

NexPoint Strategic Opportunities Fund Announces Offer to Purchase Up to All Shares of United Development Funding IV (UDFI)

DALLAS, Dec. 14, 2020 — NexPoint Strategic Opportunities Fund (NYSE:NHF) (“NHF”) today announced the commencement of an offer to purchase any and all Shares of Beneficial Interest (the “Shares”) of United Development Funding IV (“UDFI” or the “Company”) at a price of \$1.10 per Share upon the terms and subject to the conditions set forth in the Offer to Purchase and in the related Assignment Form for the offer (which together constitute the “Offer” and the “Tender Offer Documents”). The Tender Offer Documents are available at www.UDFITenderOffer.com, or from the information agent for the Offer, as discussed below.

NHF believes it is the largest shareholder of UDFI. Through the Offer, NHF is seeking to increase its ownership in the Company, while also providing liquidity to shareholders who choose to participate. In the last five years, there have been limited opportunities for shareholders to sell UDFI Shares. Trading in the Shares on The Nasdaq Stock Market LLC (“Nasdaq”) has been halted since February 2016. In May 2017, Nasdaq announced that it would delist the Shares (the “Delisting”). In August 2020, the Securities and Exchange Commission (“SEC”) revoked the registration of all classes of registered securities of UDFI (the “Deregistration”). The Delisting and Deregistration presented challenges to shareholders interested in selling UDFI Shares. Adding to these challenges, there has been limited information regarding the financial performance of UDFI available to UDFI’s shareholders since November 2015. Despite the limited information on the Company, NHF commenced the Offer in an effort to increase its investment in UDFI and encourage value creation over the long term, while providing immediate liquidity for shareholders interested in selling their Shares.

The Offer is conditioned upon, among other things, the satisfaction or waiver of the following conditions: (i) there shall not have been threatened, instituted, or pending any action or proceeding before any court or any governmental or administrative agency (a) challenging the acquisition of shares pursuant to the Offer or otherwise relating in any manner to the Offer, or (b) in the sole judgment of NHF, otherwise materially adversely affecting the Company; (ii) NHF shall have received all required governmental approvals, if any, for the Offer; (iii) NHF shall have had the opportunity to conduct sufficient due diligence to determine whether the offered price per share is reasonable given the current financial condition and results of operations of UDFI; (iv) the Board of Trustees of UDFI shall have waived in writing the ownership limitations set forth in Article VII of the Declaration of Trust of UDFI as such limitations would otherwise apply to the Offer; and (v) NHF shall have received satisfactory evidence that UDFI has continued to qualify as a real estate investment trust (“REIT”) under federal tax laws and thereby to avoid any entity-level federal income or excise tax.

Shareholders should read the Offer to Purchase and the related materials carefully because they contain important information. Shareholders may obtain a free copy of the Offer to Purchase and the Assignment Form from D.F. King & Co., Inc., the information agent for the Offer (the “Information Agent”), by calling toll-free at (800) 331-7543. THE OFFER WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, AT THE END OF THE DAY ON JANUARY 13, 2021, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

About the NexPoint Strategic Opportunities Fund (NHF)

The NexPoint Strategic Opportunities Fund (NYSE:NHF) is a closed-end fund managed by NexPoint Advisors, L.P. that is in the process of converting to a diversified REIT.. The Company is in the process of realigning its portfolio so that it is no longer an “investment company” under the Investment Company Act of 1940 (the “1940 Act”) and continues to expect the Company to be able to transition its investment portfolio sufficient to qualify as a REIT for tax purposes by the first quarter of 2021 and to apply to the Securities and Exchange Commission (the “SEC”) for an order under the 1940 Act declaring that the Company has ceased to be an investment company (the “Deregistration Order”) in the first half of 2021. For more information visit www.nexpointgroup.com/nexpoint-strategic-opportunities-fund/.

About NexPoint Advisors, L.P.

NexPoint Advisors, L.P. (the “Investment Adviser”) is an SEC-registered adviser on the NexPoint alternative investment platform. It serves as the adviser to a suite of funds and investment vehicles, including a closed-end fund, interval fund, business development company, and various real estate vehicles. For more information visit www.nexpointgroup.com.

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Risks and Disclosures

This document is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell any common stock of UDFI or any other securities. The offer to purchase common stock of UDFI will only be made pursuant to the Offer to Purchase, the Assignment Form and related documents. THE TENDER OFFER MATERIALS (INCLUDING THE OFFER TO PURCHASE, THE ASSIGNMENT FORM AND CERTAIN OTHER TENDER OFFER DOCUMENTS) WILL CONTAIN IMPORTANT INFORMATION. STOCKHOLDERS OF UDFI ARE URGED TO READ THESE DOCUMENTS CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION THAT SUCH STOCKHOLDERS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING TENDERING THEIR SHARES. Investors and security holders may obtain a free copy of these statements (when available) by directing such requests to the Information Agent, by calling toll-free at (800) 331-7543.

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