

Changes to Expect at UDF IV if NexPoint's Nominees Are Elected

Changes benefit UDF IV shareholders and show commitment to protecting your interests

UDF IV and the current Board of Trustees continue to claim that electing NexPoint's nominees will result in a "self-serving, value-destructive agenda." To the contrary, NexPoint's slate of trustees wants to put control of the Trust back in the hands of shareholders.

The following highlights changes that NexPoint envisions for the Trust and how they compare to the practices and proposals in place today under the current Board.

Changes Under NexPoint vs. State Under Current Board

If elected, NexPoint's expects its nominees to support several key changes at UDF IV to demonstrate their commitment to shareholders.

Remove Staggered Board

CHANGES BY NEXPOINT NOMINEES

NexPoint expects its nominees to support the removal of the staggered board, thereby allowing shareholders to elect all trustees annually.

STATE UNDER CURRENT BOARD

UDF IV's bylaws, amended in 2020, established a staggered board, enabling trustees to only stand for election every three years. The Trust's current proposal is to reelect two independent trustees next year, elect the managing trustee (i.e., the Advisor's appointee) in 2026, and the remaining two independent trustees in 2027.

Align Executive Compensation with Shareholder Interests

CHANGES BY NEXPOINT NOMINEES

Eliminate cash compensation from the REIT and limit officer compensation to equity awards approved by the board.

NexPoint expects that its nominees will eliminate employee compensation paid by UDF IV. All employee compensation should be covered by the advisor as part of the compensation it receives under the advisory agreement.

STATE UNDER CURRENT BOARD

The Company's proxy discloses that the Company's Managing Trustee, Chief Executive Officer, and Chief Compliance Officer, Mr. Kenney, receives annual payments of \$476,000 from the Trust as "an independent contractor as compensation for his services as our Chief Compliance Officer." The Company's Chief Financial Officer, Ms. Dwyer, is paid an annual salary by the Trust of \$500,000.

Limit Fees and Expenses

CHANGES BY NEXPOINT NOMINEES

STATE UNDER CURRENT BOARD

NexPoint expects its nominees to support, and NexPoint (if it were to be appointed a replacement advisor) would agree to, an advisory agreement consistent with the advisory agreement of its affiliate, NexPoint Residential Trust (NYSE: NXRT), which includes:

- Administrative Fee of 0.20% of Average Real Estate Assets
- Management Fee of 1.00% of Average Real Estate Assets
- Operating Expense reimbursement, provided reimbursement of Operating Expenses, plus Administrative Fees and Management Fees may not exceed 1.5% of Average Real Estate Assets

Additionally, if a NexPoint affiliate is appointed as replacement advisor, the advisory agreement would be terminable on 30 days' notice by vote of the Board of Directors or a majority of the outstanding voting securities without a penalty or termination fee.

The current advisory agreement provides for the following fees:

- Base Management Fee – 1.50% of Equity
- Debt Financing Fee
- Incentive Compensation
- Listing Fee
- Acquisition and Origination Fee
- Securitized Loan Pool Placement Fee
- Uncapped Expenses

As a result, the expense load on the REIT has been astronomically high. In the last two years alone:

2022

Mgmt. Fees	\$5,552,589.00	2.17%
G&A	\$22,561,735.00	8.82%
G&A (Related Party)	\$1,748,336.00	0.68%
TOTAL	\$29,862,660.00	11.68%

2023

Mgmt. Fees	\$5,173,345.00	1.94%
G&A	\$10,296,082.00	3.87%
G&A (Related Party)	\$1,320,000.00	0.50%
TOTAL	\$16,789,427.00	6.30%

UDF IV's Annual Meeting will be held on Tuesday, December 10.

Vote now for NexPoint's nominees to enact these changes.

VISIT WWW.UDFACCOUNTABILITY.COM FOR MORE INFORMATION

Voting Instructions & Assistance



Complete the instructions in your proxy materials to vote **FOR** NexPoint's nominees using your **GREEN** proxy card.

Voting Information: www.udfaccountability.com/voting-information

Voting Assistance: info@okapipartners.com OR (877) 869-0171

NexPoint's UDF IV Board of Trustees Nominees



John A. Good



Edward N. Constantino



Paul S. Broaddus



Julie E. Silcock

IMPORTANT INFORMATION

NexPoint Real Estate Opportunities, LLC ("NexPoint") has delivered a proxy statement with respect to its solicitation of proxies for nominees to be elected to the United Development Funding IV ("UDF IV") Board of Trustees at the Annual Meeting of Shareholders of UDF IV (the "Annual Meeting"). On November 13, 2024, UDF IV's Board of Trustees announced that the Annual Meeting is scheduled for December 10, 2024 (the "Meeting Date"), and that only holders of record of UDF IV's common shares of beneficial interest at the close of business on November 12, 2024 are entitled to vote at the Annual Meeting.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE NEXPOINT PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) IN ITS ENTIRETY AS IT CONTAINS IMPORTANT INFORMATION ABOUT THE PROXY SOLICITATION.

Copies of the documents are available free of charge from NexPoint by accessing the website www.udfaccountability.com.

NexPoint, its affiliates, their directors and executive officers and other members of management and employees may be participants (collectively "Participants") in the solicitation of proxies by NexPoint. Information about NexPoint's nominees to the UDF IV Board of Trustees and information regarding the direct or indirect interests in UDF IV, by security holdings or otherwise, of NexPoint, the other Participants and NexPoint's nominees are available in the NexPoint proxy statement. NexPoint's disclosure of security holdings are based on information made available to NexPoint by such Participants and nominees. UDF IV is no longer subject to the reporting requirements of the Securities Exchange Act of 1934, as amended. Consequently, NexPoint's knowledge of significant security holders of UDF IV and as to UDF IV itself is limited.