment grade bond portfolio would need to gain a reasonable understanding of the client's objectives within that bond portfolio, but not the client's objectives within its entire investment portfolio. Similarly, an investment adviser whose client is a registered investment company or a private fund would need to have a reasonable understanding of the fund's investment guidelines and objectives. For advisers acting on specific investment mandates for institutional clients, particularly funds, we believe that the obligation to update the client's objectives would not

be applicable except as may be set forth in the advisory agreement.

#### Reasonable Belief That Advice Is in the Best Interest of the Client

An investment adviser must have a reasonable belief that the advice it provides is in the best interest of the client based on the client's objectives. The formation of a reasonable belief would involve considering, for example, whether investments are recommended only to those clients who can and are willing to tolerate the risks of those investments and for whom the potential benefits may justify the risks.<sup>38</sup> Whether the advice is in a client's best interest must be evaluated in the context of the portfolio that the adviser manages for the client and the client's objectives.

For example, when an adviser is advising a retail client with a conservative investment objective, investing in certain derivatives may be in the client's best interest when they are used to hedge interest rate risk or other risks in the client's portfolio, whereas investing in certain directionally speculative derivatives on their own may not. For that same client, investing in a particular security on margin may not be in the client's best interest, even if investing in that same security without the use of margin may be in the client's best interest. However, for example, when advising a financially sophisticated client, such as a fund or other sophisticated client that has an appropriate risk tolerance, it may be in the best interest of the client to invest in such derivatives or in securities on margin, or to invest in other complex instruments or other products that may have limited liquidity.

Similarly, when an adviser is assessing whether high risk products—such as penny stocks or other thinly-traded securities—are in a retail client's best interest, the adviser should generally apply heightened scrutiny to whether such investments fall within the retail client's risk tolerance and objectives. As another example,

Management Association (Aug. 7, 2018) (indicating that the Commission's failure to adopt the proposed suitability rule means "investment advisers are not subject to an express 'suitability' standard under existing regulation"). We believe that this obligation to make only suitable recommendations to a client is part of an adviser's fiduciary duty to act in the best interest of its client. Accordingly, an adviser must provide investment advice that is suitable for its client in providing advice that is in the best interest of its client. See *SEC v. Tambone*, *supra* footnote 23 ("Section 206 imposes a fiduciary duty on investment advisers to act at all times in the best interest of the fund. . . ."); *SEC v. Moran*, *supra* footnote 23 ("Investment advisers are entrusted with the responsibility and duty to act in the best interest of their clients.").

<sup>35</sup> Several commenters stated that the duty to make a reasonable inquiry into a client's investment profile may not apply in the institutional client context. See, e.g., Comment Letter of BlackRock, Inc. (Aug. 7, 2018); Comment Letter of Teachers Insurance and Annuity Association of America (Aug. 7, 2018); Comment Letter of Allianz Global Investors U.S. LLC (Aug. 7, 2018) ("Allianz Letter"); Comment Letter of John Hancock Life Insurance Company (U.S.A.) (Aug. 3, 2018). Accordingly, we are describing the duty as a duty to have a reasonable understanding of the client's objectives. While not every client will have an investment profile, every client will have objectives. For example, an institutional client's objectives may be ascertained through its investment mandate.

<sup>36</sup> Investment Advisers Act Release 1406, *supra* footnote 33. After making a reasonable inquiry into the client's investment profile, it generally would be reasonable for an adviser to rely on information provided by the client (or the client's agent) regarding the client's financial circumstances, and an adviser should not be held to have given advice not in its client's best interest if it is later shown that the client had misled the adviser concerning the information on which the advice was based.

<sup>37</sup> Such updating would not be needed with one-time investment advice. In the Proposed Interpretation, we stated that an adviser "must" update a client's investment profile in order to adjust the advice to reflect any changed circumstances. We believe that any obligation to update a client's investment profile, like the nature and extent of the reasonable inquiry into a retail client's objectives, turns on what is reasonable under the circumstances. Accordingly, we have revised the wording of this statement in this Final Interpretation.

<sup>38</sup> Item 8 of Part 2A of Form ADV requires an investment adviser to describe its methods of analysis and investment strategies and disclose that investing in securities involves risk of loss which clients should be prepared to bear. This item also requires that an adviser explain the material risks involved for each significant investment strategy or method of analysis it uses and particular type of security it recommends, with more detail if those risks are significant or unusual. Accordingly, investment advisers are required to identify and explain certain risks involved in their investment strategies and the types of securities they recommend. An investment adviser needs to consider those same risks in determining the clients to which the adviser recommends those investments.



complex products such as inverse or leveraged exchange-traded products that are designed primarily as short-term trading tools for sophisticated investors may not be in the best interest of a retail client absent an identified, short-term, client-specific trading objective and, to the extent that such products are in the best interest of a retail client initially, they would require daily monitoring by the adviser.<sup>39</sup>

A reasonable belief that investment advice is in the best interest of a client also requires that an adviser conduct a reasonable investigation into the investment sufficient not to base its advice on materially inaccurate or incomplete information.<sup>40</sup> We have taken enforcement action where an investment adviser did not independently or reasonably investigate securities before recommending them to clients.<sup>41</sup>

The cost (including fees and compensation) associated with investment advice would generally be one of many important factors—such as an investment product's or strategy's investment objectives, characteristics (including any special or unusual features), liquidity, risks and potential benefits, volatility, likely performance in a variety of market and economic conditions, time horizon, and cost of exit—to consider when determining whether a security or investment strategy involving a security or securities is in the best interest of the client. When considering similar investment products or strategies, the fiduciary duty does not necessarily require an adviser to recommend the

lowest cost investment product or strategy.

Moreover, an adviser would not satisfy its fiduciary duty to provide advice that is in the client's best interest by simply advising its client to invest in the lowest cost (to the client) or least remunerative (to the investment adviser) investment product or strategy without any further analysis of other factors in the context of the portfolio that the adviser manages for the client and the client's objective. Rather, the adviser could recommend a higher-cost investment or strategy if the adviser reasonably concludes that there are other factors about the investment or strategy that outweigh cost and make the investment or strategy in the best interest of the client, in light of that client's objectives. For example, it might be consistent with an adviser's fiduciary duty to advise a client with a high risk tolerance and significant investment experience to invest in a private equity fund with relatively higher fees and significantly less liquidity as compared with a fund that invests in publicly-traded companies if the private equity fund was in the client's best interest because it provided exposure to an asset class that was appropriate in the context of the client's overall portfolio.

An adviser's fiduciary duty applies to all investment advice the investment adviser provides to clients, including advice about investment strategy, engaging a sub-adviser, and account type.<sup>42</sup> Advice about account type includes advice about whether to open or invest through a certain type of account (e.g., a commission-based brokerage account or a fee-based advisory account) and advice about whether to roll over assets from one account (e.g., a retirement account) into a new or existing account that the adviser or an affiliate of the adviser

manages.<sup>43</sup> In providing advice about account type, an adviser should consider all types of accounts offered by the adviser and acknowledge to a client when the account types the adviser offers are not in the client's best interest.<sup>44</sup>

## 2. Duty To Seek Best Execution

An investment adviser's duty of care includes a duty to seek best execution of a client's transactions where the adviser has the responsibility to select broker-dealers to execute client trades (typically in the case of discretionary accounts).<sup>45</sup> In meeting this obligation, an adviser must seek to obtain the execution of transactions for each of its clients such that the client's total cost or proceeds in each transaction are the most favorable under the circumstances. An adviser fulfills this duty by seeking to obtain the execution of securities transactions on behalf of a client with

<sup>39</sup> We consider advice about "rollovers" to include advice about account type, in addition to any advice regarding the investments or investment strategy with respect to the assets to be rolled over, as the advice necessarily includes the advice about the account type into which assets are to be rolled over. As noted below, as a general matter, an adviser's duty to monitor extends to all personalized advice it provides to the client, including, for example, in an ongoing relationship, an evaluation of whether a client's account or program type (for example, a wrap account) continues to be in the client's best interest. See *infra* text accompanying footnote 52.

<sup>44</sup> Accordingly, in providing advice to a client or customer about account type, a financial professional who is dually licensed (i.e., an associated person of a broker-dealer and a supervised person of an investment adviser (regardless of whether the professional works for a dual registrant, affiliated firms, or unaffiliated firms)) should consider all types of accounts offered (i.e., both brokerage accounts and advisory accounts) when determining whether the advice is in the client's best interest. A financial professional who is only a supervised person of an investment adviser (regardless of whether that advisory firm is a dual registrant or affiliated with a broker-dealer) may only recommend an advisory account the adviser offers when the account is in the client's best interest. If a financial professional who is only a supervised person of an investment adviser chooses to advise a client to consider a non-advisory account (or to speak with other personnel at a dual registrant or affiliate about a non-advisory account), that advice should be in the best interest of the client. This same framework applies in the case of a prospective client, but any advice or recommendation given to a prospective client would be subject to the antifraud provisions of the federal securities laws. See *supra* footnote 42 and Reg. BI Adoption, *supra* footnote 3.

<sup>45</sup> See Commission Guidance Regarding Client Commission Practices Under Section 28(e) of the Securities Exchange Act of 1934, Exchange Act Release No. 54165 (July 18, 2006) (stating that investment advisers have "best execution obligations"); Investment Advisers Act Release 3060, *supra* footnote 15 (discussing an adviser's best execution obligations in the context of directed brokerage arrangements and disclosure of soft dollar practices); see also Advisers Act rule 206(3)–2(c) (referring to adviser's duty of best execution of client transactions).

<sup>39</sup> See Exchange-Traded Funds, Securities Act Release No. 10515 (June 28, 2018); SEC staff and FINRA, Investor Alert, Leveraged and Inverse ETFs: Specialized Products with Extra Risks for Buy-and-Hold Investors (Aug. 1, 2009); SEC Office of Investor Education and Advocacy, Investor Bulletin: Exchange-Traded Funds (ETFs) (Aug. 2012); see also FINRA Regulatory Notice 09–31, Non-Traditional ETFs—FINRA Reminds Firms of Sales Practice Obligations Relating to Leveraged and Inverse Exchange-Traded Funds (June 2009).

<sup>40</sup> See, e.g., Concept Release on the U.S. Proxy System, Investment Advisers Act Release No. 3052 (July 14, 2010) (indicating that a fiduciary "has a duty of care requiring it to make a reasonable investigation to determine that it is not basing its recommendations on materially inaccurate or incomplete information").

<sup>41</sup> See, e.g., In the Matter of Larry C. Grossman, Investment Advisers Act Release No. 4543 (Sept. 30, 2016) (Commission Opinion) ("In re Grossman") (in connection with imposing liability on a principal of a registered investment adviser for recommending offshore private investment funds to clients), *stayed in part*, Investment Advisers Act No. 4563 (Nov. 1, 2016), *response to remand*, Investment Advisers Act Release No. 4871 (Mar. 29, 2018) (reinstating the Sept. 30, 2016 opinion and order, except with respect to the disgorgement and prejudgment interest in light of the Supreme Court's decision in *Kokesh v. SEC*, 137 S. Ct. 1635 (2017)).

<sup>42</sup> In addition, with respect to prospective clients, investment advisers have antifraud liability under section 206 of the Advisers Act, which, among other things, applies to transactions, practices, or courses of business which operate as a fraud or deceit upon prospective clients, including those regarding investment strategy, engaging a sub-adviser, and account type. We believe that, in order to avoid liability under this antifraud provision, an investment adviser should have sufficient information about the prospective client and its objectives to form a reasonable basis for advice before providing any advice about these matters. At the point in time at which the prospective client becomes a client of the investment adviser (e.g., at account opening), the fiduciary duty applies. Accordingly, while advice to prospective clients about these matters must comply with the antifraud provisions under section 206 of the Advisers Act, the adviser must also satisfy its fiduciary duty with respect to any such advice (e.g., regarding account type) when a prospective client becomes a client.



the goal of maximizing value for the client under the particular circumstances occurring at the time of the transaction. Maximizing value encompasses more than just minimizing cost. When seeking best execution, an adviser should consider “the full range and quality of a broker’s services in placing brokerage including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness” to the adviser.<sup>46</sup> In other words, the “determinative factor” is not the lowest possible commission cost, “but whether the transaction represents the best qualitative execution.”<sup>47</sup> Further, an investment adviser should “periodically and systematically” evaluate the execution it is receiving for clients.<sup>48</sup>

### 3. Duty To Provide Advice and Monitoring Over the Course of the Relationship

An investment adviser’s duty of care also encompasses the duty to provide advice and monitoring at a frequency that is in the best interest of the client, taking into account the scope of the agreed relationship.<sup>49</sup> For example,

when the adviser has an ongoing relationship with a client and is compensated with a periodic asset-based fee, the adviser’s duty to provide advice and monitoring will be relatively extensive as is consistent with the nature of the relationship.<sup>50</sup> Conversely, absent an express agreement regarding the adviser’s monitoring obligation, when the adviser and the client have a relationship of limited duration, such as for the provision of a one-time financial plan for a one-time fee, the adviser is unlikely to have a duty to monitor. In other words, in the absence of any agreed limitation or expansion, the scope of the duty to monitor will be indicated by the duration and nature of the agreed advisory arrangement.<sup>51</sup> As a general matter, an adviser’s duty to monitor extends to all personalized advice it provides to the client, including, for example, in an ongoing relationship, an evaluation of whether a client’s account or program type (for example, a wrap account) continues to be in the client’s best interest.<sup>52</sup>

#### C. Duty of Loyalty

The duty of loyalty requires that an adviser not subordinate its clients’ interests to its own.<sup>53</sup> In other words, an

investment adviser must not place its own interest ahead of its client’s interests.<sup>54</sup> To meet its duty of loyalty, an adviser must make full and fair disclosure to its clients of all material facts relating to the advisory relationship.<sup>55</sup> Material facts relating to the advisory relationship include the capacity in which the firm is acting with respect to the advice provided. This will be particularly relevant for firms or individuals that are dually registered as broker-dealers and investment advisers and who serve the same client in both an advisory and a brokerage capacity. Thus, such firms and individuals generally should provide full and fair disclosure about the circumstances in which they intend to act in their

Investment Advisers Act Release 2106, *supra* footnote 15). The duty of loyalty applies not just to advice regarding potential investments, but to all advice the investment adviser provides to an existing client, including advice about investment strategy, engaging a sub-adviser, and account type. See *supra* text accompanying footnotes 42–43.

<sup>54</sup> For example, an adviser cannot favor its own interests over those of a client, whether by favoring its own accounts or by favoring certain client accounts that pay higher fee rates to the adviser over other client accounts. The Commission has brought numerous enforcement actions against advisers that allocated trades to their own accounts and allocated less favorable or unprofitable trades to their clients’ accounts. See, e.g., *SEC v. Strategic Capital Management, LLC and Michael J. Breton*, Litigation Release No. 23867 (June 23, 2017) (partial settlement) (adviser placed trades through a master brokerage account and then allocated profitable trades to adviser’s account while placing unprofitable trades into the client accounts in violation of fiduciary duty and contrary to disclosures). In the Proposed Interpretation, we stated that the duty of loyalty requires an adviser to “put its client’s interest first.” One commenter suggested that the requirement of an adviser to put its client’s interest “first” is very different from a requirement not to “subordinate” or “subrogate” clients’ interests, and is inconsistent with how the duty of loyalty had been applied in the past. See Comment Letter of the Asset Management Group of the Securities Industry and Financial Markets Association (Aug. 7, 2018) (“SIFMA AMG Letter”). Accordingly, we have revised the description of the duty of loyalty in this Final Interpretation to be more consistent with how we have previously described the duty. See Investment Advisers Act Release 3060, *supra* footnote 15 (“Under the Advisers Act, an adviser is a fiduciary whose duty is to serve the best interests of its clients, which includes an obligation not to subrogate clients’ interests to its own.”) (citing Investment Advisers Act Release 2106, *supra* footnote 15). In practice, referring to putting a client’s interest first is a plain English formulation commonly used by investment advisers to explain their duty of loyalty in a way that may be more understandable to retail clients.

<sup>55</sup> See *SEC v. Capital Gains*, *supra* footnote 2 (“Failure to disclose material facts must be deemed fraud or deceit within its intended meaning.”); Investment Advisers Act Release 3060, *supra* footnote 15 (“as a fiduciary, an adviser has an ongoing obligation to inform its clients of any material information that could affect the advisory relationship”); see also General Instruction 3 to Part 2 of Form ADV (“Under federal and state law, you are a fiduciary and must make full disclosure to your clients of all material facts relating to the advisory relationship.”).

<sup>46</sup> Exchange Act Release 23170, *supra* footnote 33.

<sup>47</sup> *Id.*

<sup>48</sup> *Id.* The Advisers Act does not prohibit advisers from using an affiliated broker to execute client trades. However, the adviser’s use of such an affiliate involves a conflict of interest that must be fully and fairly disclosed and the client must provide informed consent to the conflict. See also Interpretation of Section 206(3) of the Investment Advisers Act of 1940, Investment Advisers Act Release No. 1732 (Jul. 17, 1998) (discussing application of section 206(3) of the Advisers Act to certain principal and agency transactions). Two commenters requested that we prescribe specific obligations related to best execution. Comment Letter of the Healthy Markets Association (Aug. 7, 2018); Comment Letter of ICE Data Services (Aug. 7, 2018). However, prescribing specific requirements of how an adviser might satisfy its best execution obligations is outside of the scope of this Final Interpretation.

<sup>49</sup> Cf. *SEC v. Capital Gains*, *supra* footnote 2 (describing advisers’ “basic function” as “furnishing to clients on a personal basis competent, unbiased, and continuous advice regarding the sound management of their investments” (quoting Investment Trusts and Investment Companies, Report of the Securities and Exchange Commission, Pursuant to Section 30 of the Public Utility Holding Company Act of 1935, on Investment Counsel, Investment Management, Investment Supervisory, and Investment Advisory Services, H.R. Doc. No. 477, 76th Cong. 2d Sess., 1, at 28)). Cf. Barbara Black, *Brokers and Advisers—What’s in a Name?*, 32 Fordham Journal of Corporate and Financial Law XI (2005) (“[W]here the investment adviser’s duties include management of the account, [the adviser] is under an obligation to monitor the performance of the account and to make appropriate changes in the portfolio.”); Arthur B. Laby, *Fiduciary Obligations of Broker-Dealers and Investment Advisers*, 55 Villanova Law Review 701 (2010) (“Laby Villanova Article”) (stating that the scope of an adviser’s activity can be altered by contract and that an

adviser’s fiduciary duty would be commensurate with the scope of the relationship) (internal citations omitted).

<sup>50</sup> However, an adviser and client may scope the frequency of the adviser’s monitoring (e.g., agreement to monitor quarterly or monthly and as appropriate in between based on market events), provided that there is full and fair disclosure and informed consent. We consider the frequency of monitoring, as well as any other material facts relating to the agreed frequency, such as whether there will also be interim monitoring when there are market events relevant to the client’s portfolio, to be a material fact relating to the advisory relationship about which an adviser must make full and fair disclosure and obtain informed consent as required by its fiduciary duty.

<sup>51</sup> See also Laby Villanova Article, *supra* footnote 49, at 728 (2010) (“If an adviser has agreed to provide continuous supervisory services, the scope of the adviser’s fiduciary duty entails a continuous, ongoing duty to supervise the client’s account, regardless of whether any trading occurs. This feature of the adviser’s duty, even in a non-discretionary account, contrasts sharply with the duty of a broker administering a non-discretionary account, where no duty to monitor is required.”) (internal citations omitted).

<sup>52</sup> Investment advisers also may consider whether written policies and procedures relating to monitoring would be appropriate under Advisers Act rule 206(4)–7, which requires any investment adviser registered or required to be registered under the Advisers Act to adopt and implement written policies and procedures reasonably designed to prevent violation of the Advisers Act and the rules thereunder by the adviser and its supervised persons.

<sup>53</sup> Investment Advisers Act Release 3060, *supra* footnote 15 (adopting amendments to Form ADV and stating that “[u]nder the Advisers Act, an adviser is a fiduciary whose duty is to serve the best interests of its clients, which includes an obligation not to subrogate clients’ interests to its own,” citing



brokerage capacity and the circumstances in which they intend to act in their advisory capacity. This disclosure may be accomplished through a variety of means, including, among others, written disclosure at the beginning of a relationship that clearly sets forth when the dual registrant would act in an advisory capacity and how it would provide notification of any changes in capacity.<sup>56</sup> Similarly, a dual registrant acting in its advisory capacity should disclose any circumstances under which its advice will be limited to a menu of certain products offered through its affiliated broker-dealer or affiliated investment adviser.

In addition, an adviser must eliminate or at least expose through full and fair disclosure all conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which was not disinterested.<sup>57</sup> We believe that while

full and fair disclosure of all material facts relating to the advisory relationship or of conflicts of interest and a client's informed consent prevent the presence of those material facts or conflicts themselves from violating the adviser's fiduciary duty, such disclosure and consent do not themselves satisfy the adviser's duty to act in the client's best interest.<sup>58</sup> To illustrate what constitutes full and fair disclosure, we are providing the following guidance on (i) the appropriate level of specificity, including the appropriateness of stating that an adviser "may" have a conflict, and (ii) considerations for disclosure regarding conflicts related to the allocation of investment opportunities among eligible clients.

In order for disclosure to be full and fair, it should be sufficiently specific so that a client is able to understand the material fact or conflict of interest and make an informed decision whether to provide consent.<sup>59</sup> For example, it

would be inadequate to disclose that the adviser has "other clients" without describing how the adviser will manage conflicts between clients if and when they arise, or to disclose that the adviser has "conflicts" without further description.

Similarly, disclosure that an adviser "may" have a particular conflict, without more, is not adequate when the conflict actually exists.<sup>60</sup> For example, we would consider the use of "may" inappropriate when the conflict exists with respect to some (but not all) types or classes of clients, advice, or transactions without additional disclosure specifying the types or classes of clients, advice, or transactions with respect to which the conflict exists. In addition, the use of "may" would be inappropriate if it simply precedes a list of all possible or potential conflicts regardless of likelihood and obfuscates

<sup>56</sup> See also Reg. BI Adoption, *supra* footnote 3, at 99.

<sup>57</sup> In the Proposed Interpretation, we stated that an adviser must seek to avoid conflicts of interest with its clients. Proposed Interpretation, *supra* footnote 6. Some commenters requested clarity on what it means to "seek to avoid" conflicts of interest. See, e.g., Comment Letter of Schulte Roth & Zabel LLP (Aug. 8, 2018); ABA Letter (stating that this wording could be read to require an adviser to first seek to avoid a conflict, before addressing a conflict through disclosure, rather than being able to provide full and fair disclosure of a conflict, and only seek avoidance if the conflict cannot be addressed through disclosure). The Commission first used this phrasing when adopting amendments to the Form ADV Part 2 instructions. See Investment Advisers Act Release 3060, *supra* footnote 15 and General Instruction 3 to Part 2 of Form ADV ("As a fiduciary, you also must seek to avoid conflicts of interest with your clients, and, at a minimum, make full disclosure of all material conflicts of interest between you and your clients that could affect the advisory relationship."). The release adopting this instruction clarifies the Commission's intent that it capture the fiduciary duty described in *SEC v. Capital Gains and Arleen Hughes*. See Investment Advisers Act Release 3060, *supra* footnote 15, at n.4 and accompanying text (citing *SEC v. Capital Gains*, *supra* footnote 2, and Arleen Hughes, *supra* footnote 18, as the basis of this language). Both of these cases emphasized that the adviser, as a fiduciary, should seek to avoid conflicts, but at a minimum must make full and fair disclosure of the conflict and obtain the client's informed consent. See *SEC v. Capital Gains*, *supra* footnote 2 ("The Advisers Act thus reflects . . . a congressional intent to eliminate, or at least to expose, all conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which was not disinterested."); Arleen Hughes, *supra* footnote 18 ("Since loyalty to his trust is the first duty which a fiduciary owes to his principal, it is the general rule that a fiduciary must not put himself into a position where his own interests may come in conflict with those of his principal" but if a fiduciary "chooses to assume a role in which she is motivated by conflicting interests, . . . she may do so if, but only if, she obtains her client's consent after disclosure . . ."). We believe the Commission's reference to "seek to avoid" conflicts in the Form ADV Part 2 instructions is consistent

with the Final Interpretation's statement that an adviser "must eliminate or at least expose all conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which was not disinterested" as well as the substantively identical statements in *SEC v. Capital Gains*, *supra* footnote 2, and Arleen Hughes, *supra* footnote 18. While an adviser may satisfy its duty of loyalty by making full and fair disclosure of conflicts of interest and obtaining the client's informed consent, an adviser is prohibited from overreaching or taking unfair advantage of a client's trust.

<sup>58</sup> As noted above, an investment adviser's obligation to act in the best interest of its client is an overarching principle that encompasses both the duty of care and the duty of loyalty. See *SEC v. Tambone*, *supra* footnote 23 (stating that Advisers Act section 206 "imposes a fiduciary duty on investment advisers to act at all times in the best interest of the fund . . . and includes an obligation to provide 'full and fair disclosure of all material facts'" (emphasis added) (citing *SEC v. Capital Gains*, *supra* footnote 2). We describe above in this Final Interpretation how the application of an investment adviser's fiduciary duty to its client will vary with the scope of the advisory relationship. See *supra* section II.A.

<sup>59</sup> Arleen Hughes, *supra* footnote 18, at 4 and 8 (stating, "[s]ince loyalty to his trust is the first duty which a fiduciary owes to his principal, it is the general rule that a fiduciary must not put himself into a position where his own interests may come in conflict with those of his principal. To prevent any conflict and the possible subordination of this duty to act solely for the benefit of his principal, a fiduciary at common law is forbidden to deal as an adverse party with his principal. An exception is made, however, where the principal gives his informed consent to such dealings," and adding that, "[r]egistrant has an affirmative obligation to disclose all material facts to her clients in a manner which is clear enough so that a client is fully apprised of the facts and is in a position to give his informed consent."); see also Hughes v. *Securities and Exchange Commission*, 174 F.2d 969 (1949) (affirming the SEC decision in Arleen Hughes); General Instruction 3 to Part 2 of Form ADV (stating that an adviser's disclosure obligation "requires that [the adviser] provide the client with sufficiently specific facts so that the client is able to understand the conflicts of interest [the adviser has] and the business practices in which [the adviser] engage[s],

and can give informed consent to such conflicts or practices or reject them"); Investment Advisers Act Release 3060, *supra* footnote 15; Restatement (Third) of Agency § 8.06 ("Conduct by an agent that would otherwise constitute a breach of duty as stated in §§ 8.01, 8.02, 8.03, 8.04, and 8.05 [referencing the fiduciary duty] does not constitute a breach of duty if the principal consents to the conduct, provided that (a) in obtaining the principal's consent, the agent (i) acts in good faith, (ii) discloses all material facts that the agent knows, has reason to know, or should know would reasonably affect the principal's judgment unless the principal has manifested that such facts are already known by the principal or that the principal does not wish to know them, and (iii) otherwise deals fairly with the principal; and (b) the principal's consent concerns either a specific act or transaction, or acts or transactions of a specified type that could reasonably be expected to occur in the ordinary course of the agency relationship."). See *infra* footnotes 67–70 and accompanying text for a more detailed discussion of informed consent and how it is generally considered on an objective basis and may be inferred.

<sup>60</sup> We have brought enforcement actions in such cases. See, e.g., In the Matter of The Robare Group, Ltd., et al., Investment Advisers Act Release No. 4566 (Nov. 7, 2016) (Commission Opinion) (finding, among other things, that adviser's disclosure that it may receive a certain type of compensation was inadequate because it did not reveal that the adviser actually had an arrangement pursuant to which it received fees that presented a potential conflict of interest); *aff'd in part and rev'd in part on other grounds Robare v. SEC*, *supra* footnote 20; *In re Grossman*, *supra* footnote 41 (indicating that "the use of the prospective 'may' in [the relevant Form ADV disclosures] is misleading because it suggested the mere possibility that [the broker] would make a referral and/or be paid 'referral fees' at a later point, when in fact a commission-sharing arrangement was already in place and generating income"). Cf. *Dolphin & Bradbury, Inc. v. SEC*, 512 F.3d 634, 640 (D.C. Cir. 2008) ("The Commission noted the critical distinction between disclosing the risk that a future event might occur and disclosing actual knowledge the event will occur.") (emphasis in original). For Form ADV Part 2 purposes, advisers are instructed that when they have a conflict or engage in a practice with respect to some (but not all) types or classes of clients, advice, or transactions, to indicate as such rather than disclosing that they "may" have the conflict or engage in the practice. General Instruction 2 to Part 2 of Form ADV.



actual conflicts to the point that a client cannot provide informed consent. On the other hand, the word “may” could be appropriately used to disclose to a client a potential conflict that does not currently exist but might reasonably present itself in the future.<sup>61</sup>

Whether the disclosure is full and fair will depend upon, among other things, the nature of the client, the scope of the services, and the material fact or conflict. Full and fair disclosure for an institutional client (including the specificity, level of detail, and explanation of terminology) can differ, in some cases significantly, from full and fair disclosure for a retail client because institutional clients generally have a greater capacity and more resources than retail clients to analyze and understand complex conflicts and their ramifications.<sup>62</sup> Nevertheless, regardless of the nature of the client, the disclosure must be clear and detailed enough for the client to make an informed decision to consent to the conflict of interest or reject it.

When allocating investment opportunities among eligible clients, an adviser may face conflicts of interest either between its own interests and those of a client or among different clients.<sup>63</sup> If so, the adviser must eliminate or at least expose through full and fair disclosure the conflicts associated with its allocation policies, including how the adviser will allocate investment opportunities, such that a client can provide informed consent.<sup>64</sup>

<sup>61</sup> We have added this example of a circumstance where “may” could be appropriately used in response to the request of some commenters. See, e.g., Pickard Letter; ICI Letter; Ropes & Gray Letter; IAA Letter.

<sup>62</sup> Arleen Hughes, *supra* footnote 18 (the “method and extent of disclosure depends upon the particular client involved,” and an unsophisticated client may require “a more extensive explanation than the informed investor”).

<sup>63</sup> See Restatement (Third) of Agency, § 8.01 General Fiduciary Principle (2006) (“Unless the principal consents, the general fiduciary principle, as elaborated by the more specific duties of loyalty stated in §§ 8.02 to 8.05, also requires that an agent refrain from using the agent’s position or the principal’s property to benefit the agent or a third party.”).

<sup>64</sup> The Commission has brought numerous enforcement actions alleging that advisers unfairly allocated client trades to preferred clients without making full and fair disclosure. See Staff of the U.S. Securities and Exchange Commission, *Study on Investment Advisers and Broker-Dealers As Required by Section 913 of the Dodd-Frank Wall Street Reform and Consumer Protection Act* (Jan. 2011), available at <https://www.sec.gov/news/studies/2011/913studyfinal.pdf>, at 23–24 (citing enforcement actions). This Final Interpretation sets forth the Commission’s views regarding what constitutes full and fair disclosure. See, e.g., *supra* text accompanying footnote 59; see also Barry Barbash and Jai Massari, *The Investment Advisers Act of 1940: Regulation by Accretion*, 39 Rutgers Law Journal 627 (2008) (stating that under section

When allocating investment opportunities, an adviser is permitted to consider the nature and objectives of the client and the scope of the relationship.<sup>65</sup> An adviser need not have *pro rata* allocation policies, or any particular method of allocation, but, as with other conflicts and material facts, the adviser’s allocation practices must not prevent it from providing advice that is in the best interest of its clients.<sup>66</sup>

While most commenters agreed that informed consent is a component of the fiduciary duty, a few commenters objected to what they saw as subjectivity in the use of the term “informed” to describe a client’s consent to a disclosed conflict.<sup>67</sup> The fact that disclosure must be full and fair such that a client can provide informed consent does not require advisers to make an affirmative determination that a particular client understood the disclosure and that the client’s consent to the conflict of interest was informed. Rather, disclosure should be designed to put a client in a position to be able to understand and provide informed consent to the conflict of interest. A client’s informed consent can be either explicit or, depending on the facts and circumstances, implicit.<sup>68</sup> We believe, however, that it would not be consistent with an adviser’s fiduciary duty to infer

206 of the Advisers Act and traditional notions of fiduciary and agency law, an adviser must not give preferential treatment to some clients or systematically exclude eligible clients from participating in specific opportunities without providing the clients with appropriate disclosure regarding the treatment).

<sup>65</sup> An adviser and a client may even agree that certain investment opportunities or categories of investment opportunities will not be allocated or offered to a client.

<sup>66</sup> In the Proposed Interpretation, we stated that “in allocating investment opportunities among eligible clients, an adviser must treat all clients fairly.” Some commenters interpreted this statement to mean that it would be impermissible for an adviser to allocate a particular investment to one eligible client instead of a second eligible client, even when the second client had received full and fair disclosure and provided informed consent to such an investment being allocated to the first client. See, e.g., Ropes & Gray Letter; SIFMA AMG Letter. We have removed that sentence from this Final Interpretation and replaced it with this discussion that clarifies our views regarding allocation of investment opportunities.

<sup>67</sup> See, e.g., Comment Letter of LPL Financial LLC (Aug. 7, 2018); Ropes & Gray Letter.

<sup>68</sup> We do not interpret an adviser’s fiduciary duty to require that full and fair disclosure or informed consent be achieved in a written advisory contract or otherwise in writing. For example, an adviser could provide a client full and fair disclosure of all material facts relating to the advisory relationship as well as full and fair disclosure of all conflicts of interest which might incline the adviser, consciously or unconsciously, to render advice that was not disinterested, through a combination of Form ADV and other disclosure and the client could implicitly consent by entering into or continuing the investment advisory relationship with the adviser.

or accept client consent where the adviser was aware, or reasonably should have been aware, that the client did not understand the nature and import of the conflict.<sup>69</sup> In some cases, conflicts may be of a nature and extent that it would be difficult to provide disclosure to clients that adequately conveys the material facts or the nature, magnitude, and potential effect of the conflict sufficient for a client to consent to or reject it.<sup>70</sup> In other cases, disclosure may not be specific enough for a client to understand whether and how the conflict could affect the advice it receives. For retail clients in particular, it may be difficult to provide disclosure regarding complex or extensive conflicts that is sufficiently specific, but also understandable. In all of these cases where an investment adviser cannot fully and fairly disclose a conflict of interest to a client such that the client can provide informed consent, the adviser should either *eliminate* the conflict or adequately *mitigate* (i.e., modify practices to reduce) the conflict such that full and fair disclosure and informed consent are possible.

Full and fair disclosure of all material facts relating to the advisory relationship, and all conflicts of interest which might incline an investment adviser—consciously or unconsciously—to render advice which was not disinterested, can help clients and prospective clients in evaluating and selecting investment advisers. Accordingly, we require advisers to deliver to their clients a “brochure,” under Part 2A of Form ADV, which sets

<sup>69</sup> See Arleen Hughes, *supra* footnote 18 (“Registrant cannot satisfy this duty by executing an agreement with her clients which the record shows some clients do not understand and which, in any event, does not contain the essential facts which she must communicate.”). In the Proposed Interpretation, we stated that inferring or accepting client consent to a conflict would not be consistent with the fiduciary duty where “the material facts concerning the conflict could not be fully and fairly disclosed.” Some commenters expressed agreement with this statement. See, e.g., CFA Letter (agreeing that “advisers should be precluded from inferring or accepting client consent to a conflict” where the material facts concerning the conflict could not be fully and fairly disclosed). Other commenters expressed doubt that such disclosure could be impossible. See, e.g., Allianz Letter (“[W]e have not encountered a situation in which we could not fully and fairly disclose the material facts, including the nature, extent, magnitude and potential effects of the conflict.”). In response to commenters, we have replaced the general statement about an inability to fully and fairly disclose material facts about the conflict with more specific examples of how advisers can make such full and fair disclosure. See *supra* text accompanying footnotes 59–66.

<sup>70</sup> As discussed above, institutional clients generally have a greater capacity and more resources than retail clients to analyze and understand complex conflicts and their ramifications. See *supra* text accompanying footnote 62.



out minimum disclosure requirements, including disclosure of certain conflicts.<sup>71</sup> Investment advisers are required to deliver the brochure to a prospective client at or before entering into a contract so that the prospective client can use the information contained in the brochure to decide whether or not to enter into the advisory relationship.<sup>72</sup> In a concurrent release, we are requiring all investment advisers to deliver to retail investors, at or before the time the adviser enters into an investment advisory agreement, a relationship summary, which would include, among other things, a plain English summary of certain of the firm's conflicts of interest, and would encourage retail investors to inquire about those conflicts.<sup>73</sup>

### III. Economic Considerations

As noted above, this Final Interpretation is intended to reaffirm, and in some cases clarify, certain aspects of an investment adviser's fiduciary duty under the Advisers Act. The Final Interpretation does not itself create any new legal obligations for advisers. Nonetheless, the Commission recognizes that to the extent an adviser's practices are not consistent with the

Final Interpretation provided above, the Final Interpretation could have potential economic effects. We discuss these potential effects below.

#### A. Background

The Commission's interpretation of the standard of conduct for investment advisers under the Advisers Act set forth in this Final Interpretation would affect investment advisers and their associated persons as well as the clients of those investment advisers, and the market for financial advice more broadly.<sup>74</sup> As of December 31, 2018, there were 13,299 investment advisers registered with the Commission with over \$84 trillion in assets under management as well as 17,268 investment advisers registered with states with approximately \$334 billion in assets under management and 3,911 investment advisers who submit Form ADV as exempt reporting advisers.<sup>75</sup> As of December 31, 2018, there are approximately 41 million client accounts advised by SEC-registered investment advisers.<sup>76</sup>

These investment advisers currently incur ongoing costs related to their compliance with their legal and regulatory obligations, including costs related to understanding the standard of conduct. We believe, based on the Commission's experience, that the interpretations set forth in this Final Interpretation are generally consistent with investment advisers' current understanding of their fiduciary duty under the Advisers Act.<sup>77</sup> However, we recognize that as the scope of the adviser-client relationship varies and in many cases can be broad, there may be certain current circumstances where

investment advisers interpret their fiduciary duty to require something less, and other current circumstances where they interpret their fiduciary duty to require something more, than this Final Interpretation. We lack data to identify which investment advisers currently understand their fiduciary duty to require something different from the standard of conduct articulated in this Final Interpretation. Based on our experience over decades of interacting with the investment management industry as its primary regulator, however, we generally believe that it is not a significant portion of the market.

One commenter suggested that the Proposed Interpretation's discussion of how an adviser fulfills its fiduciary duty appeared to be based in the context of having as a client an individual investor, and not a fund.<sup>78</sup> This commenter indicated its concerns about the ability of a fund manager to infer consent from a client that is a fund, and that issues regarding inferring consent from funds could significantly increase compliance costs for venture capital funds.<sup>79</sup> Our discussion above in this Final Interpretation includes clarifications to address comments, and expressly acknowledges that while all investment advisers owe each of their clients a fiduciary duty, the specific application of the investment adviser's fiduciary duty must be viewed in the context of the agreed-upon scope of the adviser-client relationship.<sup>80</sup> This Final Interpretation, as compared to the Proposed Interpretation, includes significantly more examples of the application of the fiduciary duty to institutional clients, and clarifies the Commission's interpretation of what constitutes full and fair disclosure and informed consent, acknowledging a number of comments on this topic.<sup>81</sup> We believe that these clarifications will help address some of this commenter's concerns with respect to increased compliance costs for venture capital funds, in part by clarifying how the fiduciary duty can apply to institutional clients. We continue to believe, based on our experience with investment advisers to different types of clients, that advisers understand their fiduciary

<sup>71</sup> Investment Advisers Act Release 3060, *supra* footnote 15; General Instruction 3 to Part 2 of Form ADV ("Under federal and state law, you are a fiduciary and must make full disclosure to your clients of all material facts relating to the advisory relationship. As a fiduciary, you also must seek to avoid conflicts of interest with your clients, and, at a minimum, make full disclosure of all material conflicts of interest between you and your clients that could affect the advisory relationship. This obligation requires that you provide the client with sufficiently specific facts so that the client is able to understand the conflicts of interest you have and the business practices in which you engage, and can give informed consent to such conflicts or practices or reject them."). See also *Robare v. SEC*, *supra* footnote 20 ("[R]egardless of what Form ADV requires, [investment advisers have] a fiduciary duty to fully and fairly reveal conflicts of interest to their clients.").

<sup>72</sup> Investment Advisers Act rule 204-3. See Investment Advisers Act Release 3060, *supra* footnote 15 (adopting amendments to Form ADV and stating that, "A client may use this disclosure to select his or her own adviser and evaluate the adviser's business practices and conflicts on an ongoing basis. As a result, the disclosure clients and prospective clients receive is critical to their ability to make an informed decision about whether to engage an adviser and, having engaged the adviser, to manage that relationship."). To the extent that the information required for inclusion in the brochure does not satisfy an adviser's disclosure obligation, the adviser "may have to disclose to clients information not specifically required by Part 2 of Form ADV or in more detail than the brochure items might otherwise require" and this disclosure may be made "in [the] brochure or by some other means." General Instruction 3 to Part 2 of Form ADV.

<sup>73</sup> Form CRS Relationship Summary; Amendments to Form ADV; Required Disclosures in Retail Communications and Restrictions on the use of Certain Names or Titles, Investment Advisers Act Release No. 5247 (June 5, 2019) ("Relationship Summary Adoption").

<sup>74</sup> See Relationship Summary Proposal, *supra* footnote 5, at section IV.A (discussing the market for financial advice generally).

<sup>75</sup> Data on investment advisers is based on staff analysis of Form ADV, particularly Item 5.F.(2)(c) of Part 1A for Regulatory Assets under Management. Because this Final Interpretation interprets an adviser's fiduciary duty under section 206 of the Advisers Act, this interpretation would be applicable to both SEC- and state-registered investment advisers, as well as other investment advisers that are exempt from registration or subject to a prohibition on registration under the Advisers Act.

<sup>76</sup> Item 5.F.(2)(f) of Part 1A of Form ADV.

<sup>77</sup> See *supra* section II.B.i. For example, some commenters asked that we clarify from the Proposed Interpretation that an adviser and its client can tailor the scope of the relationship to which the fiduciary duty applies, through contract. See, e.g., MMI Letter; Financial Engines Letter; ABA Letter. See *supra* footnotes 67-69 and accompanying text, including clarifications addressing these commenters' concerns. More generally, some commenters requested clarifications from the Proposed Interpretation, and we are issuing this Final Interpretation to address those issues raised by commenters, as discussed in more detail above.

<sup>78</sup> See Comment Letter of National Venture Capital Association (Aug. 7, 2018) ("NVCA Letter").

<sup>79</sup> *Id.*

<sup>80</sup> See *supra* section II.A.

<sup>81</sup> In particular, this Final Interpretation expressly notes our belief that a client generally may provide its informed consent implicitly "by entering into or continuing the investment advisory relationship with the adviser" after disclosure of a conflict of interest. See *supra* footnote 68.



duty to be generally consistent with the standards of this Final Interpretation.

### B. Potential Economic Effects

Based on our experience as the long-standing regulator of the investment adviser industry, the Commission's interpretation of the fiduciary duty under section 206 of the Advisers Act described in this Final Interpretation generally reaffirms the current practices of investment advisers. Therefore, we expect there to be no significant economic effects from this Final Interpretation. However, as with other circumstances in which the Commission speaks to the legal obligations of regulated entities, we acknowledge that affected firms, including those whose practices are consistent with the Commission's interpretation, incur costs to evaluate the Commission's interpretation and assess its applicability to them. Further, to the extent certain investment advisers currently understand the practices necessary to comply with their fiduciary duty to be different from those discussed in this Final Interpretation, there could be some economic effects, which we discuss below.

### Clients of Investment Advisers

The typical relationship between an investment adviser and a client is a principal-agent relationship, where the principal (the client) hires an agent (the investment adviser) to perform some service (investment advisory services) on the principal's behalf.<sup>82</sup> Because investors and investment advisers are likely to have different preferences and goals, the investment adviser relationship is subject to agency problems, including those resulting from conflicts: That is, investment advisers may take actions that increase their well-being at the expense of investors, thereby imposing agency costs on investors.<sup>83</sup> A fiduciary duty, such as the duty investment advisers owe their clients, can mitigate these agency problems and reduce agency costs by deterring investment advisers

from taking actions that expose them to legal liability.<sup>84</sup>

To the extent this Final Interpretation causes a change in behavior of those investment advisers, if any, who currently interpret their fiduciary duty to require something different from this Final Interpretation, we expect a potential reduction in agency problems and, consequently, a reduction of agency costs to the client.<sup>85</sup> For example, an adviser that, as part of its duty of loyalty, fully and fairly discloses<sup>86</sup> a conflict of interest and receives informed consent from its client with respect to the conflict may reduce agency costs by increasing the client's awareness of the conflict and improving the client's ability to monitor the adviser with respect to this conflict. Alternatively, the client may choose to not consent given the information the adviser discloses about a conflict of interest if the perceived risk associated with the conflict is too significant, and instead try to renegotiate the contract with the adviser or look for an alternative adviser or other financial professional. In addition, the obligation to fully and fairly disclose a current conflict may cause the adviser to take other actions, for example eliminating or adequately mitigating (*i.e.*, modifying practices to reduce) that conflict rather than taking the risk that the client will not provide informed consent or will look for an alternative adviser or other financial professional. The extent to which agency costs would be reduced by such a disclosure is difficult to assess given that we are unable to ascertain the total number of investment advisers that currently interpret their fiduciary duty to require something different from the Commission's interpretation,<sup>87</sup> and

consequently we are not able to estimate the agency costs such advisers currently impose on investors. In addition, we believe that there may be potential benefits for clients of those investment advisers, if any, to the extent this Final Interpretation is effective at strengthening investment advisers' understanding of their obligations to their clients. Further, to the extent that this Final Interpretation enhances the understanding of any investment advisers of their duty of care, it may potentially raise the quality of investment advice and also lead to increased compliance with the duty to monitor, for example whether advice about an account or program type remains in the client's best interest, thereby increasing the likelihood that the advice fits with a client's objectives.

In addition, to the extent that this Final Interpretation causes some investment advisers to properly identify circumstances in which conflicts may be of a nature and extent that it would be difficult to provide disclosure to clients that adequately conveys the material facts or nature, magnitude, and potential effect of the conflict sufficient for clients to consent to it or reject it, or in which the disclosure may not be specific enough for clients to understand whether and how the conflict could affect the advice they receive, this Final Interpretation may lead those investment advisers to take additional steps to improve their disclosures or to determine whether adequately mitigating (*i.e.*, modifying practices to reduce) the conflict may be appropriate such that full and fair disclosure and informed consent are possible. This Final Interpretation may also cause some investment advisers to conclude in some circumstances that they cannot fully and fairly disclose a conflict of interest to a client such that the client can provide informed consent. We would expect that these advisers would either eliminate the conflict or adequately mitigate (*i.e.*, modify practices to reduce) the conflict such that full and fair disclosure and informed consent would be possible. Thus, to the extent this Final Interpretation would cause investment advisers to better understand their obligations and therefore to modify their business practices in ways that (i) reduce the likelihood that conflicts and other agency costs will cause an adviser to place its interests ahead of the interests of the client or (ii) help those advisers to provide full and fair disclosure, it would be expected to ameliorate the agency conflict between investment advisers and their clients. In

<sup>84</sup> See, e.g., Frank H. Easterbrook & Daniel R. Fischel, *Contract and Fiduciary Duty*, 36 *Journal of Law & Economics* 425–46 (1993).

<sup>85</sup> To the extent that this Final Interpretation clarifies the fiduciary duty for investment advisers, one commenter suggested it may then clarify what clients expect of their investment advisers. See Cambridge Letter (stating that “greater clarity on all aspects of an investment adviser's fiduciary duty will improve the ability to craft such policies and procedures, as well as support the elimination of confusion for retail clients and investment professionals”).

<sup>86</sup> As discussed above, whether such a disclosure is full and fair will depend upon, among other things, the nature of the client, the scope of the services, and the conflict. See *supra* section II.C.

<sup>87</sup> One commenter did not agree that the discussion of fiduciary obligations in the Proposed Interpretation applied to advisers to funds as well as advisers to retail investors. See NVCA Letter. As discussed above, this Final Interpretation has clarified the discussion to address this commenter's concerns and acknowledges that the application of the fiduciary duty of an adviser to a retail client would be different from the specific application of the fiduciary duty of an adviser to a registered investment company or private fund.

<sup>82</sup> See, e.g., James A. Brickley, Clifford W. Smith, Jr. & Jerold L. Zimmerman, *Managerial Economics and Organizational Architecture* (2004), at 265 (“An agency relationship consists of an agreement under which one party, the principal, engages another party, the agent, to perform some service on the principal's behalf.”); see also Michael C. Jensen & William H. Meckling, *Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure*, 3 *Journal of Financial Economics* 305–360 (1976) (“Jensen and Meckling”).

<sup>83</sup> See, e.g., Jensen and Meckling, *supra* footnote 82.



turn, this may improve the quality of advice that the clients receive and therefore produce higher overall returns for clients and increase the efficiency of portfolio allocation. However, as discussed above, we would generally expect these effects to be minimal because we believe that the interpretations we are setting forth in this Final Interpretation are generally consistent with investment advisers' current understanding of their fiduciary duty under the Advisers Act. Finally, this Final Interpretation would also benefit clients of investment advisers to the extent it assists the Commission in its oversight of investment advisers' compliance with their regulatory obligations.

#### Investment Advisers and the Market for Investment Advice

In general, we expect this Final Interpretation to affirm investment advisers' understanding of the fiduciary duty they owe their clients under the Advisers Act, reduce uncertainty for advisers, and facilitate their compliance. Further, by addressing in one release certain aspects of the fiduciary duty that an investment adviser owes to its clients under the Advisers Act, this Final Interpretation could reduce investment advisers' costs associated with comprehensively assessing their compliance obligations. We acknowledge that, as with other circumstances in which the Commission speaks to the legal obligations of regulated entities, affected firms, including those whose practices are consistent with the Commission's interpretation, incur costs to evaluate the Commission's interpretation and assess its applicability to them. Moreover, as discussed above, there may be certain investment advisers who currently understand their fiduciary duty to require something different from the fiduciary duty described in this Final Interpretation. Those investment advisers would experience an increase in their compliance costs as they change their systems, processes, disclosures, and behavior, and train their supervised persons, to align with this Final Interpretation. However, this increase in costs would be mitigated by potential benefits in efficiency for investment advisers that are able to understand aspects of their fiduciary duty by reference to a single Commission release that reaffirms—and in some cases clarifies—certain aspects of the fiduciary duty.<sup>88</sup> In addition, and as

discussed above, in the case of an investment adviser that believed it owed its clients a lower standard of conduct, there will be client benefits from the ensuing adaptation of a higher standard of conduct and related change in policies and procedures.

Moreover, to the extent any investment advisers that understood their fiduciary duty to require something different from the fiduciary duty described in this Final Interpretation change their behavior to align with this Final Interpretation, there could also be some economic effects on the market for investment advice. For example, any improved compliance may not only reduce agency costs in current investment advisory relationships and increase the value of those relationships to current clients, it may also increase trust in the market for investment advice among all investors, which may result in more investors seeking advice from investment advisers. This may, in turn, benefit investors by improving the efficiency of their portfolio allocation. To the extent it is costly or difficult, at least in the short term, to expand the supply of investment advisory services to meet an increase in demand, any such new demand for investment advisory services could put some upward price pressure on fees. At the same time, however, if any such new demand increases the overall profitability of investment advisory services, then we expect it would encourage entry by new investment advisers—or hiring of new representatives by current investment advisers—such that competition would increase over time. Indeed, the recent growth in the investment adviser segment of the market, both in terms of number of firms and number of representatives,<sup>89</sup> may suggest that the costs of expanding the supply of investment advisory services are currently relatively low.

Additionally, we acknowledge that to the extent certain investment advisers recognize, as a result of this Final Interpretation, that their fiduciary duty is stricter than the fiduciary duty as they currently interpret it, it could potentially affect competition. Specifically, this Final Interpretation of certain aspects of the standard of conduct for investment advisers may result in additional compliance costs for investment advisers seeking to meet their fiduciary duty. This increase in compliance costs, in turn, may

discourage competition for client segments that generate lower revenues, such as clients with relatively low levels of financial assets, which could reduce the supply of investment advisory services and raise fees for these client segments. However, the investment advisers who already are complying with the understanding of their fiduciary duty reflected in this Final Interpretation, and who may therefore currently have a comparative cost disadvantage, could find it more profitable to compete for the clients of those investment advisers who would face higher compliance costs as a result of this Final Interpretation, which would mitigate negative effects on the supply of investment advisory services. Further, as noted above, there has been a recent growth trend in the supply of investment advisory services, which is likely to mitigate any potential negative supply effects from this Final Interpretation.<sup>90</sup>

One commenter discussed that, in its view, any statement in the Proposed Interpretation that certain circumstances may require the elimination of material conflicts, rather than full and fair disclosure or the mitigation of such conflicts, could lead to an effect on the market and costs to advisers, if such a requirement would cause advisers who had not shared that interpretation to change their business models or product offerings or the ways in which they interact with clients.<sup>91</sup> We disagree that this Final Interpretation includes a requirement to eliminate conflicts of interest. As discussed in more detail above, elimination of a conflict is one method of addressing that conflict; when appropriate advisers may also address the conflict by providing full and fair disclosure such that a client can provide informed consent to the

<sup>90</sup> Beyond having an effect on competition in the market for investment adviser services, it is possible that this Final Interpretation could affect competition between investment advisers and other providers of financial advice, such as broker-dealers, banks, and insurance companies. This may be the case if certain investors base their choice between an investment adviser and another provider of financial advice, at least in part, on their perception of the standards of conduct each owes to their customers. To the extent that this Final Interpretation increases investors' trust in investment advisers' overall compliance with their standard of conduct, certain of these investors may become more willing to hire an investment adviser rather than one of their non-investment adviser competitors. As a result, investment advisers as a group may become more competitive compared to that of other types of providers of financial advice. On the other hand, if this Final Interpretation raises costs for investment advisers, they could become less competitive with other financial advice providers.

<sup>91</sup> See Dechert Letter.

<sup>88</sup> As noted above, *supra* footnote 3, this Final Interpretation is intended to highlight the principles relevant to an adviser's fiduciary duty. It

is not, however, intended to be the exclusive resource for understanding these principles.

<sup>89</sup> See Relationship Summary Proposal, *supra* footnote 5, at section IV.A.1.d.



conflict.<sup>92</sup> Further, we believe that any potential costs or market effects resulting from investment advisers addressing conflicts of interest may be decreased by the flexibility advisers have to meet their federal fiduciary duty in the context of the specific scope of services that they provide to their clients, as discussed in this Final Interpretation.

The commenter also drew particular attention to the question of whether the Commission's discussion of the fiduciary duty in the Proposed Interpretation applied to advisers to institutional clients as well as those to retail clients. The same commenter indicated that failing to accommodate the application of the concepts in the Proposed Interpretation to sophisticated clients could risk changing the marketplace or limiting investment opportunities for sophisticated clients, increasing compliance burdens for advisers to sophisticated clients, or chilling innovation. As explained above, this Final Interpretation, as compared to the Proposed Interpretation, discusses in more detail the ability of investment advisers and different types of clients to shape the scope of the relationship to which the fiduciary duty applies.<sup>93</sup> In particular, this Final Interpretation acknowledges that while advisers owe each of their clients a fiduciary duty, the specific obligations of, for example, an adviser providing comprehensive, discretionary advice in an ongoing

relationship with a retail client will be significantly different from the obligations of an adviser to an institutional client, such as a registered investment company or private fund, where the contract defines the scope of the adviser's services and limitations on its authority with substantial specificity.<sup>94</sup>

Finally, to the extent this Final Interpretation causes some investment advisers to reassess their compliance with their duty of loyalty, it could lead to a reduction in the expected profitability of advice relating to particular investments for which compliance costs would increase following the reassessment.<sup>95</sup> As a result, the number of investment advisers willing to advise a client to make these investments may be reduced. A decline in the supply of investment adviser advice regarding these types of investments could affect efficiency for investors; it could reduce the efficiency of portfolio allocation for those investors who might otherwise benefit from investment adviser advice regarding these types of investments and are no longer able to receive such advice. At the same time, if providing full and fair disclosure and appropriate monitoring for highly complex products (e.g., those with a complex payout structure, such as those that include variable or contingent payments or payments to multiple parties) results in these products becoming less profitable

for investment advisers, investment advisers may be discouraged from supplying advice regarding such products. However, investors may benefit from (1) no longer receiving inadequate disclosure or monitoring for such products, (2) potentially receiving advice regarding other, less complex or expensive products that may be more efficient for the investor, and (3) only receiving recommendations for highly complex or high cost products for which an investment adviser can provide full and fair disclosure regarding its conflicts and appropriate monitoring.

#### List of Subjects in 17 CFR Part 276

Securities.

#### Amendments to the Code of Federal Regulations

For the reasons set out above, the Commission is amending Title 17, chapter II of the Code of Federal Regulations as set forth below:

#### PART 276—INTERPRETATIVE RELEASES RELATING TO THE INVESTMENT ADVISERS ACT OF 1940 AND GENERAL RULES AND REGULATIONS THEREUNDER

■ 1. Part 276 is amended by adding Release No. IA-5428 and the release date of June 5, 2019, to the end of the list of interpretive releases to read as follows"

Subject	Release No.	Date	FR vol. and page
* Commission Interpretation Regarding Standard of Conduct for Investment Advisers.	* IA-5248	* June 5, 2019 .....	* [Insert FR Volume Number] FR [Insert FR Page Number].

By the Commission.

Dated: June 5, 2019.

**Vanessa A. Countryman,**

*Acting Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

#### 17 CFR Part 276

[Release No. IA-5249]

#### Commission Interpretation Regarding the Solely Incidental Prong of the Broker-Dealer Exclusion From the Definition of Investment Adviser

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Interpretation.

**SUMMARY:** The Securities and Exchange Commission (the "SEC" or the "Commission") is publishing an

interpretation of a section of the Investment Advisers Act of 1940 (the "Advisers Act" or the "Act"), which excludes from the definition of "investment adviser" any broker or dealer that provides advisory services when such services are "solely incidental" to the conduct of the broker or dealer's business and when such incidental advisory services are provided for no special compensation.

**DATES:** Effective July 12, 2019.

#### FOR FURTHER INFORMATION CONTACT:

James McGinnis, Senior Counsel, Investment Adviser Regulation Office, at (202) 551-6787 or [IArules@sec.gov](mailto:IArules@sec.gov); and Benjamin Kalish, Attorney-Advisor, or

<sup>92</sup> See *supra* section II.C.

<sup>93</sup> See *supra* footnotes 78-81 and accompanying text.

<sup>94</sup> See *supra* section II.A.

<sup>95</sup> For example, such products could include highly complex, high cost products with risk and return characteristics that are hard for retail investors to fully understand, or where the

investment adviser and its representatives receive complicated payments from affiliates that create conflicts of interest that are difficult for retail investors to fully understand.