ACQUISITION ANNOUNCEMENT: ARBORS OF BRENTWOOD AND PEMBROKE APARTMENTS

NEXPOINT
RESIDENTIAL TRUST

CAUTIONARY STATEMENTS

FORWARD LOOKING STATEMENTS

This presentation includes forward-looking statements. These statements reflect the current views of the Company's management with respect to future events and financial performance. These statements include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the Company's business and industry in general, and statements regarding expected property acquisitions, value-add plans, property dispositions, expected closings of acquisitions and dispositions, de-leveraging by using future disposition proceeds and/or ATM equity issuance, debt levels following the transactions, performance of acquired properties, and guidance. Statements that include the words "expect," "intend," "estimate," "may," "should," "anticipate" and similar statements of a future or forward-looking nature identify forward-looking statements for purposes of the federal securities laws or otherwise. Forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. For a discussion of the factors that could change these forward-looking statements, see our annual and quarterly reports filed with the SEC. The statements made herein speak only as of the date of this presentation and the Company does not undertake to update this information except as required by law. Past performance does not guarantee future results. Performance during time periods shown is limited and may not reflect the performance in different economic and market cycles. There can be no assurance that similar performance will be experienced.

NON-GAAP FINANCIAL MEASURES

This presentation contains non-GAAP financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flows of the Company. The non-GAAP financial measures used within this presentation are funds from operations attributable to common stockholders ("FFO"), FFO per diluted share, Core FFO, Core FFO per diluted share and adjusted funds from operations attributable to common stockholders ("AFFO") and AFFO per diluted share. FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT"), as net income (loss) computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges. We compute FFO in accordance with NAREIT's definition. Our presentation differs slightly in that we begin with net income (loss) before adjusting for amounts attributable to (1) noncontrolling interests in consolidated joint ventures and (2) redeemable noncontrolling interests in NexPoint Residential Trust Operating Partnership, L.P.; we show the combined amounts attributable to such noncontrolling interests as an adjustment to arrive at FFO attributable to common stockholders. Core FFO makes certain adjustments to FFO, which are either not likely to occur on a regular basis or are otherwise not representative of the ongoing operating performance of our portfolio. Core FFO adjusts FFO to remove items such as acquisition expenses, casualty-related expenses/(recoveries), losses on extinguishment of debt and modification costs (includes prepayment penalties incurred and the write-off of unamortized deferred loan costs related to the retirement of debt and costs incurred in connection with a debt modification that are expensed), the amortization of deferred financing costs incurred in connection with obtaining short-term debt financing, the ineffective portion of fair value adjustments on our interest rate derivatives designated as cash flow hedges, and the noncontrolling interests related to these items. AFFO makes certain adjustments to Core FFO. There is no industry standard definition of AFFO and practice is divergent across the industry. AFFO adjusts Core FFO to remove items such as equity-based compensation expense and the amortization of deferred financing costs incurred in connection with obtaining long-term debt financing, and the noncontrolling interests related to these items. We believe that the use of FFO, Core FFO and AFFO combined with the required GAAP presentations improves the understanding of operating results of Real Estate Investment Trusts ("REITs") among investors and makes comparisons of operating results among such companies more meaningful. While FFO, Core FFO and AFFO are relevant and widely used measures of operating performance, they do not represent cash flows from operations or net income (loss) as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance. FFO, Core FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements. Our computation of FFO, Core FFO and AFFO may not be comparable to FFO, Core FFO and AFFO reported by other REITs. See page 9 of this presentation and our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q for reconciliations of our non-GAAP financial measures.

ADDITIONAL INFORMATION

For additional information, see our filings with the SEC. Our filings with the SEC are available on our website, www.nexpointliving.com, under the "Investor Relations" tab. Investors are urged to read our Annual Report on Form 10-K and our other filings with the SEC, including our Form 10-Qs and Form 8-Ks, in their entirety.

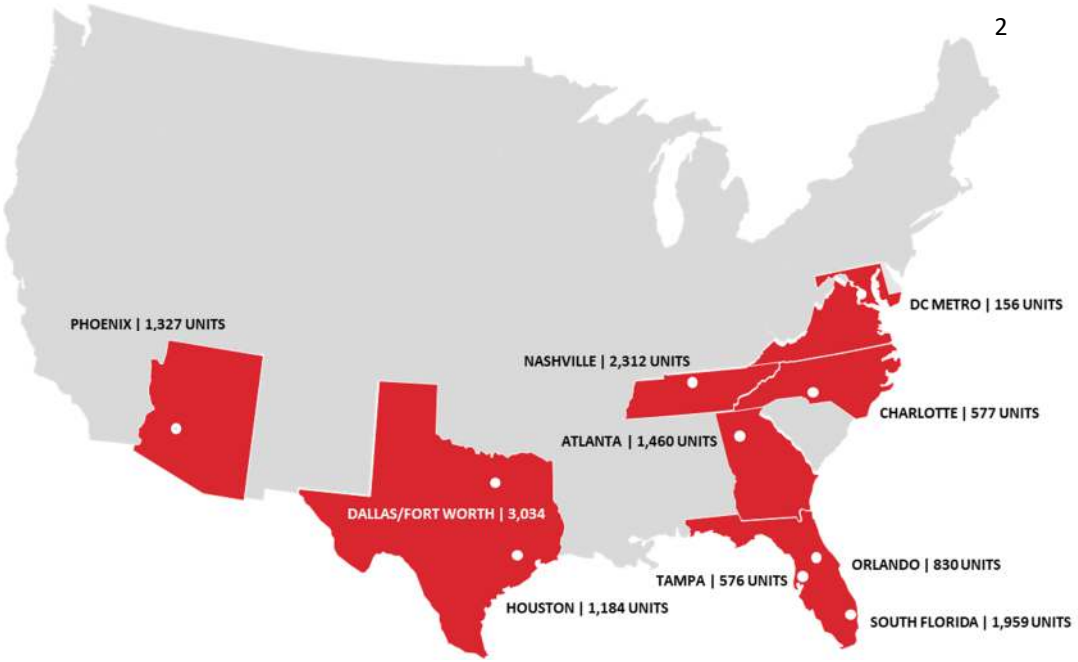
NEXPOINT RESIDENTIAL TRUST, INC [NYSE:NXRT]

NXRT PORTFOLIO AND STRATEGY

NexPoint Residential Trust, Inc. (NYSE:NXRT) is under contract to purchase two infill multifamily properties in Nashville, Tennessee (Arbors of Brentwood) and Pembroke Pines, Florida (Pembroke Apartments) for approximately $384.3MM, or ~$205K/unit. The properties, Arbors of Brentwood (346-units) and Pembroke Apartments (1,520-units), total 1,866 apartment units in two of the nation's top performing apartment markets. With $1,426 average monthly rents ($1,176 and $1,482, respectively) and 96.0% physical occupancy (95.7% and 96.1%, respectively).[1] Management believes both assets are opportunistic acquisitions primed for steady growth through execution of NXRT's value-add improvement program. NXRT further expects these properties to enjoy significant operational efficiencies and other synergies attributable to NXRT's current platform of 2,240 units in Nashville and 439 units in South Florida.

Following the closing of these acquisitions and the previously disclosed Sunbelt Portfolio Disposition (see presentation dated July 1, 2019), NXRT's total portfolio will be comprised of 13,757 multifamily units in 10 markets with an average rent per unit of $1,094 and average occupancy of 94.6%.[2] With the scheduled acquisitions, Management believes these assets fit our long-term investment targets and exhibit the following characteristics:

- High-quality product in a healthy demographic location with attractive long-term economic fundamentals (job growth, household formation, etc.)
- Affordability relative to the high-end Class A rental market and cost of homeownership; large value-add opportunities identified to help fuel internal growth



37
PROPERTIES[2]

13,757
UNITS OWNED[2]

$1,094
AVERAGE MONTHLY RENT PER UNIT[2]

94.6%
PORTFOLIO OCCUPANCY[2]

(1) BASED ON UNAUDITED INFORMATION PROVIDED BY THE SELLERS OF ARBORS OF BRENTWOOD AND PEMBROKE APARTMENTS AND DATED AS OF JULY 23, 2019 AND JULY 29, 2019, RESPECTIVELY

(2) BASED ON CURRENT PORTFOLIO PLUS UNAUDITED INFORMATION PROVIDED BY SELLERS OF ARBORS OF BRENTWOOD AND PEMBROKE APARTMENTS AND DATED AS OF JULY 23, 2019 AND JULY 29, 2019, RESPECTIVELY, LESS THE SUNBELT PORTFOLIO DISPOSITION

OPPORTUNISTIC INVESTMENTS

ACQUIRE WELL-LOCATED ASSETS WITH UPSIDE POTENTIAL

Management has identified two opportunistic acquisitions in long-term target markets. The acquisitions will increase NXRT's number of units in the Nashville and South Florida area by ~3% to a new total of 2,312 (after the scheduled disposition of Abbington Heights) and ~346% to a new total of 1,959, respectively.

- **ARBORS OF BRENTWOOD'S PROXIMITY TO EMPLOYMENT AND AFFLUENT DEMOGRAPHICS:** Brentwood is home to ~55,000 jobs, boasts a median household income of ~$143,000, and is located near some of the market's top schools
- **STRATEGIC LOCATION AND AREA MOMENTUM AT PREMBROKE APARTMENTS:** Situated in the high-growth, land-constrained South Florida market, the property has excellent access to major medical centers, highly rated public schools and is adjacent to a 500 home Lennar development that is 99% pre-sold with prices up to $1M
- Provides increased NOI and geographical diversity in high-growth, high barrier markets

IDENTIFY OPPORTUNITIES TO IMPROVE PERFORMANCE

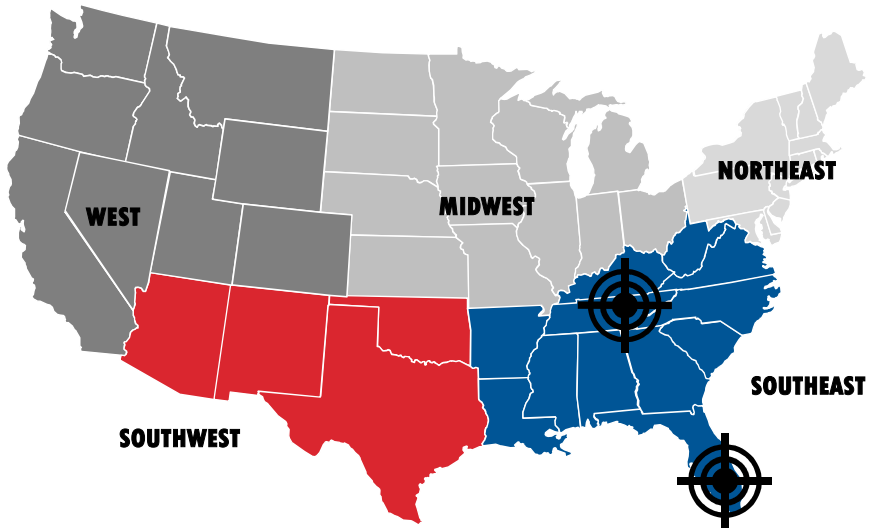
Invest capital, execute **interior and amenity improvements**, provide "life style" upgrades, increase asset values and produce outsized returns. Management has estimated it will upgrade 166-units at Arbors of Brentwood and 966-units at Pembroke Apartments.

Drive NOI growth via execution of our business plan: **7.8% CAGR** through 2021[1]

PRUDENT CAPITAL ALLOCATION

Constructed a non-dilutive path to **internal growth** and increased **shareholder value** through: 1) effective capital recycling; 2) efficient tax planning and 3) leverage of significant capital market relationships:

1. Strategic acquisition at a 4.7%[1] year 1 economic cap rate, 5.0%[1] year 2 economic cap rate vs. 2.38% dividend yield[2]; under-contract to dispose of ~$289.9MM of properties at a ~4.7% cap rate, based on trailing 3-month revenue and trailing 12-month expenses, tax adjusted. We see a clear arbitrage opportunity here given the improved quality/location/upside from acquisitions
2. Reduce leverage via execution of 1031 exchange(s) under IRC Section 1031 using future disposition proceeds and/or ATM equity issuances
3. Final leg of recycling from Sunbelt portfolio disposition[3]



OPPORTUNISTIC
ACQUISITIONS IN TARGET MARKETS

TOP-TIER
LOCATED SUBMARKETS

ACCRETIVE
CAPITAL STRUCTURING

ENHANCED
PORTFOLIO COMPOSITION

(1) SOURCE: MANAGEMENT ESTIMATES
(2) AS OF THE CLOSE OF TRADING ON AUGUST 9, 2019
(3) ACQUISITIONS OF SUMMERS LANDING, RESIDENCES AT GLENVIEW RESERVE AND RESIDENCES AT WEST PLACE WERE THE "FORWARD LEG" OF THE RECYCLING

DRIVING INTERNAL GROWTH THROUGH CAPITAL RECYCLING

TRANSACTION MECHANICS

2Q 2019 NXRT solicits broker opinions of value and elects to pursue potential disposition of six properties via broad marketing campaign with CBRE:

- Abbington Heights, Belmont at Duck Creek, Edgewater at Sandy Springs, Heatherstone, The Ashlar and The Pointe at the Foothills
- NXRT identifies a portfolio of compelling acquisition opportunities, conducts due diligence on property dispositions and cash flow forecasting
- NXRT acquires Summers Landing in June 2019 using available cash and capacity on its revolving line of credit

JULY 2019 NXRT acquires Residences at Glenview Reserve and Residences at West Place using available cash and capacity on its revolving line of credit

AUGUST 2019 NXRT expects to complete the sale of the Sunbelt Portfolio, and shortly thereafter the Company expects to recycle 100% of the net proceeds from the sale of those six properties and/or ATM equity issuances to fund the acquisitions of the Arbors of Brentwood and Pembroke Apartments

- The Sunbelt Portfolio dispositions are structured as forward exchange(s) under IRC Section1031 to facilitate the Company's continued plan to recycle capital from dispositions of assets from non-core markets into well-located, "covered-land" assets in long-term target markets

ACCRETIVE CAPITAL RECYCLING

SUNBELT DISPOSITIONS → NEW 2019 ACQUISITIONS → ESTIMATED RETURN ON INVESTMENT

[VALUES IN $THOUSANDS, ROUNDED TO THE NEAREST 10,000 (1)]

DISPOSITION/RECYCYLING METRICS	
GROSS SALES PROCEEDS	$289,880
DEBT EXTINGUISHMENT	(144,880)
ESTIMATED COST OF SALES	(7,250)
CASH AT PROPERTIES	2,500
NET SALES PROCEEDS	**$140,250**
PROCEEDS FOR RECYCLING	($140,250)
REMAINING PROCEEDS	**$ -**

ACQUISITION CAPITALIZATION	
GROSS PURCHASE PRICE (2)	$384,250
EST. FIRST MORTGAGE	$211,300
CAPITAL REQUIREMENT	**$172,950**
PROCEEDS FROM RECYCLING	$140,250
ADDITIONAL BORROWINGS UNDER SUNTRUST FACILITY(3)	25,000
NXRT CASH ON HAND	7,700
DEBT TO TOTAL CAPITAL	**61.5%**

STABILIZED ACQUISITION METRICS (YEAR 3)	
AVERAGE RENT	$1,699
COMPLETED UPGRADES	1,308
ESTIMATED ROI	18.5%
NOI GROWTH (FORWARD THREE YEAR AVERAGE)	7.8%
ECONOMIC CAP RATE	5.3%

(1) SOURCE: MANAGEMENT ESTIMATES
(2) EXCLUDES CLOSING COSTS
(3) AND/OR ATM EQUITY ISSUANCES

OPPORTUNISTIC INVESTMENT | ARBORS OF BRENTWOOD

NXRT is under-contract to purchase the property for ~$62.25MM, or ~$180K/unit, and is expected to close in early September. Built in 1986, the 346-unit Arbors of Brentwood is a high quality apartment community with robust common area amenities including three swimming pools with an expansive sundeck, resident clubhouse, newly remodeled health club, business center, outdoor kitchen and fireplace area, double lighted tennis court and outdoor picnic area with grills. The property offers one, two and three-bedroom floor plans with well-appointed kitchens, walk-in closets, and private patios/balconies.

NXRT has identified value-add opportunities that will enhance the interior units providing our tenants with higher quality living spaces and attractive returns for our investors. We have budgeted value-add upgrades on 166 units at an average cost of $9,000 per unit, with an underwritten estimated ROI of 20.1%.[1] We expect to complete these improvements within the first three years of ownership.

Purchase Price | Purchase Price/Unit	$62.25MM | $180K/unit
Estimated First Mortgage Debt | LTPP	$34.2MM | 55%
Estimated Number of Units to Rehab | Estimated Cost/Unit[1]	166 | $9K
Estimated ROI[1]	20.1%



STANDARD UNIT (PARTIAL UPGRADE)



UPGRADED UNIT



(1) SOURCE: MANAGEMENT ESTIMATES

OPPORTUNISTIC INVESTMENT | PEMBROKE APARTMENTS

NXRT is under-contract to purchase the property for ~$322MM, or ~$212K/unit, and is expected to close by the end of August. Built in phases from 1986-1990, Pembroke Apartments is a 1,520 unit apartment community with substantial common area amenities including three swimming pools, two resident clubhouses, walking and jogging trails, tennis courts, and two playgrounds. The Company is thrilled to make such a substantial investment in the thriving South Florida area, given the long term fundamental outlook and substantial competition for assets in the market.

NXRT has identified value-add opportunities that will enhance the interiors and common areas of the property providing our tenants with higher quality living spaces and attractive returns for our investors. We have budgeted value-add upgrades on 966 units at an average cost of $9,286 per unit, with an underwritten estimated average ROI of 18.0%, as well as tech packages on all 1,520 units at an average cost of $1,400 per unit, with an underwritten estimated average ROI of 34.3%.[1] We expect to complete these improvements within the first four years of ownership.

Purchase Price | Purchase Price/Unit	$322MM | $212K/unit
Estimated First Mortgage Debt | LTPP	$177.1MM | 55%
Estimated Number of Units to Rehab | Estimated Cost/Unit[1]	966 | $9.3K
Estimated ROI[1]	18.0%



CLASSIC UNIT



UPGRADED UNIT



(1) SOURCE: MANAGEMENT ESTIMATES

CAPITALIZATION AND CFFO IMPACTS

NEW ACQUISITIONS CAPITALIZATION

The opportunistic investments management has recently placed under contract provide another avenue for NAV and operational growth. As we have done in previous transactions, we will look to efficiently recycle capital by pairing acquisitions of new assets with dispositions of slower growth assets in which we have completed our renovation business plan.

- **As a result of these new acquisitions, NXRT is increasing its Full Year 2019 Core FFO Guidance by $0.02 to $1.92 per diluted share at the midpoint**
- The Company is exceeding the high-end of its most recent guidance for 2019 acquisitions – $635MM actual vs $351.5MM guidance
- The Company is below the high-end, as well as the mid-point, of its most recent guidance for 2019 dispositions - $289.9MM estimated from the Sunbelt Portfolio vs $340MM on the high-end and $315MM at the mid-point of guidance
- NXRT's total debt will be approximately $1.20 billion (87% fixed) after the completion of these transactions, with a weighted average interest rate of 3.22% and an average term of 5.35 years [1]

CAPITALIZATION AT CLOSING (ARBORS OF BRENTWOOD AND PEMBROKE APARTMENTS)	
ESTIMATED FIRST MORTGAGE LOANS	$211,300,000
ESTIMATED PROCEEDS FROM SUNBELT DISPOSITIONS	$140,250,000
ADDITION TO BORROWINGS UNDER THE SUNTRUST FACILITY	$25,000,000
CASH ON HAND	$7,700,000
TOTAL GROSS PURCHASE PRICE	$384,250,000

	OLD CFFO/SHARE (MID)	EST CFFO/SHARE (LOW)	EST CFFO/SHARE (HIGH)	EST CFFO/SHARE (MID)
CFFO AFTER ACQUISITIONS AND SALES[2]	$1.90	$1.88	$1.97	**$1.92**







(1) SOURCE: MANAGEMENT ESTIMATES; ASSUMES AN ADDITIONAL $125MM INTEREST RATE SWAP
(2) PLEASE REFER TO PAGE 9 FOR A RECONCILIATION OF NON-GAAP CFFO TO NET INCOME (THE MOST DIRECTLY COMPARABLE GAAP FINANCIAL MEASURE)
(3) PROPERTY PHOTOS SHOWN FROM PEMBROKE APARTMENTS

NON-GAAP RECONCILIATION

REVISED 2019 GUIDANCE RECONCILIATION

The following table reconciles our FFO, Core FFO and AFFO guidance to our net income (the most directly comparable GAAP financial measure) guidance for the year ended December 31, 2019 (in thousands, except per share data):

($ in thousands, except for per share data)	FY 2019 E (1)
RECONCILIATION OF FFO, CORE FFO AND AFFO	Unaudited
Net Income	**$112,331**
Depreciation and amortization	60,464
Gain on sales of real estate	(129,051)
Adjustment for noncontrolling interests	(131)
FFO attributable to common stockholders	**$43,613**
FFO per share - diluted (2)	$1.80
Loss on extinguishment of debt and modification costs	2,900
Casualty-related expenses/(recoveries)	(8)
Adjustment for noncontrolling interests	(9)
Core FFO attributable to common stockholders	**$46,496**
Core FFO per share - diluted (2)	$1.92
Amortization of deferred financing costs - long term debt	2,075
Equity-based compensation expense	5,154
Adjustment for noncontrolling interests	(22)
AFFO attributable to common stockholders	**$53,703**
AFFO per share - diluted (2)	$2.21
Weighted average common shares outstanding - diluted (2)	24,274

(1) ESTIMATES SHOWN FOR REVISED FULL YEAR 2019 GUIDANCE. ASSUMPTIONS MADE FOR FULL YEAR 2019 NET INCOME GUIDANCE INCLUDE SAME STORE OPERATING GROWTH PROJECTIONS AS PREVIOUSLY PRESENTED ON PAGE 7 OF OUR Q2'19 SUPPLEMENTAL, "2019 FULL YEAR GUIDANCE SUMMARY", TAKING INTO EFFECT THE ACQUISITIONS OF THE PHOENIX PORTFOLIO, SUMMERS LANDING, RESIDENCES AT GLENVIEW RESERVE, RESIDENCES AT WEST PLACE, ARBORS OF BRENTWOOD, AND PEMBROKE APARTMENTS, AS WELL AS THE DISPOSITION OF THE SUNBELT PORTOLIO.

(2) FOR PURPOSES OF CALCULATING 2019 EARNINGS METRICS PER SHARE, NXRT ASSUMES A WEIGHTED AVERAGE DILUTED SHARE COUNT OF APPROXIMATELY 24.3 MILLION FOR THE FULL YEAR 2019.

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