NEXPOINT DIVERSIFIED REAL ESTATE TRUST

CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

This Code of Business Conduct and Ethics (this "Code") describes the basic principles of conduct that we share as officers and employees of NexPoint Diversified Real Estate Trust (the "Company"). This Code also applies to the members of our Board of Trustees (the "Board") and should be provided to and followed by our agents and representatives, including our consultants. Violation of this Code may result in disciplinary action, varying from reprimand to dismissal.

This Code is intended to provide a broad overview of basic ethical principles that guide our conduct. In some circumstances, we maintain more specific policies on the topics referred to in this Code. Should you have any questions regarding these policies, please contact your supervisor or our general counsel.

Compliance with Laws, Rules and Regulations

We comply with all laws, rules and regulations of the places where we do business. If a law, rule or regulation is unclear, or conflicts with a provision of this Code, you should seek advice from your supervisor or our general counsel, but always seek to act in accordance with the ethical standards described in this Code.

Conflicts of Interest

We conduct our business affairs in the best interest of our Company and should therefore avoid situations where our private interests interfere in any way with our Company's interests. We need to be especially sensitive to situations that have even the appearance of impropriety and promptly report them to a supervisor, or if appropriate, a more senior manager. If you believe that a transaction, relationship or other circumstance creates or may create a conflict of interest, you should promptly report this concern. Due to our relationship with our adviser, NexPoint Real Estate Advisors X, L.P. (the "Adviser"), and our Adviser's relationship with affiliates, other accounts and clients, our Company and our Adviser may have potential conflicts of interest. These potential conflicts of interest will be disclosed in our filings with the Securities and Exchange Commission (the "SEC"). Our Adviser has adopted compliance policies that will govern situations where potential conflicts of interest may arise. It is our policy that circumstances that are not disclosed and/or that are not subject to our Adviser's compliance policies and that pose a conflict of interest for our employees are prohibited unless a waiver is obtained.

Record-Keeping

We require honest and accurate recording and reporting of information in order to make responsible business decisions. We document and record our business expenses accurately. Questionable expenses should be discussed with the appropriate personnel in our accounting department.

All of our books, records, accounts and financial statements are maintained in reasonable detail, appropriately reflect our transactions and conform both to applicable legal requirements and to our system of internal controls.

We avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies in our business records and communications. We maintain our records according to our record retention policies. In accordance with those policies, in the event of litigation or governmental investigation, please consult our general counsel.

Public Reporting

We file reports and other documents with the SEC. As well, we issue press releases and make other public statements that include financial and other information about our business, financial condition and results of operations. We endeavor to make full, fair, accurate, timely and understandable disclosure in reports and documents we file with, or submit to, the SEC and in our press releases and public communications.

We require cooperation and open communication with our internal and outside auditors. It is illegal to take any action to fraudulently influence, coerce, manipulate or mislead any internal or external auditor engaged in the performance of an audit of our financial statements.

The laws and regulations applicable to filings made with the SEC, including those applicable to accounting matters, are complex. While the ultimate responsibility for the information included in these reports rests with senior management, numerous other employees participate in the preparation of these reports or provide information included in these reports. We maintain disclosure controls and procedures to ensure that the information included in the reports that we file or submit to the SEC is collected and communicated to senior management in order to permit timely disclosure of the required information.

If you are requested to provide, review or certify information in connection with our disclosure controls and procedures, you must provide the requested information or otherwise respond in a full, accurate and timely manner. Moreover, even in the absence of a specific request, you should report any significant information that you believe should be considered for disclosure in our reports to the SEC.

If you have questions or are uncertain as to how our disclosure controls and procedures may apply in a specific circumstance, promptly contact your supervisor or a more senior manager. We want you to ask questions and seek advice. Additional information regarding how to report your questions or concerns (including on a confidential, anonymous basis) is included below in this Code under the heading “Reporting Illegal or Unethical Behavior.”

Insider Trading

We do not trade in Company shares on the basis of material, non-public information concerning the Company, nor do we “tip” others who may trade in Company securities. Insider trading is both unethical and illegal and will be dealt with decisively. For more information on our insider trading policy, see the “NexPoint Diversified Real Estate Trust Insider Trading Policy.”

Corporate Opportunities

Due to our relationship with our Adviser and our Adviser’s relationship with affiliates, other accounts and clients, corporate opportunities may be presented to our Adviser. There are potential conflicts of interest relating to these corporate opportunities. These conflicts of interest

will be disclosed in our SEC filings. Our Adviser has adopted compliance policies that will govern situations involving corporate opportunities. It is our policy that if the circumstances relating to corporate opportunities are not disclosed and/or are not subject to our Adviser's compliance policies, these corporate opportunities should not be taken personally.

Competition and Fair Dealing

We compete fairly and honestly. We do not engage in unethical or illegal business practices such as stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing disclosure of this type of information by past or present employees of other companies.

Business Entertainment and Gifts

We recognize that business entertainment and gifts are meant to create goodwill and sound working relationships, not to gain unfair advantage with customers or suppliers. Neither we nor our family members offer, give or accept any gift or entertainment unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Any questionable gift or invitation should be discussed with a supervisor, or, if appropriate, our general counsel.

Discrimination and Harassment

The diversity of our employees is a tremendous asset. We provide equal opportunity in all aspects of employment and will not tolerate discrimination or harassment of any kind. Derogatory comments based on racial or ethnic characteristics, unwelcome sexual advances and similar behavior are prohibited.

Health and Safety

We are committed to providing a safe and healthy work environment. We ensure a safe and healthy work environment by following safety and health rules and practices and promptly reporting accidents, injuries and unsafe equipment, practices or conditions to a supervisor or more senior manager.

We do not permit violence or threatening behavior in our workplaces. We report to work in condition to perform our duties at our best, free from the influence of illegal drugs or alcohol. We do not tolerate the use of illegal drugs in the workplace.

Confidentiality

We protect confidential information. Confidential information includes proprietary information such as our business, marketing plans, sales forecasts, designs, databases, records, salary information and unpublished financial data and reports, as well as any non-public information that might be of use to competitors or harmful to us or our customers if disclosed. It also includes information that suppliers and customers have entrusted to us on a confidential basis. Our personal obligation not to disclose confidential information continues even after employment ends.

Protection and Proper Use of Company Assets

Theft, carelessness, and waste of Company assets have a direct impact on our profitability and should be avoided. Any suspected incident of fraud or theft should be immediately reported to a supervisor or, if appropriate, a more senior manager for investigation. We carefully safeguard our confidential information. Unauthorized use or distribution of confidential information is prohibited and could also be illegal, resulting in civil or even criminal penalties.

Payments to Government Personnel

In compliance with the United States Foreign Corrupt Practices Act, we do not give anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. We do not promise, offer or deliver to any foreign or domestic government employee or official or any third party any gift, favor or other gratuity that would be illegal. Our general counsel can provide guidance in this area.

The laws or customs of other countries in which we may operate may be less clear. It is our policy to comply with those laws or customs; however, if a local law or custom seems to contradict the principles described in this Code, contact a supervisor or our general counsel for guidance.

Waivers

Only our Board or a committee of our Board may waive a provision of this Code for our executive officers or trustees, and any waiver will be promptly disclosed if and as required by law or applicable rule. Waivers of this Code for any other employee may be made only by our general counsel, and then only under special circumstances.

Reporting Illegal or Unethical Behavior

In order to encourage reports of illegal or unethical behavior (including violations of this Code), we keep all reports confidential and do not allow retaliation for good faith reports of possible misconduct by others. It is also our duty to cooperate in internal investigations of alleged misconduct.

We must all work to ensure prompt and consistent action against unethical or illegal behavior. Oftentimes a violation of this Code will be easy to recognize and should be promptly reported to a supervisor or, if appropriate, a more senior manager. However, in some situations it is difficult to know right from wrong. Since none of us can anticipate every situation that will arise, it is important that we have a way to approach a new or sensitive question or concern. Here are some questions that can be asked:

1. ***What do I need to know?*** In order to reach the right solutions, we must be as fully informed as possible.

2. ***What specifically am I being asked to do? Does it seem unethical or improper?*** This will focus the inquiry on the specific action in question and the available alternatives. Use judgment and common sense. If something seems unethical or improper, it probably is.

3. ***What is my responsibility?*** In most situations, there is shared responsibility. Should colleagues be informed? It may help to get others involved and discuss the issue.

4. ***Have I discussed the issue with a supervisor?*** This is the basic guidance for all situations. In many cases, a supervisor will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Remember that it is the supervisor's responsibility to help solve problems.

5. ***Should I seek help from Company management?*** In the case in which it may not be appropriate to discuss an issue with a supervisor, or where you would not be comfortable approaching a supervisor with your question, discuss it with our general counsel. If for some reason you do not believe that your concerns have been appropriately addressed, you should seek advice from our general counsel. Alternatively, we have established procedures to permit confidential, anonymous submissions of concerns regarding alleged violations of this Code, including concerns with respect to questionable accounting or auditing matters. Confidential anonymous submissions should be mailed directly to the general counsel of the Company at the principal executive offices of the Company as indicated on its website.

Enforcement and Accountability

The Board or a committee of our Board is responsible for applying this Code to specific situations in which questions are presented to it and has the authority to interpret this Code in any particular situation. The Board or a committee of our Board will determine, or designate appropriate persons to determine, actions that it considers appropriate to investigate any alleged violations of this Code reported to it and to enforce this Code with respect to any violations. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code and shall include notice to the individual involved that the Board has determined that there has been a violation, censure by the Board, demotion or reassignment of the individual involved, suspension with or without pay or benefits (as determined by the Board) and termination of the individual's employment. In determining what action is appropriate in a particular case, the Board or committee of our Board or such designee will take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.

Other

For purposes of this Code, the terms "officers," "employees," "supervisor" "general counsel," "senior manager," "personnel in our accounting department," "internal auditor," "senior management," "executive officers" and "management" include, and this Code applies to, individuals that are employed by the Adviser, or an affiliate of our Adviser, and perform roles on behalf of the Company pursuant to the Advisory Agreement by and among the Company and the Advisor.

Conclusion

The Company's good name and reputation depend, to a very large extent, upon you taking personal responsibility for maintaining and adhering to the policies and guidelines set

forth in this Code. Your business conduct on behalf of the Company must be guided by the policies and guidelines set forth in this Code.

Adopted and Approved: July 1, 2022