

NexPoint Securities, Inc.  
Form CRS Customer Relationship Summary  
January 12, 2022

**Introduction:**

NexPoint Securities, Inc. (“NexPoint” “us” or “we”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

**What Investment Services and Advice Can You Provide Me?**

We are a FINRA registered securities broker-dealer based in Dallas, Texas licensed to sell securities in 53 states and U.S. territories. We have been a licensed securities broker-dealer with the SEC and with FINRA since 2013.

We are limited to offering investments in funds that invest in real estate, capital markets and credit (the “Funds”). Almost all of the Funds we offer are offered by our affiliates, NexPoint Asset Management, L.P., NexPoint Advisors, L.P. and its affiliates although we may also offer Funds sponsored by unaffiliated entities. We are sell side only and do not resell securities for customers in secondary sales.

While the Funds may be in your best interest for some portion of your investment portfolio, you should not allocate all of your investment funds to any such Fund. Moreover, while we will ask about your income, other assets and investments as part of our compliance obligations, we are not preparing a financial plan for you. Our role is limited solely to Funds that we offer. Our management team chooses the Funds that we offer and/or for which we serve as Dealer Manager. As Dealer Manager, we do not make recommendations to retail investor. We wholesale Funds to other FINRA registered broker-dealers and SEC registered investment advisors who may recommend our Funds to their customers. Some Funds allow friends and family. In those cases, the friend or family are exercising independent judgement and not relying on us evaluating the investment. The friend or family must meet the accredited investor status.

We will not exercise investment authority over your investment funds. You will have the sole discretion as to whether to invest in the Funds. We will not provide general investment monitoring oversight for investments other than the Funds. We do not have account minimums. Each specific Fund may include a minimum investment amount specific to that offering.

***Conversation Starter. Ask your financial professional:***

- *Given my financial situation, should I choose a brokerage service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

**What fees will I pay?**

We will receive a commission on your investment in the Funds. You may pay additional fees to invest in a Fund. The description of the compensation for each offering will be included in the offering documents for such offering. For additional information, please see the “Plan of Distribution” section of the prospectus.

*You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.*

***Conversation Starter. As your financial professional: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me.***

**What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?** *When we provide you with a recommendation, we have to act in your*

*best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they affect the recommendations we provide to you. Here are some examples to help you understand what this means.*

We may have significant conflicts of interest in recommending products to you because we sell Funds by a limited number of sponsors and issuers, including an affiliated sponsor. This means:

- While the Funds that we offer consider numerous investments, we have not considered investments offered by all sponsors or funds.
- The Fund sets the terms of the offering and may not have the assistance of or input from third party experts.
- Our employees may indirectly receive revenue from investors in the Funds through the payment of commissions and non-transaction based compensation, whether these employees sell the Funds or not.
- The Funds' sponsor and its affiliates have the right and expect to continue to organize and manage Funds in the future similar to the Fund offered to you. To the extent a sponsor and its affiliates invest in the Fund offered to you, other Funds, or other business entities sponsored by sponsor, conflicts of interest will arise.

*Independent Representation in Indemnification Proceeding.* Counsel represents us and may also represent the Funds. However, in the event of an indemnification proceeding or lawsuit between us and a subscriber, we, may cause the Fund to retain separate and independent counsel to represent the Fund in such proceeding.

*Conflicts with Other Programs.* We and the Funds realize that their conduct and the conduct of their affiliates could give rise to a conflict of interest between us and the Funds. In resolving any such conflicts, each party will be treated equitably with such other parties on a basis consistent with the funds available to the Funds and the time limitations on the investment of funds. However, no provision has been made for an independent review of conflicts of interest.

*Conflicts from how we make money.* We derive a substantial portion of our revenue from commissions received only after we sell a security. This transaction-based compensation could create a conflict of interest with acting in your best interest. Further, we may make money by providing services such as investment banking services to the Funds. The provision of these other services could create a conflict of interest with acting in your best interest.

***Conversation Starter. As your financial professional how might their conflicts of interest affect me and how will you address them?***

For additional information, please see the prospectus.

#### **How do your financial professionals make money?**

Our brokers are paid a commission in an amount ranging from 0% to 7.00% of the investment amount actually paid by the customer. In addition, our brokers, sales manager, and other employees are paid a salary, receive other non-transaction-based compensation and receive compensation from our affiliated SEC registered investment advisors.

#### **Do your financial professionals have legal or disciplinary history?**

We have legal and/or disciplinary events. You can visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and financial professionals. For additional information about our brokers and services, visit <https://brokercheck.finra.org/>, or you may call us at (214) 276-6300 where you can request additional information.

#### **Additional information**

For additional information about our services, visit our website at <http://www.nexpont.com>. If you would like additional, up-to-date information or a copy of this disclosure, please call (214) 276-6300.

***Conversation starter. Ask your financial professional: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me.***