

NexPoint Credit Strategies Fund
Form SC 13D/A
August 05, 2015

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 6)*

NexPoint Credit Strategies Fund

(Name of Issuer)

Common Stock

(Title of Class of Securities)

65340G106

(CUSIP NUMBER)

Thomas Surgent, Chief Compliance Officer

Highland Capital Management, L.P.

300 Crescent Court, Suite 700

Dallas, Texas 75201

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 4, 2015

(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g) check the following box " ".

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (the Act), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

CUSIP No. 65340G106

13D

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

2 Highland Capital Management, L.P.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

3 (a) ☐ (b) ☒
SEC USE ONLY

4 SOURCE OF FUNDS*

5 WC
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

6 ..
CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
NUMBER OF 7 SOLE VOTING POWER

SHARES

BENEFICIALLY 1,435,399.6322
8 SHARED VOTING POWER

OWNED BY

EACH

962,311.1579
REPORTING 9 SOLE DISPOSITIVE POWER

PERSON

WITH

1,435,399.6322
10 SHARED DISPOSITIVE POWER

962,311.1579

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,397,710.7901

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

3.8%

14 TYPE OF REPORTING PERSON*

IA, PN

* SEE INSTRUCTIONS BEFORE FILLING OUT

CUSIP No. 65340G106

13D

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

James D. Dondero
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) ☐ (b) ☒
3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC/AF
5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e)

..
6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States
NUMBER OF 7 SOLE VOTING POWER

SHARES

BENEFICIALLY 69,915.5594
8 SHARED VOTING POWER

OWNED BY

EACH

8,121,520.1542
REPORTING 9 SOLE DISPOSITIVE POWER

PERSON

WITH

69,915.5594
10 SHARED DISPOSITIVE POWER

8,121,520.1542

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

8,191,435.7136

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

..

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

12.8%

14 TYPE OF REPORTING PERSON*

HC, IN

* SEE INSTRUCTIONS BEFORE FILLING OUT

SCHEDULE 13D/A

This Amendment No. 6 (this Amendment) is being filed on behalf of Highland Capital Management, L.P., a Delaware limited partnership (Highland Capital), and James D. Dondero (together, the Reporting Persons), and amends the Schedule 13D filed with the United States Securities and Exchange Commission on September 24, 2014, as subsequently amended on October 24, 2014, as subsequently amended on October 31, 2014, as subsequently amended on February 27, 2015, as subsequently amended on March 12, 2015, as subsequently amended on April 29, 2015 relating to the Common Stock (the Common Stock), of NexPoint Credit Strategies Fund, a Delaware statutory trust (the Issuer), held by the Reporting Persons and certain related entities.

The information set forth in response to each separate Item below shall be deemed to be a response to all Items where such information is relevant. The Schedule 13D is supplementally amended as follows.

Item 3. Source and Amount of Funds

The responses to Items 4, 5 and 6 of the Schedule 13D are incorporated herein by reference.

As of August 4, 2015, the Reporting Persons had invested approximately \$ 72,142,788.72 (inclusive of brokerage commissions) in the securities of the Issuer. The source of these funds was the working capital of the Reporting Persons.

Purchases of securities are typically effected through margin accounts maintained with brokers, which may extend margin credit as and when required to open or carry positions in the margin accounts, subject to applicable federal margin regulations, stock exchange rules and the brokers' credit policies. In such instances, the positions held in the margin accounts are pledged as collateral security for the repayment of debit balances in the accounts.

Item 5. Interest in Securities of the Issuer

(a) As of August 4, 2015, (i) Highland Capital may be deemed to beneficially own 2,397,710.7901 shares of Common Stock, which represents approximately 3.8% of the outstanding Common Stock; and (ii) James D. Dondero may be deemed to beneficially own 8,191,435.7136 shares of Common Stock, which represents approximately 12.8% of the outstanding Common Stock.

(b)

Name of Reporting Person	Sole Voting Power	Shared Voting Power	Sole Dispositive Power	Shared Dispositive Power
Highland Capital Management, L.P. ¹	1,435,399.6322	962,311.1579	1,435,399.6322	962,311.1579
James D. Dondero ²	69,915.5594	8,121,520.1542	69,915.5594	8,121,520.1542

¹ These shares are held by Highland Capital both directly and indirectly through advised accounts. Mr. Dondero is the President and the director of the general partner of Highland Capital, and may be deemed to be an indirect beneficial owner of the shares held by Highland Capital. Mr. Dondero disclaims beneficial ownership of such

shares.

- ² These shares are held by Mr. Dondero both directly and indirectly through Highland Capital and its affiliates (as described in footnote (1) above), an employee benefit plan and one or more trusts. Mr. Dondero is the President and the director of the general partner of Highland Capital, and may be deemed to be an indirect beneficial owner of the shares held by Highland Capital. Mr. Dondero disclaims beneficial ownership of such shares.

(c) Except as previously disclosed in the Schedule 13D, Annex A attached hereto lists all transactions in the Common Stock during the past sixty (60) days by the Reporting Persons. Except as otherwise noted, the transactions in the Common Stock were effected in the open market.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Common Stock.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The responses to Items 3, 4 and 5 of this Schedule 13D are incorporated herein by reference.

On August 4, 2015, a trust affiliated with Mr. Dondero loaned 1,200,000 shares of Common Stock to one of its affiliates, which subsequently pledged all such shares to Jefferies & Company, Inc. (Jefferies) as collateral for margin credit extended by Jefferies to such affiliate.

Other than as described herein, there are no contracts, arrangements, understandings or relationships among the Reporting Persons, or between the Reporting Persons and any other person, with respect to the securities of the Issuer.

Dated: August 5, 2015

HIGHLAND CAPITAL MANAGEMENT,
L.P.

By: Strand Advisors, Inc., its general partner

By: /s/ James D. Dondero
Name: James D. Dondero
Title: President

/s/ James D. Dondero
James D. Dondero

ANNEX A**TRANSACTIONS**

The following table sets forth all transactions with respect to the Common Stock effected in the last sixty (60) days by the Reporting Persons or on behalf of the Reporting Persons in respect of the shares of Common Stock, inclusive of any transactions effected through 4:00 p.m., New York City time, on August 4, 2015.

Date	Effected By	Purchase/Sale	Quantity	Price
6/26/2015	James D. Dondero	Purchase	144,655.06	\$ 7.7201
6/26/2015	James D. Dondero	Purchase	14,465.51	\$ 7.7201
7/1/2015	Highland Capital Management, L.P.	Purchase	27,145	\$ 7.402
7/1/2015	Highland Capital Management, L.P.	Purchase	3,100	\$ 7.2935
7/1/2015	Highland Capital Management, L.P.	Purchase	6,360	\$ 7.402
7/31/2015	James D. Dondero	Purchase	156,927.32	\$ 7.1772
7/31/2015	James D. Dondero	Purchase	18,572.63	\$ 7.1772
8/3/2015	Highland Capital Management, L.P.	Purchase	10,282	\$ 6.74