

August 8, 2024

Dear Shareholder:

The accompanying Proxy Statement describes the business to be conducted at the 2024 annual meeting of shareholders (the “Annual Meeting”) of United Development Funding IV (the “Trust”). Also included is a **WHITE** proxy card with instructions to vote your shares. **WHITE** proxy cards are being solicited on behalf of the Board of Trustees of the Trust (the “Board”).

Your vote is especially important at this year’s Annual Meeting. As you may have seen, NexPoint Real Estate Opportunities, LLC (“NexPoint”), an indirect subsidiary of NexPoint Diversified Real Estate Trust, has announced its intent to nominate four candidates for election as trustees at the Annual Meeting in opposition to the nominees recommended by your Board. As a result, you may receive solicitation materials, including a green proxy card, from NexPoint seeking your proxy to vote for NexPoint’s nominees. Your Board strongly urges you to discard and NOT to vote using any green proxy card sent to you by NexPoint. If you have already submitted a green proxy card, you can revoke that proxy and vote for your Board’s nominees by following the instructions on your **WHITE** proxy card or your **WHITE** voting instruction form to vote your shares. Only your latest validly executed proxy will count, and any proxy may be revoked at any time prior to the Annual Meeting.

Your Board does not endorse any NexPoint nominee and unanimously recommends that you vote “FOR” the election of the Class II and Class III Independent Trustee nominees proposed by your Board and named in the accompanying proxy statement using the WHITE proxy card.

WHETHER OR NOT YOU INTEND TO ATTEND THE ANNUAL MEETING ONLINE, YOUR BOARD OF TRUSTEES URGES YOU TO SUBMIT YOUR PROXY AS SOON AS POSSIBLE. This will not prevent you from voting online at the Annual Meeting but will assure that your vote will be counted if you are unable to attend the Annual Meeting online. If you have any questions or require any assistance with voting your shares, please call the Trust’s proxy solicitor:

Innisfree M&A Incorporated
Shareholders may call (877) 750-9496 (toll-free from the U.S. and Canada) or
+1 (412) 232-3561 (from other countries)
Banks and Brokers may call collect (212) 750-5833

YOUR VOTE COUNTS. THANK YOU FOR YOUR ATTENTION TO THIS MATTER, AND FOR YOUR CONTINUED SUPPORT OF, AND INTEREST IN, THE TRUST.

Sincerely,
James P. Kenney
Chief Executive Officer

IMPORTANT NOTICE REGARDING THE SOLICITATION

We have not set a record date for the Annual Meeting and are commencing our solicitation of proxies on or about August 8, 2024, before the record date for the Annual Meeting. We have also not set a date for the Annual Meeting, but we will continue to solicit proxies until the date of the Annual Meeting.

The Annual Meeting will be a virtual meeting conducted via webcast. After we establish a record date for the Annual Meeting and a time and date for the Annual Meeting, we will notify our shareholders as of the close of business on the record date. After the record date has been determined, shareholders of record and shareholders holding shares through a broker, bank or other nominee on the record date, may register to participate in the Annual Meeting remotely by visiting the website www.cesonlineservices.com/udfiv24_vm.

Each holder of record of our common shares of beneficial interest (“common shares”) on the record date will also receive a proxy statement and have the opportunity to vote on (1) the election of two Class II Independent Trustees to serve until our annual meeting of shareholders to be held in 2027 and until each such trustee’s successor is duly elected and qualifies and (2) the election of two Class III Independent Trustees to serve until our annual meeting of shareholders to be held in 2025 and until each such trustee’s successor is duly elected and qualifies. Proxies delivered prior to the record date will be valid and effective so long as the shareholder providing the proxy is a record holder of our common shares on the record date.

If you are a holder of record of our common shares on the record date and properly mark, sign and return a proxy prior to the record date, your proxy will remain valid and you do not need to deliver another proxy after the record date. If you do not revoke a proxy delivered prior to the record date, it will be valid and will be deemed to cover the number of our common shares that you own on the record date, even if that number is different from the number of our common shares that you owned when you delivered your proxy.

If you are not a holder of record of our common shares on the record date, any proxy you deliver will be invalid and will not be counted.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR
THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD AT A DATE AND TIME TO
BE DETERMINED BY THE BOARD OF TRUSTEES**

The proxy statement is available at www.udfforshareholders.com.

Please follow the instructions on the **WHITE** proxy card to vote your shares whether or not you plan to attend the Annual Meeting online. You may revoke your proxy at any time prior to its exercise.

UNITED DEVELOPMENT FUNDING IV

2201 W Royal Lane, Suite 240

Irving, Texas 75063

Proxy Statement

Annual Meeting of Shareholders

To Be Held at a Date and Time to be Determined by the Board of Trustees

We are providing these proxy materials in connection with the solicitation by the Board of Trustees of United Development Funding IV (“UDF IV,” the “Trust,” “we,” “our,” or “us”), a Maryland real estate investment trust or “REIT,” of proxies for use at the 2024 annual meeting of shareholders of the Trust (the “Annual Meeting”) and at any adjournments or postponements thereof, for the following purposes:

1. The election of two Class II Independent Trustees to serve until our annual meeting of shareholders to be held in 2027 and until each such trustee’s successor is duly elected and qualifies;
2. The election of two Class III Independent Trustees to serve until our annual meeting of shareholders to be held in 2025 and until each such trustee’s successor is duly elected and qualifies; and
3. To transact such other business as may properly come before the Annual Meeting or at any adjournments or postponements thereof.

We have not set an Annual Meeting date and are commencing our solicitation of proxies before the record date for the Annual Meeting. After we establish a time and date for the Annual Meeting and a record date for the Annual Meeting, we will provide a notice of the time and place of the Annual Meeting to each holder of record of our common shares of beneficial interest as of the close of business on the record date and intend to supplement this Proxy Statement with such information.

Shareholders Entitled to Vote

Holders of our common shares of beneficial interest at the close of business on the record date will be entitled to receive notice of, and to vote their shares at, the Annual Meeting. After the Board of Trustees determines the date and time of, and the record date for, the Annual Meeting, we will notify holders of record of our common shares of beneficial interest as of the record date. Proxies delivered prior to the record date will be valid and effective so long as the shareholder providing the proxy is a holder of record of our common shares of beneficial interest as of the close of business on the record date. If you are not a holder of record of our common shares of beneficial interest as of the close of business on the record date, any proxy you deliver will be ineffective. If you properly deliver a proxy prior to the record date and remain a holder of our common shares of beneficial interest as of the close of business on the record date, you do not need to deliver another proxy after that date. If you properly deliver a proxy prior to the record date and do not revoke that proxy, your proxy will be valid and will be deemed to cover the number of our common shares of beneficial interest that you own as of the close of business on the record date even if that number is different from the number of our common shares of beneficial interest that you owned when you executed and delivered your proxy.

Proxy materials were first sent to shareholders on or about August 8, 2024. As of August 8, 2024, there were 30,663,551 common shares of beneficial interest outstanding. Each common share of beneficial

interest outstanding as of the close of business on the record date will be entitled to one vote on each matter properly brought before the Annual Meeting.

QUESTIONS AND ANSWERS

We are providing you with this proxy statement, which contains information about the items to be voted on at the Annual Meeting. To make this information easier to understand, we have presented some of the information below in a question and answer format.

What is the purpose of this proxy statement?

Our Board of Trustees is soliciting your proxy to vote your shares of UDF IV at the Annual Meeting. This proxy statement is designed to assist you in voting.

When is the Annual Meeting and where will it be held?

We have not set an Annual Meeting date and are commencing our solicitation of proxies before the record date for the Annual Meeting. After we establish a time and date for the Annual Meeting and a record date for the Annual Meeting, we will provide a notice of the time and place of the Annual Meeting to each holder of record of our common shares of beneficial interest as of the close of business on the record date and intend to supplement this Proxy Statement with such information.

The Annual Meeting will be a virtual meeting conducted via webcast. In order to attend the Annual Meeting, including to vote at the Annual Meeting, you will need to pre-register at least 24 hours before the date of the Annual Meeting. If there are any technical issues in convening or hosting the meeting, we will promptly post information to our Investor Relations website, www.udfonline.com/investors, including information on when the meeting will be reconvened.

We reserve the right, in our sole discretion, to adjourn or postpone the Annual Meeting to provide more time to solicit proxies for the meeting.

If I am a shareholder of record, how may I attend the Annual Meeting?

After the record date has been determined, shareholders of record as of the close of business on the record date may register to participate in the Annual Meeting remotely by visiting the website www.cesonlineservices.com/udfiv24_vm. Please have your proxy card, or notice, containing your control number available and follow the instructions to complete your registration request. After registering, you will receive a confirmation email with a link and instructions for accessing the virtual Annual Meeting. Requests to register to participate in the Annual Meeting remotely must be received no later than 24 hours before the date of the Annual Meeting. If you have any technical difficulties or any questions regarding the virtual meeting website, please call the technical support team at the number listed in the virtual meeting reminder email that will be sent the evening before the virtual meeting.

If my shares are held in street name, how may I attend the Annual Meeting?

After the record date has been determined, shareholders whose shares are held through a broker, bank or other nominee as of the close of business on the record date may register to participate in the Annual Meeting remotely by visiting the website www.cesonlineservices.com/udfiv24_vm. Please have your voting instruction form, notice, or other communication containing your control number available and follow the instructions to complete your registration request. After registering, you will receive a confirmation email with a link and instructions for accessing the virtual Annual Meeting. Requests to register to participate in the Annual Meeting remotely must be received no later than 24 hours before the date of the Annual Meeting. If you have any technical difficulties or any questions regarding the virtual meeting website, please call the technical support team at the number listed in the virtual meeting reminder email that will be sent the evening before the virtual meeting.

Who is entitled to vote, and how many shares can vote?

Only shareholders who own our shares as of the close of business on the record date will be entitled to vote the shares that they held on that date at the Annual Meeting or any adjournments or postponements thereof. We have not set a record date for the Annual Meeting, but we will continue to solicit proxies until the date of the Annual Meeting. Proxies delivered prior to the record date will be valid and effective so long as the shareholder providing the proxy is a holder of record of our common shares of beneficial interest as of the close of business on the record date. If you are not a holder of record of our common shares of beneficial interest as of the close of business on the record date, any proxy you deliver will be ineffective. If you properly deliver a proxy prior to the record date and remain a holder of our common shares of beneficial interest as of the close of business on the record date, you do not need to deliver another proxy after that date. If you properly deliver a proxy prior to the record date and do not revoke that proxy, your proxy will be valid and will be deemed to cover the number of our common shares of beneficial interest that you own as of the close of business on the record date even if that number is different from the number of our common shares of beneficial interest that you owned when you executed and delivered your proxy.

Proxy materials are first being made available to shareholders on or about August 8, 2024. As of August 8, 2024, there were 30,663,551 common shares of beneficial interest outstanding. Each common share of beneficial interest outstanding as of the close of business on the record date will be entitled to one vote on each matter properly brought before the Annual Meeting.

What constitutes a quorum?

The representation online at the virtual Annual Meeting or by proxy of the holders of at least a majority of the outstanding common shares of beneficial interest entitled to vote is necessary to achieve a quorum for the transaction of business at the Annual Meeting. If you are a shareholder of record and you vote “FOR” any nominees or “WITHHOLD” your vote on one or more nominees, you will be considered present for the purpose of determining the presence of a quorum. If you are a beneficial owner of your shares and you direct the record holder of your shares to vote “FOR” any nominees or “WITHHOLD” your vote on one or more nominees, you will be considered present for the purpose of determining the presence of a quorum.

What may I vote on?

You may vote: (i) to elect two Class II Independent Trustees to hold office for a term expiring at the 2027 annual meeting of shareholders and until each such trustee’s successor is duly elected and qualifies; (ii) to elect two Class III Independent Trustees to hold office for a term expiring at the 2025 annual meeting of shareholders and until each such trustee’s successor is duly elected and qualifies; and (iii) on such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

How does the Board of Trustees recommend I vote?

Unless you give other instructions on your proxy card, the individuals named on the **WHITE** proxy card as proxy holders will vote in accordance with the recommendations of our Board of Trustees. Our Board of Trustees recommends that you vote your shares “FOR” the Class II Independent Trustee nominees (Lawrence S. Jones and Phillip K. Marshall) and “FOR” the Class III Independent Trustee nominees (Steven J. Finkle and J. Heath Malone) to our Board of Trustees. We refer to the nominees recommended

by the Board of Trustees as the “Trust Nominees.” No trustee has informed us that he intends to oppose any action intended to be taken by us.

The Board strongly urges you to discard and NOT vote using any green proxy card that may be sent to you by NexPoint Real Estate Opportunities, LLC (“NexPoint”).

How do I vote?

Shares can be voted at our Annual Meeting only by shareholders who are present online at our virtual Annual Meeting or represented by proxy. Whether or not you plan to attend the Annual Meeting online, we urge you to have your vote recorded by authorizing a proxy and giving the proxy holder permission to vote your shares at the Annual Meeting. The proxy holders who will vote your shares as you instruct are James P. Kenney and Stacey H. Dwyer. The proxy holders will vote your shares as you instruct, unless you return your signed **WHITE** proxy card, or authorize a proxy by telephone or over the Internet, but do not indicate how you wish to vote. In this case, the proxy holders will vote in accordance with the recommendation of the Board of Trustees or, in the absence of such a recommendation, at the discretion of the proxy holders.

Shareholders may submit their proxy by voting their shares using the instructions set forth on the **WHITE** proxy card. If either of the telephone or Internet options are available to you, we strongly encourage you to use it because it is faster. If you attend the Annual Meeting online, you may also submit your vote online at the Annual Meeting, and any previous votes or proxies that you submitted will be superseded by the vote that you cast at the Annual Meeting. The proxy holders will not vote your shares if you do not return the accompanying **WHITE** proxy card or authorize your proxy by telephone or over the Internet. This is why it is important for you to vote using the **WHITE** proxy card as soon as possible whether or not you plan to virtually attend the Annual Meeting online.

Will there be a proxy contest at the Annual Meeting?

NexPoint has notified the Trust of its intent to nominate four (4) candidates for election as trustees at the Annual Meeting (each a “NexPoint Nominee” and, collectively, the “NexPoint Nominees”) in opposition to the nominees recommended by the Board of Trustees. The Board of Trustees does not endorse any of the NexPoint Nominees and unanimously recommends that you vote “FOR” only the Class II and Class III Independent Trustee nominees proposed by the Board of Trustees using the **WHITE** proxy card accompanying this proxy statement.

What vote is required to elect trustees at the Annual Meeting?

As described previously, NexPoint has notified the Trust of its intent to nominate four (4) trustees for election as trustees at the Annual Meeting in opposition to the nominees recommended by the Board of Trustees. As a result, assuming such nominees are in fact properly presented for election at the Annual Meeting and such nominations have not been withdrawn by NexPoint, the election of trustees will be considered a contested election and trustees will be elected for each class on a plurality basis. This means that (1) the two (2) Class II Independent Trustee nominees receiving the greatest number of votes cast “FOR” their election will be elected and (2) the two (2) Class III Independent Trustee nominees receiving the greatest number of votes cast “FOR” their election will be elected. “WITHHOLD” votes will not be counted as votes cast and will have no effect on the result of the vote, although they will be considered present for the purpose of determining the presence of a quorum. In the event that the NexPoint Nominees are not put up for election at the Annual Meeting and there are instead only two (2) Class II Independent

Trustee nominees and two (2) Class III Independent Trustee nominees, the election will be considered an uncontested election and the trustees will be elected on a plurality basis as described above.

Will my vote make a difference?

Yes. Your vote is needed to ensure that the proposals can be acted upon. **YOUR VOTE IS VERY IMPORTANT EVEN IF YOU OWN ONLY A SMALL NUMBER OF SHARES!** Your immediate response will help avoid potential delays and may save us significant additional expense associated with soliciting shareholder votes. We encourage you to participate in the governance of UDF IV and welcome your attendance online at the Annual Meeting.

What if I return my proxy card and then change my mind?

You have the right to revoke your proxy at any time before the vote by:

- providing written notice of such revocation to the secretary, at the Trust's corporate address;
- properly signing and submitting a new proxy card with a later date;
- authorizing a new proxy by telephone or over the Internet (only your latest telephone or Internet proxy is counted); or
- attending and voting your shares at the Annual Meeting online. Attending the Annual Meeting will not revoke your prior proxy unless you specifically request it or vote at the Annual Meeting.

If you hold your shares in "street name," you will need to contact the institution that holds your shares and follow its instructions for revoking a proxy.

How will voting on any other business be conducted?

Other than the election of trustees as described in this proxy statement, we do not expect any additional matters to be presented for a vote at the Annual Meeting as of the date of this proxy statement. While materials provided by NexPoint, such as the green proxy card, may contain additional matters, the Trust is not responsible for the accuracy or completeness of any information provided by or relating to NexPoint. If any other business is properly presented at the Annual Meeting and you are authorizing a proxy, your proxy grants James P. Kenney and Stacey H. Dwyer, as proxy holders, the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

How will my shares be voted if I submit a proxy card but do not specify how they should be voted?

If you are a shareholder of record and properly sign and return the **WHITE** proxy card or complete your proxy by telephone or via the Internet, the individuals named on the **WHITE** proxy card (your "proxies") will vote your shares in the manner you indicate. If you sign and return the **WHITE** proxy card without specifying how you want your shares voted, they will be voted "FOR" the election of all Class II Independent Trustee nominees to the Board of Trustees as set forth under "Proposal 1 – Election of Class II Trustees" and "FOR" the election of all Class III Independent Trustee nominees to the Board of Trustees as set forth under "Proposal 2 – Election of Class III Trustees." Despite this, the Board of Trustees urges you to mark your **WHITE** proxy card in accordance with the recommendations of the Board of Trustees. If any other business should properly come before the Annual Meeting, your proxies will vote on such matters in their discretion.

If you are a beneficial owner of your shares and properly submit your instructions, your broker, trustee or other nominee will vote your shares in the manner you indicate to your broker, trustee or other nominee. The availability of telephone and Internet voting will depend on the voting process of the broker, trustee

or nominee. The Board of Trustees strongly urges you to mark your **WHITE** voting instruction form in accordance with the recommendations of the Board of Trustees.

What if I submit a proxy card with fewer than two (2) Trust Nominees selected for Proposal 1 or fewer than two (2) Trust Nominees selected for Proposal 2?

If you are a shareholder of record or a beneficial owner of your shares and you vote “FOR” with respect to fewer than two (2) Trust Nominees for Proposal 1 or fewer than two (2) Trust Nominees for Proposal 2 on your **WHITE** proxy card or your **WHITE** voting instruction form, respectively, your votes on the applicable Proposals will only be voted “FOR” those Trust Nominees you have so marked. Please carefully review the instructions provided by your broker, trustee or other nominee.

Is the Trust using a universal proxy card in connection with voting at the Annual Meeting?

No. The Trust and NexPoint will each distribute their own proxy cards that identify only their own trustee nominees. The Board of Trustees does not endorse any of the NexPoint nominees and unanimously recommends that you vote “FOR” only the Trust Nominees for Class II and Class III Independent Trustees using the **WHITE** proxy card accompanying this proxy statement.

While materials provided by NexPoint, such as the green proxy card, may contain additional matters, the Trust is not responsible for the accuracy or completeness of any information provided by or relating to NexPoint. If any other business is properly presented at the Annual Meeting and you are authorizing a proxy, your proxy grants James P. Kenney and Stacey H. Dwyer, as proxy holders, the discretion to vote your shares on any additional matters properly presented for a vote at the Annual Meeting.

*What does it mean if I receive more than one **WHITE** proxy card or **WHITE** voting instruction form?*

If you receive more than one **WHITE** proxy card or **WHITE** voting instruction form, your shares are registered in more than one name or are registered in different accounts. To make certain all of your shares are voted, please follow the voting instructions on each **WHITE** proxy card you receive.

Will my vote count if I vote before the record date?

Yes, if you are a holder of record of our common shares of beneficial interest as of the close of business on the record date. The Board of Trustees has not yet determined the date and time of, and the record date for, the Annual Meeting. The Board of Trustees expects to determine those dates later this year. Although such dates have not been determined, we have decided to commence our solicitation of proxies on or about August 8, 2024, before the record date for the Annual Meeting. We will continue to solicit proxies until the date of the Annual Meeting. If you properly deliver a proxy prior to the record date and remain a holder of our common shares of beneficial interest as of the close of business on the record date, you do not need to deliver another proxy after that date. If you properly deliver a proxy prior to the record date and do not revoke that proxy, your proxy will be valid and will be deemed to cover the number of our common shares of beneficial interest that you own as of the close of business on the record date even if that number is different from the number of our common shares of beneficial interest that you owned when you executed and delivered your proxy. If you are not a holder of record of our common shares of beneficial interest as of the close of business on the record date, any proxy you deliver will be ineffective, even if you receive proxy materials.

What should I do with any green proxy cards sent to me by NexPoint?

NexPoint has notified the Trust of its intent to nominate four (4) candidates, two (2) Class II Independent Trustees and two (2) Class III Independent Trustees, for election as trustees at the Annual Meeting in opposition to the Trust Nominees recommended by the Board of Trustees for election as trustees at the Annual Meeting. The individuals nominated by NexPoint have NOT been endorsed by our Board of

Trustees. The Trust is not responsible for the accuracy or completeness of any information provided by or relating to NexPoint or its nominees contained in solicitation materials published or disseminated by or on behalf of NexPoint or any other statements NexPoint may make. The Trust has not made any determinations as to whether the NexPoint Nominees would qualify as Independent Trustees under the Trust's governing documents

We strongly urge you to disregard any materials, including any green proxy card, that may be sent to you by NexPoint. We urge you instead to use the WHITE proxy card to vote "FOR" only the Class II Independent Trustee nominees (Lawrence S. Jones and Phillip K. Marshall) and "FOR" only the Class III Independent Trustee nominees (Steven J. Finkle and J. Heath Malone) recommended by our Board of Trustees.

If you have already submitted a green proxy card, you can revoke that proxy and vote for the Trust Nominees recommended by your Board of Trustees by authorizing a proxy using the instructions set forth on your **WHITE** proxy card. Only your latest validly executed proxy will count, and any proxy may be revoked at any time prior to its exercise at the Annual Meeting, as described in the accompanying proxy statement.

Who pays the cost of this proxy solicitation?

We will bear the costs of proxy solicitation. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of-pocket expenses for forwarding proxy solicitation materials to our shareholders.

May I submit questions to the Trust for consideration at the Annual Meeting?

Yes. After the record date has been determined, shareholders may submit questions pertaining to the purpose of the Annual Meeting in advance of the meeting by emailing their questions to UDFIVRegister@Proxy-Agent.com. Each shareholder will be limited to no more than one question. The Annual Meeting will include a question and answer session during which the Trust will answer questions submitted timely in advance that pertain to the business of the Annual Meeting. We will try to answer as many such questions as time permits. We reserve the right to edit profanity or other inappropriate language, or to exclude questions that are not pertinent to meeting matters or that are otherwise inappropriate. If we receive substantially similar questions, we may summarize such questions and provide a single response to avoid repetition.

Whom should I call if I have any questions?

If you have any questions about how to submit your proxy, or if you need additional copies of this proxy statement, the proxy card or voting instructions, you should contact:

Innisfree M&A Incorporated
Shareholders may call (877) 750-9496 (toll-free from the U.S. and Canada) or
+1 (412) 232-3561 (from other countries)
Banks and Brokers may call collect (212) 750-5833

You may also contact the Trust at:

Investor Services
2201 W Royal Lane, Suite 240
Irving, Texas 75063
1-800-859-9338

ABOUT THE SOLICITATION

Since 2019, NexPoint and its affiliates have attempted to take over management of the Trust. These attempts have included, among others, a hostile tender offer, which NexPoint extended 13 times, to purchase common shares of beneficial interest of the Trust at a price of \$1.10 per share, or approximately a 90% discount to the Trust's book value per share at the time. In contrast, since August 2019, the Trust has distributed approximately \$1.24 per share to its shareholders.

In addition, during this time, NexPoint and its affiliates launched numerous frivolous lawsuits against the Trust – including a defamation suit – forcing the Trust to spend resources that could otherwise be used for the benefit of shareholders.

In June 2024, NexPoint notified the Board of Trustees of its intent to nominate the NexPoint Nominees for election to the Board of Trustees at the Annual Meeting.

After receiving notice of NexPoint's intention, both the nominating and governance committee of our Board of Trustees (the "Governance Committee") and the Board of Trustees convened to review and discuss the qualifications and backgrounds of each NexPoint Nominee. Following this review, both the Governance Committee and the Board of Trustees determined that it is in the best interest of the Trust and its shareholders to not recommend the NexPoint Nominees for election to the Board of Trustees at the Annual Meeting.

In deciding not to recommend the NexPoint Nominees, the trustees considered, among other factors, each NexPoint Nominee's business background and whether, in the opinion of the trustees, such nominee has the experience necessary to successfully manage the Trust and preserve the value of its assets. In addition, the trustees considered each NexPoint Nominee's respective affiliation or association, as applicable, with NexPoint and NexPoint's affiliates, including NexPoint's ultimate parent company NexPoint Diversified Real Estate Trust, NexPoint's founder James P. Dondero, the conflicts of interest that such affiliation or association may present and how such conflicts may impact the NexPoint Nominees' ability to qualify as "Independent Trustees" in accordance with the Trust's Bylaws.

In determining to recommend Steven J. Finkle, Lawrence S. Jones, J. Heath Malone and Phillip K. Marshall as nominees, the Board of Trustees considered, among other factors, such nominees' extensive experience with the business, operations and portfolio of the Trust; and the extent to which each nominee's candidacy may further the Trust's successful management and preservation of value of the Trust's assets.

PROPOSALS 1 AND 2 – ELECTION OF CLASS II AND CLASS III INDEPENDENT TRUSTEES

Our declaration of trust and bylaws provide that the number of our trustees may be established by a majority of the entire Board of Trustees. We currently have five trustees, four of whom are "Independent Trustees" (as defined below) and one of whom is a "Managing Trustee" (as defined below). Our bylaws provide that for so long as an Advisory Agreement (the "Advisory Agreement") by and between the Trust and UMTH General Services, L.P. (the "Advisor" or "UMTH") is in effect, our Board of Trustees must include at least one individual who has been an employee of the Advisor or involved in the day-to-day activities of the Trust for at least one year prior to his or her election as a Trustee and who is designated for nomination by the Advisor (such a Trustee, a "Managing Trustee").

As required by our bylaws, an Independent Trustee: (i) is not an employee of UMTH or involved in the Trust's day-to-day activities and (ii) meets the requirements of Nasdaq Stock Market, LLC ("Nasdaq")

for an independent trustee (not including the requirements applicable only to audit committee members) regardless of whether the Trust's shares of beneficial interest are listed on Nasdaq.

As required by our bylaws, a Managing Trustee must have been an employee of UMTB or involved in the day-to-day activities of the Trust for at least one year. James P. Kenney is the current Managing Trustee.

Our Board of Trustees is classified into three separate classes of trustees, with trustees in each class generally serving until the annual meeting of shareholders held in the third year following the year of their election. The Class I trustee is James P. Kenney, and his term is scheduled to continue until the 2026 annual meeting of shareholders and until his successor is duly elected and qualifies. The Class II Independent Trustees are Lawrence S. Jones and Phillip K. Marshall, and each trustee's term will continue until this Annual Meeting and until each trustee's successor is duly elected and qualifies. The Class III Independent Trustees are Steven J. Finkle and J. Heath Malone, and each trustee's term will continue until this Annual Meeting and until each trustee's successor is duly elected and qualifies.

The Class II and Class III Independent Trustees are scheduled to be elected at the Annual Meeting. Lawrence S. Jones and Phillip K. Marshall are the Trust Nominees for election as the Class II Independent Trustees and Steven J. Finkle and J. Heath Malone are the Trust Nominees for election as the Class III Independent Trustees. Unless authorization is withheld, the persons named as proxies will vote FOR the Trust Nominees for Class II and Class III Independent Trustees unless otherwise specified by the shareholder. Each nominee consented to being named as a nominee in this proxy statement and has agreed that, if elected, he will serve on our Board of Trustees until the 2027 annual meeting of shareholders and until his successor is duly elected and qualifies, in the case of the Class II Independent Trustees, and until the 2025 annual meeting of shareholders and until his successor is duly elected and qualifies, in the case of the Class III Independent Trustees. In the event any nominee is unable or declines to serve as a trustee at the time of the Annual Meeting, the proxies will be voted for the nominee who is designated by the majority of the remaining trustees to fill the vacancy. We are not aware of any family relationship between any Trust Nominee for Class II or Class III Independent Trustee and the other trustees or executive officers of the Trust. Each nominee has stated that there is no arrangement or understanding of any kind between him and any other person relating to his election as a trustee, except that he has agreed to serve as a trustee if elected.

The election to our Board of Trustees of the nominees for Class II Independent Trustees will require the affirmative vote of a plurality of all votes cast in the election of Class II Independent Trustees at a meeting at which a quorum is present. The election to our Board of Trustees of the nominees for Class III Independent Trustees will require the affirmative vote of a plurality of all votes cast in the election of Class III Independent Trustees at a meeting at which a quorum is present.

OUR BOARD OF TRUSTEES UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" LAWRENCE S. JONES AND PHILLIP K. MARSHALL FOR ELECTION AS OUR CLASS II INDEPENDENT TRUSTEES AND "FOR" STEVEN J. FINKLE AND J. HEATH MALONE FOR ELECTION AS OUR CLASS III INDEPENDENT TRUSTEES.

Trustee Qualifications

We believe our Board of Trustees should encompass a diverse range of talent, skill and expertise sufficient to provide sound and prudent guidance with respect to our operations and interests. Each trustee also is expected to: exhibit high standards of integrity, commitment and independence of thought and judgment; use his or her skills and experiences to provide independent oversight to our business; participate in a constructive and collegial manner; be willing to devote sufficient time to carrying out his or her duties and responsibilities effectively; devote the time and effort necessary to learn our business and participate as a member of our Board of Trustees; and represent the long-term interests of all shareholders. We have determined that our Board of Trustees as a whole must have the right mix of characteristics and skills for the optimal functioning of the board in its oversight of the Trust. We believe our Board of Trustees should be comprised of persons with skills in areas such as: finance; real estate; strategic planning; leadership of business organizations; and legal matters. In addition to the targeted skill areas, our Board of Trustees looks for a strong record of achievement in key knowledge areas that it believes are critical for trustees to add value to the board, including:

- Strategy — knowledge of our business model, the formulation of business strategies, knowledge of key competitors and markets, knowledge of our assets and relationships with our borrower clients;
- Leadership — skills in coaching and working with senior executives and the ability to assist the Chief Executive Officer;
- Relationships — understanding how to interact with investors, accountants, attorneys, analysts and participants in the markets in which we operate; and
- Functional — understanding of finance matters, financial statements and auditing procedures, technical expertise, legal issues, information technology matters and marketing.

Business Experience of the Trustees

The following is a summary of the business experience of the Trust Nominees for election as our Class II and Class III Independent Trustees.

Class II Independent Trustees:

Lawrence S. Jones. Mr. Jones has served as one of our Independent Trustees since August 2019 and serves as the chairman of our Board of Trustees. Mr. Jones has also served as an independent trustee and chairman of the board of trustees of UDF V since January 2022. Mr. Jones currently serves as the chief financial officer and member of the board of directors and executive committee of Bowles Hall Foundation, a 501(c)(3) corporation established to finance, renovate and operate an historic residential college at the University of California at Berkeley. Mr. Jones served as an independent director and as the chairman of the audit committee of CIM Real Estate Finance Trust, Inc. (CMFT) from March 2012 to December 2021. While at CMFT, Mr. Jones also served on a special committee established by the CMFT board of directors to evaluate and negotiate proposed mergers with three other REITs. Additionally, he served as an independent director of Moody National REIT I, Inc., a community-focused REIT, from March 2010 to February 2012. Mr. Jones served as the managing director of Encore Enterprises, Inc.—Equity Funds, a real estate development company, from August 2008 to April 2010. Previously, he served as a senior audit partner with PricewaterhouseCoopers LLP from September 1999 to July 2007, where he was the financial services industry leader for the Dallas and Houston markets from September 1999 to July 2006, and the firm’s representative to the Board of Governors of the National Association of Real Estate Investment Trusts (“NAREIT”) from 1999 to 2007. Prior to joining PricewaterhouseCoopers LLP, Mr. Jones served from March 1998 to June 1999 as executive vice president and treasurer of

Wyndham International, Inc., an upscale and luxury hotel operating company. Mr. Jones began his career in 1972 at Coopers & Lybrand, a predecessor of PricewaterhouseCoopers LLP, and served as the partner in charge of Coopers & Lybrand's national REIT practice from 1992 until March 1998. From July 1982 to June 1984, Mr. Jones served as a professional accounting fellow with the Office of the Chief Accountant of the Securities and Exchange Commission (the "SEC") in Washington, D.C. Mr. Jones previously served as a director of the Dallas Arts District Alliance and was a member of the Dallas Park and Recreation Board from 2009 to 2017. He is a member of the National Association of Corporate Directors, NAREIT, the Urban Land Institute (ULI) and the American Institute of Certified Public Accountants. Mr. Jones is a past president of the Haas School of Business Alumni Association (University of California at Berkeley). Mr. Jones received a B.A. degree in Economics and Corporate Finance from the University of California at Berkeley and a master's degree in Corporate Finance from the UCLA Anderson School of Management. Our Board of Trustees selected Mr. Jones to serve as a trustee due to his extensive experience as a certified public accountant and as a real estate industry executive who has strong leadership, management and technical skills, all of which bring valuable insight to the Board of Trustees.

Phillip K. Marshall. Mr. Marshall has served as one of our Independent Trustees since August 2008 and serves as the chairman of the audit committee of our Board of Trustees (the "audit committee"). Mr. Marshall has also served as an independent trustee of UDF V since its formation in October 2013. Since September 2006, Mr. Marshall has served as an independent trustee of United Mortgage Trust ("UMT"), a REIT that invested in mortgage loans, and an affiliate of the Trust. Mr. Marshall served as Chief Financial Officer of RCI Hospitality Holdings Inc. ("RCI"), a publicly traded restaurant and entertainment company, from May 2007 until his retirement in September 2020, where he was involved in RCI's successful acquisition of more than 25 businesses. From February 2007 to May 2007, he served as Controller of Dorado Exploration, Inc., a privately held oil and gas company. From July 2003 to January 2007, he served as Chief Financial Officer of CDT Systems, Inc., a publicly held company located in Addison, Texas engaged in water technology. From 2001 to 2003, he was a principal of Whitley Penn LLP, independent certified public accountants. From 1992 to 2001, Mr. Marshall served as Director of Audit Services at Jackson & Rhodes PC, independent certified public accountants, where he consulted on the structure and formation of UMT in 1996, including developing the criteria necessary to determine the type of assets suitable for acquisition by UMT for it to qualify as a real estate investment trust. While at Jackson & Rhodes PC and subsequently while at Whitley Penn LLP, Mr. Marshall served as the audit partner for UMT. From 1991 to 1992, Mr. Marshall served as an audit partner at Toombs, Hall and Foster, independent certified public accountants; from 1987 to 1991, he served as an audit partner for KPMG Peat Marwick ("KPMG"), independent certified public accountants; and from 1980 to 1987, he served as audit partner for KMG Main Hurdman ("KMG"), independent certified public accountants.

As an audit partner for KPMG and KMG, Mr. Marshall gained extensive experience working with a number of mortgage banking clients and savings and loan institutions involved in residential real estate finance. In his capacity as auditor and audit partner for his mortgage banking clients, Mr. Marshall performed reviews and tests of income recognition and reporting, quality of asset testing (including analysis of real estate appraisals), historical loss reserves and comparison to industry loss reserves. Mr. Marshall also performed single audit procedures to assess the adequacy of loan servicing services including collections, cash management and reporting procedure testing, and escrow analysis. Additionally, during his time as an auditor and audit partner, Mr. Marshall assisted his mortgage banking clients with acquisitions and sales of their businesses. This experience, together with his extensive M&A experience while serving as the Chief Financial Officer at RCI, enables him to bring business

development and M&A expertise to our Board of Trustees. Mr. Marshall is a Certified Public Accountant in the State of Texas. He received a BBA in Accounting from Texas State University in 1972. Our Board of Trustees selected Mr. Marshall to serve as a trustee due to his financial and accounting expertise, as well as his knowledge of the financial markets in which we operate. Our Board of Trustees believes that his experience as a partner at a public accounting firm, as well as his previous service on the board of trustees of a real estate investment trust, brings value to us, particularly in his role as the audit committee chairman and audit committee financial expert.

Involvement in certain legal proceedings: In September 2020, as part of the settlement of a civil administrative proceeding brought by the SEC against RCI, RCI's chief executive officer, and Mr. Marshall as RCI's former chief financial officer, the respondents agreed, without admitting or denying the findings, to a cease-and-desist order regarding certain sections of the Securities Exchange Act of 1934 and certain rules promulgated thereunder, and to pay civil monetary penalties.

Class III Independent Trustees:

Steven J. Finkle. Steven J. Finkle. Mr. Finkle has served as one of our Independent Trustees since August 2008 and serves as the chairman of the compensation committee of our Board of Trustees (the "compensation committee"). Mr. Finkle has also served as an independent trustee of UDF V since its formation in October 2013. In 1995, Mr. Finkle founded National Brokerage Associates ("NBA") and currently serves as its President. NBA is a full-service insurance brokerage house serving agents in the Washington, D.C. metropolitan area and on a national basis. NBA has a niche in the variable life marketplace and has been involved with designing several variable life insurance products. As a full service brokerage firm specializing in life insurance, annuities, long term care, and disability insurance, NBA works with several nationwide broker-dealers, a number of banks and the insurance brokerage community. From 1989 to 1995, Mr. Finkle served as a partner and President of CFG Insurance Services, an insurance subsidiary of a broker-dealer. In 1975 and until 1995, Mr. Finkle became part of the first franchised insurance brokerage operation in the United States when he co-founded MTA Brokerage. From 1972 to 1974, Mr. Finkle served as an assistant manager for the insurance brokerage firm of Johnson & Higgins at the Atlanta, Georgia regional office and later with National Life of Vermont, a life insurance company. Mr. Finkle holds Series 7, 24, and 63 securities licenses and has served on the advisory committees of multiple insurance carriers. Mr. Finkle served as Chairman of the Brokerage Task Force of the Association for Advanced Life Underwriting, a membership organization of over 2,200 of the top producing life insurance agents in the country, and is a partner of LIBRA Insurance Partners, an insurance marketing organization. Mr. Finkle also previously served on the boards of directors of the District of Columbia Association of Insurance and Financial Advisors and the National Association of Life Brokerage Agencies, the premier association representing the insurance brokerage community. Mr. Finkle received his B.B.A. degree in Insurance from Georgia State University in 1972 where he was a Kemper Scholar. Our Board of Trustees selected Mr. Finkle to serve as a trustee due to his strong relationships and his understanding of the financial and brokerage markets. Our Board of Trustees believes that this experience brings valuable operational expertise and insight to the Board of Trustees.

J. Heath Malone. Mr. Malone has served as one of our Independent Trustees since August 2008 and serves as the chairman of the nominating and governance committee of our Board of Trustees (the "nominating and governance committee"). Mr. Malone currently serves as the Chief Financial Officer of closely held companies, including Azzurro Living, LLC and Codarus, LLC, which operate in the home furnishing industry. Mr. Malone also served as Chief Financial Officer and partner of Sunset West from 2010 to 2022, as Co-Founder and Chief Financial Officer for James Martin Vanities, LLC from 2013 to

2019 and as President from 2019 to 2022 and Chief Financial Officer and Co-Founder of Max Industries, LTD from 2002 to 2013. James Martin Vanities was sold to Ferguson Enterprises in February of 2019. Mr. Malone led the negotiations with Ferguson Enterprises on behalf of James Martin Vanities. Following the sale, Mr. Malone agreed to serve as President of the merged company for 3 ½ years and oversaw significant growth of James Martin Vanities during this period. Sunset West was sold to Hooker Furnishings in February of 2022. Mr. Malone was directly involved in the negotiations with Hooker Furnishings on behalf of the shareholders of Sunset West. All of these entities operate in the home furnishings industry. Previously, Mr. Malone was the Chief Financial Officer of Mericom Corporation from 1998 to 2002. Mericom was engaged in the service and installation of wireless networks throughout the United States. From 1995 to 1998, Mr. Malone served as the Chief Operating Officer of OmniAmerica Development, a Hicks, Muse, Tate & Furst company in the business of designing and building cell tower networks throughout the United States. Working with a sister company, Specialty Teleconstructors, OmniAmerica Development became the third-largest owner of cellular phone towers in the United States prior to its acquisition by American Tower in 1998. Mr. Malone was the Chief Financial Officer of US Alarm Systems from 1992 to 1995, building that company from a startup to a mid-sized regional alarm firm. From 1989 to 1992, he was employed by Arthur Andersen LLP, an international accounting and consulting firm. At Arthur Andersen, Mr. Malone specialized in manufacturing and retail companies and served on a fraud audit team. Mr. Malone is a Certified Public Accountant and received a Bachelor of Arts degree in accounting from Southern Methodist University in Dallas in 1989. Our Board of Trustees selected Mr. Malone to serve as a trustee in part due to his financial and accounting expertise, as well as his experience in raising capital through public and private markets. Our Board of Trustees believes he brings value to us in his role as an audit committee member, as well as providing an entrepreneurial perspective to our Board of Trustees.

Class I Trustee:

James P. Kenney. Mr. Kenney has served as our Managing Trustee and Chief Executive Officer since January 2022 and has served as our Chief Compliance Officer since May 2018. Mr. Kenney served as our Chief Strategy Officer from March 2016 to January 2022. He has also served as the Chief Executive Officer of our affiliate, United Development Funding Income Fund V (“UDF V”), a REIT that invested in mortgage loans since January 2022. Since October 2019, Mr. Kenney has also been a Vice President of the Advisor and various affiliates of the Advisor. He has served as Executive Vice President of SLR Entity Manager, LLC, the manager of StarPlex Land Development, LLC, since October 2019; since March 2022, he has served as a Manager and the Chief Executive Officer of StarPlex Real Estate Solutions, LLC, and the Chief Executive Officer of StarPlex General Services, LLC; and, since November 2022, he has served as an Executive Vice President of StarPlex Asset Management, LLC, StarPlex Land Development, LLC, and StarPlex Minerals Holdings, LLC. The StarPlex entities provide residential real estate financing, consulting and development services. Prior to joining the Trust, Mr. Kenney served in executive leadership roles for several companies. From 2013 to 2015, Mr. Kenney served as Chief Executive Officer of 180s, a wearable technology company, where he significantly increased sales, earnings and new product and technology offerings. From 2006 to 2012, he served as Senior Vice President of Corporate Strategy for JC Penney, an American department store chain, with additional responsibilities for Investor Relations. From 2001 to 2006, Mr. Kenney was an independent consultant and fund manager serving clients in the real estate development, construction, retail and music industries. From 1999 to 2001, he served as Chief Executive Officer of sephora.com, developing the e-commerce website business serving the beauty segment. From 1997 to 1999, he led the international M&A team for the retail group of Moët Hennessy Louis Vuitton (“LVMH”), a luxury goods company, focused on acquisitions and expansions of LVMH’s retail presence in the U.S., Latin America, Japan and Europe. From 1995 to 1997, Mr. Kenney developed single-family ocean-oriented properties in Hilton

Head Island. From 1994 to 1995, Mr. Kenney served as President and Chief Operating Officer of Merry-Go-Round Enterprises, a national retailer, during its bankruptcy. From 1992 to 1994, he served as Senior Vice President of Corporate Planning of R.H. Macy's, an American department store chain, during its bankruptcy, driving the operational turnaround of the company and leading the creditor negotiations which led to the sale of the company for over \$4 billion to Federated Department Stores. Mr. Kenney began his business career in 1988 at McKinsey & Company, Inc., a global management consulting firm, where he advised numerous clients on core strategic and operational matters, after serving honorably as a Captain in the U.S. Army. Mr. Kenney received a bachelor's degree in engineering with highest honors from the United States Military Academy at West Point and a master's degree in systems management from the University of Southern California. He also was formerly a registered Professional Engineer in the Commonwealth of Virginia and holds a Certificate of Ethics and Compliance from Southern Methodist University. UMTH selected Mr. Kenney to serve as a trustee because he has served in various executive roles with the Trust, including currently as our Chief Executive Officer, as well as with affiliates since 2016. His demonstrated strong leadership, business expertise, and extensive experience with our business provides him with the skills and qualifications to serve as a trustee.

Trustee Independence

We have a five-member Board of Trustees. A majority of our trustees must be individuals who meet the independence standards set forth in the applicable rules of Nasdaq (the "Nasdaq Listing Standards") regardless of whether any securities of the Trust are listed on Nasdaq. We use the definition of independence set forth in the Nasdaq Listing Standards and the interpretations thereof to determine if a candidate qualifies as an Independent Trustee. Our Board of Trustees evaluated each of our trustees and determined that each trustee except for Mr. Kenney meets the independence requirements of the Nasdaq Listing Standards.

Board Committees

Our Board of Trustees has established an audit committee, compensation committee and nominating and governance committee. Each committee of the Board of Trustees reports to the full Board of Trustees. From time to time, our Board of Trustees has established, and may in the future establish, other committees.

Audit Committee

The audit committee is composed of Messrs. Marshall, Finkle, Jones and Malone, all of whom are Independent Trustees. Mr. Marshall serves as the chairman of the audit committee.

Our Board of Trustees has adopted a charter for the audit committee that sets forth its specific functions and responsibilities. Among other responsibilities, the audit committee selects the independent registered public accounting firm to audit our annual financial statements, reviews with the independent registered public accounting firm the plans and results for the audit engagement and reviews the independence of the independent registered public accounting firm. A copy of the audit committee charter is available on our website, www.udfonline.com, by clicking on "Investors" and scrolling to "Governance Documents."

Compensation Committee

Our compensation committee is composed of Messrs. Finkle and Marshall, both of whom are Independent Trustees. Mr. Finkle serves as the chairman of the compensation committee. The compensation committee operates under a charter adopted by our Board of Trustees. We currently have one employee who is directly compensated by us, Stacey H. Dwyer, our Chief Financial Officer. Among

other responsibilities, the compensation committee oversees the Trust's compensation and any employee benefit plans and practices, as well as compensation for non-employee trustees, and also reviews the Advisory Agreement with our Advisor. A copy of the compensation committee charter is available on our website, www.udfonline.com, by clicking on "Investors" and scrolling to "Governance Documents."

Nominating and Governance Committee

The nominating and governance committee is composed of Messrs. Malone, Finkle and Marshall, all of whom are Independent Trustees. Mr. Malone serves as the chairman of the nominating and governance committee. The nominating and governance committee operates under a charter adopted by our Board of Trustees. Among other responsibilities, the nominating and governance committee identifies and recommends to our Board of Trustees individuals qualified to serve as trustees of the Trust and on committees of the Board of Trustees and advises our Board of Trustees with respect to the composition, procedures and committees of the Board of Trustees. A copy of the nominating and governance committee charter is available on our website, www.udfonline.com, by clicking on "Investors" and scrolling to "Governance Documents."

Trustee Compensation

We pay each of our Independent Trustees an annual retainer of \$50,000 per year. In addition, we pay annual retainers of (i) \$20,000 to the chairman of the Board of Trustees; (ii) \$15,000 to the chairman of the audit committee; (iii) \$5,000 to each other member of the audit committee; (iv) \$10,000 to the chairman of the compensation committee; (v) \$5,000 to each other member of the compensation committee; (vi) \$10,000 to the chairman of the nominating and governance committee; and (vii) \$5,000 to each other member of the nominating and governance committee. We will also reimburse the trustees for all out-of-pocket expenses related to: attending meetings of the Board of Trustees or any committee thereof; property visits; and any other service or activity performed or engaged in as trustees of the Trust.

In 2023, the Trust approved the issuance of (1) a one-time grant of restricted stock units with an aggregate fair market value of \$35,000 and (2) an annual grant of restricted stock units with an aggregate fair market value of \$35,000 to each of Messrs. Jones, Malone and Marshall, and (1) a one-time cash award of \$35,000 in lieu of a grant of restricted stock units and (2) an annual cash award of \$35,000 in lieu of a grant of restricted stock units to Mr. Finkle, in each case, with respect to each annual award, if the applicable trustee is an Independent Trustee in good standing as of January 1 of the applicable year. Each restricted stock unit grant vests, and each cash award is payable, in three equal, annual installments and the recipients of restricted stock units receive cash dividend equivalent payments with respect to the common shares of beneficial interest underlying the grant. If a trustee's service as a member of the Board of Trustees terminates, unvested restricted stock units and unpaid cash awards are forfeited. In the event of a change in ownership or effective control of the Trust, or a change in the ownership of a substantial portion of the assets of the Trust, in any case, within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (other than a transaction or series of transactions effected with the Advisor and/or any affiliate of the Advisor), unvested restricted stock units and unpaid cash awards shall become immediately vested and payable, respectively.

The following table sets forth a summary of the compensation received by our Independent Trustees during the fiscal year ended December 31, 2023:

<u>Name</u>	<u>Fees Earned or Paid in Cash</u>	<u>Restricted Stock Units</u>
Steven J. Finkle ¹	\$81,667	N/A
Lawrence Jones ²	\$76,393.86	8,578
J. Heath Malone ³	\$66,393.86	8,578
Phillip K. Marshall ⁴	\$76,393.86	8,578

¹ Includes retainers for service as chair of the compensation committee and a member of the audit and nominating and governance committees, and cash award in lieu of a grant of restricted stock units.

² Includes retainers for service as chair of the Board of Trustees and a member of the audit committee, and dividend equivalent payments on unvested restricted stock units.

³ Includes retainers for service as chair of the nominating and governance committee and a member of the audit committee, and dividend equivalent payments on unvested restricted stock units.

⁴ Includes retainers for service as chair of the audit committee and a member of the nominating and governance and compensation committees, and dividend equivalent payments on unvested restricted stock units.

Trustee Nominations; Qualifications and Diversity

The nominating and governance committee and our Board of Trustees will consider nominees for Independent Trustees on our Board of Trustees recommended by shareholders in accordance with the process described in our bylaws. A Managing Trustee must be an individual who has been an employee of the Advisor or involved in the day-to-day activities of the Trust for at least one year prior to his or her election as a Trustee and who is designated for nomination by the Advisor.

Notice of proposed shareholder nominations for Independent Trustees must be delivered in accordance with the requirements set forth in our bylaws. Nominations must include the full name of the proposed nominee, a brief description of the proposed nominee's business experience for at least the previous five years and a representation that the nominating shareholder is a beneficial or record owner of our common shares of beneficial interest. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a trustee if elected. Nominations should be delivered to: United Development Funding IV, 2201 W Royal Lane, Suite 240, Irving, Texas 75063, Attention: Donna Lawson. The deadline for submission of shareholder proposals for the Annual Meeting in accordance with our bylaws has passed. For more information regarding submission of shareholder proposals and Independent Trustee nominations by shareholders for our 2025 annual meeting of shareholders, including advance notice requirements, see "PROPOSALS FOR 2025 ANNUAL MEETING" below.

In considering possible candidates for election as a trustee, our nominating and governance committee and our Board of Trustees are guided by the principle that our trustees should: (i) be individuals of high character and integrity; (ii) be accomplished in each of their respective fields, with superior credentials and recognition; (iii) have relevant expertise and experience upon which to be able to offer advice and guidance to management; (iv) have sufficient time available to devote to our affairs; (v) represent the long-term interests of our shareholders as a whole; and (vi) represent a diversity of background and experience. While we do not have a formal diversity policy, we believe that the backgrounds and qualifications of our trustees, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow our Board of Trustees to fulfill its responsibilities. Applying these criteria, the nominating and governance committee and our Board of Trustees consider candidates for membership on our Board of Trustees suggested by its members, as well as by our shareholders. Members of the nominating and governance committee and our Board of Trustees annually

review the composition of our Board of Trustees by evaluating whether our Board of Trustees has the right mix of skills, experience and backgrounds.

The nominating and governance committee and our Board of Trustees identify nominees by first evaluating the current members of our Board of Trustees willing to continue in service. Current members of our Board of Trustees with skills and experience relevant to our business and who are willing to continue in service are considered for re-nomination. If any member of our Board of Trustees does not wish to continue in service or if the nominating and governance committee or our Board of Trustees decides not to nominate a member for re-election, the nominating and governance committee and our Board of Trustees will review the desired skills and experience of a new nominee in light of the criteria set forth above.

The nominating and governance committee and our Board of Trustees will review the qualifications and backgrounds of trustees and nominees (without regard to whether a nominee has been recommended by shareholders), as well as the overall composition of our Board of Trustees, and our Board of Trustees will recommend the slate of the class of trustees to be nominated for election at the annual meeting of shareholders. We do not currently employ or pay a fee to any third party to identify, or assist in identifying, potential trustee nominees.

Code of Business Conduct and Ethics

Our Board of Trustees has adopted a Code of Business Conduct and Ethics, which contains general guidelines for conducting our business and is designed to help our trustees, officers and employees resolve ethical issues in an increasingly complex business environment. Our Code of Business Conduct and Ethics is applicable to all trustees, officers and employees of the Trust. Our Code of Business Conduct and Ethics can be found on our website, www.udfonline.com, by clicking on “Investors” and scrolling to “Governance Documents.”

Communications with the Board of Trustees

We do not have a formal policy for communications with our Board of Trustees. However, shareholders may communicate with the Board of Trustees or an individual trustee or group of trustees by writing to us at:

United Development Funding IV
Board of Trustees
2201 W Royal Lane
Suite 240
Irving, Texas 75063

All communication sent to our Board of Trustees will be distributed to each member of our Board of Trustees, unless otherwise directed in the communication.

Executive Officers

Certain information about our executive officers is listed below. Each of our executive officers has stated that there is no arrangement or understanding of any kind between him or her and any other person relating to their appointment as an executive officer.

<u>Name</u>	<u>Age*</u>	<u>Position(s)</u>
James P. Kenney	64	Chief Executive Officer and Chief Compliance Officer
Stacey H. Dwyer	58	Chief Financial Officer

* As of August 8, 2024.

For more information regarding Mr. Kenney’s background and experience, see “Business Experience of the Trustees” above.

Stacey H. Dwyer. Ms. Dwyer has been an employee of UDF IV since February 2014, serving as our Chief Financial Officer since January 2022 and previously as our Chief Operating Officer from February 2014 to March 2018, and previously served on our Board of Trustees from June 2015 to March 2018. Ms. Dwyer has also served as the Chief Financial Officer of United Development Funding V since January 2022. She has served as: the Chief Financial Officer of SLR Entity Manager, LLC, the manager of StarPlex Land Development, LLC, since January 2022; a Manager and the Chief Financial Officer of StarPlex Real Estate Solutions, LLC since March 2022; and since November 2022, the Chief Financial Officer of StarPlex General Services, LLC and an Executive Vice President of StarPlex Asset Management, LLC, StarPlex Land Development, LLC, and StarPlex Minerals Holdings, LLC. The StarPlex entities provide residential real estate financing, consulting and development services.

Executive Officer Compensation

With the exception of Ms. Dwyer, our Chief Financial Officer, we have no employees. Our other executive officer, Mr. Kenney, is not an employee of the Trust; he is an employee of the Advisor. He does not receive any compensation for his service as our Managing Trustee. Our day-to-day management is performed by the Advisor and its affiliates. We pay our Advisor fees and reimburse expenses pursuant to the Advisory Agreement. Other than as set forth below, and the compensation we previously paid to Ms. Dwyer for her service as our Chief Operating Officer, we have not previously paid any compensation directly to our executive officers.

In 2022, we engaged Pearl Meyer, an executive compensation consulting firm, to conduct an independent review of executive compensation at a group of peer firms developed by Pearl Meyer. The total compensation paid to our Chief Executive Officer and our Chief Financial Officer in 2022 was, and the total compensation paid to each of them in 2023 was, below the 50th percentile of the total compensation paid to chief executive officers and chief financial officers, respectively, of this peer group (based on Pearl Meyer’s 2022 analysis).

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. He also receives an annual salary of \$24,000 from the Advisor.

Ms. Dwyer receives an annual salary from the Trust of \$500,000.

Neither of our executive officers currently participate in short- or long-term incentive plans or bonus plans provided by the Trust.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee served as an executive officer or employee of the Trust at any time during 2023, nor has either of them ever served as an executive officer of the Trust in

any prior year. Other than Mr. Kenney, no member of our Board of Trustees during the year ended December 31, 2023 served as an officer, and no member of our Board of Trustees served as an employee, of the Trust or any of our subsidiaries. During the year ended December 31, 2023, none of our executive officers served on the board or on the compensation committee (or other committee performing equivalent functions) of any other entity which had one or more executive officers who served on our Board of Trustees.

Certain Relationships and Related Party Transactions

VOHL Loan

Effective May 20, 2013, we entered into a loan agreement with BLD VOHL 6A-1, LLC (“BLD”) with a commitment amount of up to \$2.9 million to finance and construct 45 sixty-foot-wide lots in a master planned community in Travis County, Texas on property owned by BLD (the “VOHL Loan”). Effective December 31, 2016, LD Equity, LLC, acquired BLD, becoming the owner of the underlying property, including approximately 4.6 acres of land planned for commercial properties. We have the discretion to decide whether to fund any advances requested under the VOHL Loan. Our Chief Executive Officer, Mr. Kenney, is the President of LD Equity, LLC. As of December 31, 2023, the VOHL Loan was secured by a promissory note and an assignment of reimbursements from the applicable municipal utility district, and other loan documents, and the loan was scheduled to mature on December 31, 2024. The interest rate on the loan was the lower of 13% per annum, or the highest rate allowed by law. Amounts outstanding under the VOHL Loan in 2023 were repaid in full during the year ended December 31, 2023. We loaned additional amounts to BLD under the VOHL Loan agreement in 2024, and the outstanding balance of approximately \$162,000 was repaid in full in 2024. No further amounts will be loaned to BLD under the VOHL Loan.

Arcadia 75 Loan

Effective July 13, 2022, we entered into a loan agreement with Arcadia 75, LLC, a wholly owned subsidiary of StarPlex Land Resources, LP (“SLR”) with a commitment amount of up to \$8.6 million to fund the acquisition and pre-construction development costs of approximately 109 acres of real property in Bexar County, Texas (the “Arcadia 75 Loan”). We have the discretion to decide whether to fund any advances requested under the Arcadia 75 Loan. Mr. Kenney and Ms. Dwyer each have a 5% ownership interest in SLR, and Mr. Kenney is the executive vice president and Ms. Dwyer is the chief financial officer of the general partner of SLR. SLR is an affiliate of our Advisor. As of December 31, 2023, the outstanding balance under the Arcadia 75 Loan was approximately \$7.1 million. This loan is secured by a first lien deed of trust on the underlying property, as well as two promissory notes and other loan documents. The interest rate on the loan is the lower of 13% per annum, or the highest rate allowed by law. In January 2024, the maturity date of the loan was extended from July 31, 2024 to December 31, 2028.

SRES Participation

Effective April 26, 2023, the Trust entered into a participation agreement pursuant to which we purchased up to a 100% pari passu participation interest (the “SRES Participation”) in a note receivable with a maximum aggregate principal amount of \$5,000,000 (the “Note”) from SRES Originations, LLC (“SRES Originations”), a Texas limited liability company in which Mr. Kenney, our Chief Executive Officer, and Ms. Dwyer, our Chief Financial Officer, each have a 20% ownership interest. The Note was issued by a third-party borrower for a homebuilding construction facility for the construction of new single-family homes in the greater Austin, Texas market. The SRES Participation was purchased at par for

\$3,417,217.76 for a 97% interest in the Note, which had a principal amount of \$3,517,217.76. The construction loan facility bears interest at 13% except upon default, at which time the interest rate increases to 18%, and has a maximum loan-to-value ratio of 80%. As of December 31, 2023, the SRES Participation was secured by first lien deeds of trusts on the homes being constructed, as well as guarantees from the parent of the borrower and its founders. Fifteen loans were originated under the construction loan facility, all of which matured on January 26, 2024. On July 20, 2023, SRES Originations called the loan facility into default with our consent and the interest rate increased to 18%. On July 31, 2023, the borrower was placed into receivership, and in December 2023, SRES Originations filed lawsuits against the principals who guaranteed the repayment of the performance of the construction loans. As of December 31, 2023, the outstanding balance under the SRES Participation was approximately \$3.8 million. The SRES Participation was repaid in full on July 1, 2024.

Woodland Lakes Loan

Effective December 30, 2016, we entered into a \$19.7 million loan agreement with WL Woodland Lakes, LLC, a wholly owned subsidiary of United Development Funding LP (“UDF I”) (the “Woodland Lakes Loan”). The Woodland Lakes Loan provided financing for the acquisition of land and certain stages of development of a 450-acre project located in the City of Houston, Harris County, Texas. Our chief executive officer, Mr. Kenney, is the vice president of WL Woodland Lakes, LLC, as well as the vice president and secretary of United Development Funding, Inc, the general partner of UDF I. UDF I is an affiliate of our Advisor. As of December 31, 2023, the outstanding balance under the Woodland Lakes Loan was approximately \$10.1 million. The loan is secured by a first lien deed of trust on approximately 64 acres and a subordinate lien deed of trust on approximately 288 acres recorded in the real property records of Harris County, Texas, as well as a promissory note, collateral assignment of reimbursements from the applicable municipal utility district covering the project, and other loan documents. The interest rate on the loan is the lower of 13% per annum, or the highest rate allowed by law. The loan matures and becomes due and payable in full on December 31, 2028.

Lakeside Loan

Effective March 15, 2017, we acquired a \$6.6 million loan to an unaffiliated borrower and increased the loan amount to \$13.5 million to refinance the land and provide financing for development of an approximately 438 acre project in Texas City, Galveston County, Texas and secured by a senior lien on the property (“the Lakeside Loan”). Effective December 21, 2022, Lakeside Bayou, LLC, a wholly-owned subsidiary of UDF I, which had a loan secured by a subordinate lien on a portion of the same property, acquired the project from the unaffiliated borrower, subject to the senior loan. Our chief executive officer, Mr. Kenney, is the vice president and secretary of United Development Funding, Inc, the general partner of UDF I. To finance development of the project, in 2022, we increased the senior loan to \$17.0 million and extended the maturity date of the senior loan to December 31, 2030. As of December 31, 2023, the interest rate on the Lakeside Loan was 13% and the loan was, and continues to be, on non-accrual status. As of December 31, 2023, the outstanding balance under the Lakeside Loan was approximately \$15.0 million and we had established a reserve for credit loss of approximately \$8.4 million on this loan. We expect the collateral securing the Lakeside Loan to fully repay the principal of this loan, at which point we expect to reverse the \$8.4 million reserve. Future cash repayments exceeding the outstanding principal will be recognized as additional interest income that is not currently accrued on the Trust’s audited balance sheet as of December 31, 2023 (because the Trust suspended interest income recognition for this loan in a prior year).

OU Land Loan

Effective July 15, 2020, we entered into a \$587,000 loan agreement with OU Land Acquisition, L.P., a wholly owned subsidiary of UDF I (the “OU Land Loan”), and effective October 27, 2022, we increased the amount of the loan agreement to \$750,000. Our chief executive officer, Mr. Kenney, is the vice president and secretary of United Development Funding, Inc, the general partner of UDF I. The OU Land Loan provided financing for the acquisition of approximately 19.5 acres of real property in Harris County, Texas. As of December 31, 2023, the outstanding balance under the OU Loan was approximately \$719,000. The loan is secured by a first lien deed of trust on the approximately 19.5 acres, as well as a promissory note and other loan documents. The interest rate on the loan is the lower of 13% per annum or the highest rate allowed by law. The loan matures and becomes due and payable in full on December 31, 2024.

Policies and Procedures – Related Party Transactions

General

Our Independent Trustees or a committee comprised solely of Independent Trustees conducts an appropriate review and oversight of all related party transactions (other than de minimis transactions) for potential conflict of interest situations on an ongoing basis. Our policies and procedures for the review, approval or ratification of related party transactions are described below.

Loan Participation Interest – Related Parties and Notes Receivable – Related Parties.

A majority of our trustees (including a majority of our Independent Trustees) who are not otherwise interested in these transactions approve or ratify our loan participation interest – related party transactions and our notes receivable – related party transactions, if any, as being fair and reasonable to us and on terms and conditions not less favorable to us than those available from unaffiliated third parties. In addition, the audit committee reviews all such transactions.

Other Related Party Transactions.

Other related party transactions are approved or ratified by the audit committee or compensation committee, or the Independent Trustees, as appropriate. In addition, the audit committee reviews all such transactions. Our Board of Trustees may appoint a special committee comprised solely of Independent Trustees to review, approve or ratify any related party transaction.

Advisory Agreement

Mr. Kenney is an executive officer of our Advisor and other affiliated entities. We have entered into an Advisory Agreement with our Advisor. The fees payable to the Advisor under the Advisory Agreement are described in the notes to the Trust’s audited financial statements for the year ended December 31, 2023, which are available through a link in the UDF IV Shareholder Update, dated July 18, 2024, which is available on our website, www.udfonline.com, by clicking on “News.” The Advisory Agreement provides that the Advisor must undertake to use its commercially reasonable best efforts to present to us potential investment opportunities consistent with the investment objectives and policies as determined from time to time by our Board of Trustees. The Advisory Agreement also requires the Advisor to promptly disclose to our Board of Trustees the existence of any condition or circumstance, existing or anticipated, of which it has knowledge, which creates or could create a conflict of interest between the Advisor’s obligations to us and its obligation to or its interest in any other person.

If the Advisor, any trustee or any affiliate thereof has sponsored other investment programs with similar investment objectives which have investment funds available at the same time as us, our Board of Trustees (including the Independent Trustees) will adopt a reasonable method by which investments are to be allocated to the competing investment entities and use its best efforts to apply such method fairly to us.

INTERNET AVAILABILITY OF PROXY MATERIALS; OTHER MATTERS

We are making our proxy materials available to shareholders via the Internet, as well as mailing printed copies of these materials to shareholders. As of the date of this proxy statement, our Board of Trustees knows of no other matters which may properly be brought before the Annual Meeting.

PROPOSALS FOR 2025 ANNUAL MEETING

If a shareholder wishes to present a proposal at our 2025 annual meeting of shareholders, our bylaws currently require that the shareholder give advance written notice to the secretary at our offices no earlier than the 150th day and no later than 5:00 p.m. Central Time (6:00 p.m. Eastern Time) on the 120th day prior to the first anniversary of the date of the proxy statement's release to shareholders for the 2024 Annual Meeting; provided, however, that in the event that the date of the 2025 annual meeting of shareholders is advanced or delayed by more than 30 days from the first anniversary of the date of the 2024 Annual Meeting, notice by the shareholder to be timely must be so delivered no earlier than the 150th day prior to the date of the 2025 annual meeting of shareholders and no later than 5:00 p.m. Central Time (6:00 p.m. Eastern Time) on the later of the 120th day prior to the date of the 2025 annual meeting of shareholders, as originally convened, or the tenth day following the day on which public announcement of the date of the 2025 annual meeting of shareholders is first made. Shareholders are advised to review our bylaws, which contain other requirements with respect to advance notice of shareholder proposals and trustee nominations. We presently anticipate holding the 2025 annual meeting of shareholders in December 2025.