US Multifamily Investment Limited

Annual Report and Financial Statements

For the year ended 31 December 2025

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Officers and Professional Advisers

REGISTERED OFFICE
First Floor
Le Marchant House
Le Truchot
St. Peter Port
Guernsey GY1 1GR

DIRECTORS
Mark Cleary
Michael Schwenke
Nicholas Riley (alternate to Michael Schwenke)
Neil Fell

ADMINISTRATOR AND REGISTRAR
Zedra Fund Managers (Guernsey) Limited
First Floor
Le Marchant House
Le Truchot
St. Peter Port
Guernsey GY1 1GR

PRINCIPAL BANKERS IN GUERNSEY
Investec Bank (Channel Islands) Limited
PO Box 188
Glategny Court
St Peter Port
Guernsey GY1 1WR

LISTING AND ANNUAL SPONSOR
Clarien BSX Services Limited
25 Reid Street
Hamilton
Bermuda HM11

INDEPENDENT AUDITORS
Moore Stephens Audit and Assurance (Guernsey) Limited
PO Box 146
Level 2 Park Place
Park Street
St Peter Port
Guernsey GY1 3HZ

LEGAL ADVISOR IN GUERNSEY
Mourant Ozannes
P O Box 186
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 4HP

REAL ESTATE MANAGER
Investec Property Capital Partners (a division of Investec Property Proprietary Limited)
100 Grayston Drive
Sandown
Sandton 2196
South Africa

DISTRIBUTOR
Investec Wealth & Investment (a division of Investec Wealth & Investment International Propietary Limited)
100 Grayston Drive
Sandown
Sandton 2196
South Africa

Directors' Report

The Directors present their annual report and the audited financial statements of US Multifamily Investment Limited ("USMIL") for the year ended 31 December 2025.

Incorporation
USMIL was incorporated on 16 August 2017, and is a Guernsey registered closed ended collective investment scheme, with registration number 63920.

Principal activity
USMIL's principal purpose is to invest all of its subscribed capital into the underlying entity, US Multifamily Holdings LP ("USMHLP"). In turn, USMHLP invests its capital into Cortland Partners Fund IV, LLC ("Fund IV"), a fund that invests alongside institutional capital providers in multifamily housing communities located primarily (but not exclusively) in the south eastern and south central United States. This investment is referred to as the principal investment.

Bermuda Stock Exchange ("BSX") listing
On 2 February 2018, USMIL was granted a listing on the BSX (ticker: USMIL.BH).

Going Concern
After making enquiries based on justifiable assumptions, the Directors have a reasonable expectation that USMIL will have adequate resources to continue in operational existence for twelve months from the date of signing these financial statements.

Results
The results for the year ended 31 December 2025 are set out in the attached financial statements.

Directors' interests

Michael Schwenke (director) and Nicholas Riley (alternate director to Michael Schwenke), who held office at the year end each had an interest in 125 shares of USMIL as at 31 December 2025. These shares are held through nominee companies. No other Directors who held office had an interest in the shares of USMIL.

Independent Auditors
A resolution to re-appoint Moore Stephens Audit and Assurance (Guernsey) Limited as independent auditor was approved by shareholders at the Annual General Meeting held on 10 February 2026.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The Directors have elected to prepare the financial statements for each financial year which give a true and fair view, in accordance with the applicable Guernsey Law and applying accounting principles generally accepted in the United States of America ("US GAAP"), of the state of affairs of USMIL and of the profit or loss of USMIL for that period.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that USMIL will continue in business.

Directors' Report (continued)

Statement of Directors' Responsibilities (continued)

The Directors confirm that the financial statements comply with the above requirements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of USMIL and enable them to ensure that the financial statements comply with US GAAP. They are also responsible for safeguarding the assets of USMIL and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

In the case of each of the persons who are Directors at the time when the report is approved, the following applies:

- so far as each Director is aware, there is no relevant audit information which has not been disclosed to USMIL's auditors; and
- each Director has taken all the steps that it ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the Board of Directors

DocuSigned by:
Mark Cleary
417A0480FC894AE...
Director

Date: 2026
26 June 2026

Signed by:
Mil Fell
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Director

Date: 2026
26 June 2026

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF US MULTIFAMILY INVESTMENT LIMITED

Opinion

We have audited the accompanying financial statements of US Multifamily Investment Limited (the 'Company') which comprise the Statement of Assets and Liabilities as at 31 December 2025, and the Schedule of Investments, Statement of Operations, Statement of Changes in Net Assets, Statement of Cash Flows and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its result for the year then ended;
- have been properly prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP"); and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Investments Refer to Note 7 to the financial statements. The Company has equity investments in US Multifamily Holdings LP ('the Investment Partnership'). The investments are carried at fair value as determined by the Directors. The investment in US Multifamily Holdings LP was valued at a total of $16.2 million as at 31 December 2025 (2024: $21.8m). The equity investment is fair valued using the Company's allocation (99.525%) of the Investment Partnership's net asset value. The Directors estimate the fair value to be the net asset value of the Investment Partnership after adjusting for tax payable in unrealised gains as this is based on the underlying fair value of the Investment Partnership's investments,	Our main audit procedures over these investments were as follows: • We reviewed the Company's accounting policy, recognition, and measurement of investments, appropriateness of the valuation methodology and performed testing to ensure that the fair valuation had been accounted for in accordance with US GAAP; • We evaluated the design and implementation of controls in relation to the valuation of investments; • We reviewed the existence of the investment by validating the ownership interest of the Company on the investee entities through direct investment confirmations; • We agreed the Company's total commitments in the Investment Partnership to the LPA agreement;

Key Audit Matters (continued)

The Investment Partnership holds a 19.23429% interest in the Cortland Partners Fund IV, LLC (the 'Fund'). The Fund's investments comprise investments in real estate entities invested in multifamily properties. The Fund's investments have been fair valued by the Fund based on independent appraiser valuations. Independent appraisers use valuation techniques with significant unobservable inputs. This is inherently subjective due to, among other factors, the individual nature of each property, discount rates, market rates, its location and requires significant estimates and judgements. The value of the Company's investments is highly material to the Company and errors in valuation could have a material impact on the financial statements of the Company. As a result, we considered the valuation of investments to be an area of focus for our audit and accordingly, a key audit matter.	• We agreed the Investment Partnership's investment in the Fund to audited financial statements and capital of the Fund. We performed evaluation for the competence, capabilities, and objectivity of the auditor of Cortland Partners Fund IV, LLC ("the Fund"). The Company's accounting policy on investments is shown in Note 2. **Key observations** There were no significant matters arising from our audit work on the valuation of investments or other key valuation inputs. We confirmed that valuation methodologies adopted were appropriate and obtained sufficient appropriate evidence that the valuation of the investments was not materially misstated and was in line with US GAAP.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of responsibilities of the Directors set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF US MULTIFAMILY INVESTMENT LIMITED

Auditor's responsibility for the audit of financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Our application of materiality

We define materiality as the magnitude of misstatements in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing, and extent of our audit work and in evaluating the results of that work. Materiality was determined as follows:

Financial statements as a whole:
$812,000 which is 5% of the audited investments. This benchmark is considered the most appropriate because we believe that the Company's principal objective is long-term capital growth through investing in US Multifamily Holdings LP. The principal investment invests in multifamily real estate entities. It is considered a balance sheet driven entity and users (the shareholders) are most likely interested in its performance which is reflected by its investments.

Communication of misstatements to the Board:
We agreed with the Directors that any misstatement above $40,600 identified during our audit will be reported, together with any misstatement below that threshold that, in our view, warranted reporting on qualitative grounds.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF US MULTIFAMILY INVESTMENT LIMITED

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk based, and in particular included:

- understanding and evaluation of the Company's internal controls environment including its IT systems and controls;
- assessment of the design and implementation of accounting processes and controls in place in the service organisation, Zedra Fund Managers (Guernsey) Limited.
- performed audit procedures on valuation analysis.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of the Company, taking account of the structure of the Company.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Use of our report

This report is made solely to the Company's shareholders as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Jeff Vincent
For and on behalf of Moore Stephens Audit and Assurance (Guernsey) Limited
PO Box 146
Level 2 Park Place
Park Street
St Peter Port
Guernsey, GY1 3HZ
Dated: 29/06/2026

Statement of Assets and Liabilities
As at 31 December 2025

	Notes	2025 US$	2024 US$
Assets:			
Investment - equity interest (cost: US$12,611,467)		16,249,352	21,843,099
Total investment assets		16,249,352	21,843,099
Cash and cash equivalents		120,853	47,135
Total assets		16,370,205	21,890,234
Liabilities and Shareholders' Equity:			
Liabilities			
Other creditors - due to related party	12	11,886	11,250
Other creditors		33,952	30,243
Total liabilities		45,838	41,493
Total Net Assets:		16,324,367	21,848,741
Total Net Assets consist of:			
Shareholders' equity			
Issued share capital	8	33,474,000	33,474,000
Share premium	8	26,000	26,000
Retained earnings	8	(17,175,633)	(11,651,259)
Total shareholders' equity		16,324,367	21,848,741
Net asset value per share		US$ 487.67	US$ 652.71

These financial statements were approved by the Board of Directors on

DocuSigned by:
Mark Cleary
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Director
26 June 2026

Signed by:
Mil Fell
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Director
26 June 2026

The accompanying notes form part of these audited financial statements.

Schedule of Investments
As at 31 December 2025

31 December 2025

Geography	Investments by Geography	Investments by Industry	Cost US$	Fair Value US$	Fair Value as a % of Net Assets
US Multifamily Holdings LP - equity	USA	Real estate	12,611,467	16,249,352	99.54%
Total Investments			12,611,467	16,249,352	99.54%

31 December 2024

	Investments by Geography	Investments by Industry	Cost US$	Fair Value US$	Fair Value as a % of Net Assets
US Multifamily Holdings LP - equity	USA	Real estate	12,611,467	21,843,099	99.97%
Total Investments			12,611,467	21,843,099	99.97%

The accompanying notes form part of these audited financial statements.

Statement of Operations
For the year from 1 January 2025 to 31 December 2025

	2025	2024
	US$	US$
Investment Income		
Interest income on debt investment	-	127,436
Foreign exchange gain	-	669
Dividend income	2,870,000	1,867,666
Total investment income	2,870,000	1,995,771
Expenses		
Administration fees	(46,411)	(44,372)
Audit fees	(31,758)	(38,864)
Other expenses	(22,458)	(15,485)
Total expenses	(100,627)	(98,721)
Net investment income	2,769,373	1,897,050
Unrealised loss on investment		
Net unrealised loss on investment	(5,593,747)	(3,393,308)
Net decrease in net assets resulting from operations	(2,824,374)	(1,496,258)

The accompanying notes form part of these audited financial statements.

Statement of Changes in Net Assets
For the year from 1 January 2025 to 31 December 2025

	2025	2024
	US$	US$
Net decrease in net assets resulting from operations		
Net investment income	2,769,373	1,897,050
Net unrealised loss in investment	(5,593,747)	(3,393,308)
Net decrease in net assets resulting from operations	(2,824,374)	(1,496,258)
Net change from capital transactions		
Distributions to shareholders	(2,700,000)	(3,500,000)
Total decrease in net assets in the year	(5,524,374)	(4,996,258)
Net assets at the beginning of the year	21,848,741	26,844,999
Net assets at the end of the year	16,324,367	21,848,741

The accompanying notes form part of these audited financial statements.

Statement of Cash Flows
For the year from 1 January 2025 to 31 December 2025

	2025	2024
	US$	US$
Cash flows from operating activities:		
Net decrease in net assets from operations	(2,824,374)	(1,496,258)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash flows provided by operating activities:		
Net unrealised loss on investment (equity interest)	5,593,747	3,393,308
Debt interest accrued on investment (debt interest)	-	(127,436)
Interest and loan repayment received	-	1,732,334
Changes in operating assets and liabilities:		
Increase/(decrease) in due to related party	636	(1,110)
Increase in other creditors - due to related party	3,709	4,506
Net cash flows generated from operating activities	2,773,718	3,505,344
Cash flows used in financing activities:		
Distributions paid to shareholders	(2,700,000)	(3,500,000)
Net cash flows utilised in financing activities	(2,700,000)	(3,500,000)
Net increase in cash and cash equivalents during the year	73,718	5,344
Cash and cash equivalents at the beginning of the year	47,135	41,791
Cash and cash equivalents at the end of the year	120,853	47,135

The accompanying notes form part of these audited financial statements.

Notes to the financial statements
For the year from 1 January 2025 to 31 December 2025

1 Business and organisation

USMIL is a company incorporated in Guernsey, which holds a 99.525% interest in the underlying limited partnership, USMHLP. This limited partnership is registered in the USA and holds a 19.23429% interest in Fund IV (the principal investment), an active limited liability company formed in Delaware, USA on 7 December 2016, and which commenced operations on 19 April 2017.

On 2 February 2018, USMIL was granted a listing on the BSX (ticker: USMIL.BH).

The principal investment invests in multifamily real estate entities. Cortland Fund IV Manager, LLC currently serves as the manager (the "CP Manager") and, in addition to an affiliated member, Cortland Fund IV Investors, LLC, has committed a minimum of 20% ownership of the principal investment, subject to a maximum capital contribution of US$20 million as specified in the principal investment's limited liability company agreement (the "LLC Agreement") as amended and restated on 29 March 2018.

The LLC Agreement provides the procedures for capital contributions, distributions, and allocations of income and losses among the members. Available cash is distributed to the members in accordance with the provisions of the LLC Agreement.

The principal investment shall be dissolved and its business wound up on the tenth anniversary of the last day of the offering period. The term may be extended for up to two years if approved by two thirds of investors, or thereafter if approved by a majority of investors.

2 Summary of significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with US GAAP and are presented in US Dollars. USMIL follows the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "ASC") as the source of authorative accounting principles in the preparation of financial statements in conformity with US GAAP. USMIL is an investment company and follows the accounting and reporting guidance in the FASB's ASC 946 Financial Services - Investment Companies.

After analysis of the Variable Interest Entity model provisions within US GAAP, USMIL does not consolidate the results of operations, assets or liabilities of USMHLP in its financial statements, as control of USMHLP lies with the general partner, US Multifamily GP LLC. USMIL fair values its interest in USMHLP, and any movement in fair value is reflected in the Statement of Operations.

Significant accounting policies are those policies that are the most important to the financial statements and/or those that require significant management judgement related to matters that are uncertain. The following valuation policies are considered critical accounting policies due to the judgement and significance involved in their applications.

Going concern

After making enquiries based on justifiable assumptions, the Directors have a reasonable expectation that USMIL will have adequate resources to continue in operational existence for twelve months from the date of signing these financial statements.

The Company has net assets of more than US$16.3m at 31 December 2025. The company receives dividends from its investment. A distribution of US$970,000 from the underlying investment was received in February 2025 and US$900,000 distributed to investors. A further distribution of US$1,900,000 was received in August 2025 before distribution of US$1,800,000 amount to investors. There is no intention to realise the investment or wind up the company in the next 18 months. It is therefore considered that the company has sufficient liquidity to meets its liabilities as they fall due and it is appropriate to prepare the financial statements on a going concern basis.

Notes to the financial statements (continued)
For the year from 1 January 2025 to 31 December 2025

2 Summary of significant accounting policies (continued)

Valuation of USMIL's interest in USMHLP

USMIL records its investment in USMHLP at fair value. The Directors estimate the fair value of the investment in USMHLP to be the net asset value of USMHLP. In calculating the net asset value the valuation of the interest that USMHLP has in its underlying principal investment is also included in its financial statements at fair value after adjusting for tax payable on unrealised gains.

USMIL's investment in USMHLP was valued at a total of US$16,249,352 as of 31 December 2025 (2024: US$21,843,099). The total represents the equity interest USMIL has in USMHLP.

Fair value of financial instruments

US GAAP requires the disclosure of the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquation sale. USMIL financial instruments are recorded at fair value or at amounts whose carrying value approximates fair value.

Net investment income and net gain in investment

USMIL reports on the fair value movement of its equity and debt interest in USMHLP through its Statement of Operations.

Expenses

As the results of operations of USMHLP are not consolidated in USMIL's financial statements, the general and administrative expenses are limited to the expenses that USMIL directly incurs. These expenses consist primarily of professional, audit and administration fees and are accrued as and when they fall due. Expenses incurred at USMHLP level impact the net asset value and hence the fair value of USMHLP.

Taxes

USMIL is not subject to income taxes in Guernsey. USMHLP is subject to potential US corporation tax, its taxes paid and tax liability would impact on the net asset value of USMHLP and hence the fair value of USMHLP. USMIL recognizes the tax benefits of uncertain tax positions only where the position is more-likely-than-not (i.e. greater than 50 percent) to be sustained assuming examination by a tax authority based on the technical merits of the position. In evaluating whether a tax position has met the recognition threshold, USMIL must presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in USMIL’s financial statements. Income tax and related interest and penalties would be recognized by USMIL as tax expense in the statement of operations if the tax positions were deemed to meet the more-likely-than-not threshold.

Investment income

Dividends are recognised when USMIL's right to receive payments is established, normally being the ex-dividend date.

Interest income is recognised on a time-proportionate basis using the effective interest method.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires the Directors to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Such judgements include assessing a reasonable estimate of fair value for the investment held by the Company; and the inclusion of estimated amounts for liabilities and other contingencies, where applicable, within these financial statements. As such actual results may differ materially from those estimates.

The real estate and capital markets are cyclical in nature. Property and investment values are affected by, among other things, the availability of capital, occupancy rates, rental rates and interest and inflation rates. As a result, determining real estate and investment values involves many assumptions. Amounts ultimately realized from each investment may vary significantly from the fair values presented.

Notes to the financial statements (continued)
For the year from 1 January 2025 to 31 December 2025

3 Investments held by USMIL

At 31 December 2025, USMIL's only investment consisted of a 99.525% interest in USMHLP. USMIL makes all of its investments through USMHLP, and is expected that USMIL's only substantial asset will be this interest in USMHLP. Although investments made with USMIL's capital by USMHLP do not appear as investments in USMIL's financial statements, USMIL is the primary beneficiary of such investments and bears substantially all of the risk of loss.

It is anticipated that USMHLP on receipt of distributions from the principal investment will, in turn, make distributions to USMIL to allow USMIL to make cash distributions to its shareholders in accordance with USMIL's distribution policy and to allow USMIL to pay its operating expenses as they become due.

Fair value measurements

In accordance with US GAAP, USMIL prioritises and ranks the level of market price observability used in measuring its investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgement used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I - Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level I include listed equities, securities and listed derivatives.

Level II - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level III - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgement or estimation. Investments that are included in this category generally include private equity, general and limited partner interests in private equity, credit or real estate funds, mezzanine funds, distressed debt, structured debt vehicles and non-investment grade residual interests in securitisations.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. USMIL's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment.

As of 31 December 2025, USMIL's equity investment was valued based on its "pro rata" allocation of net assets of USMHLP (which in turn was based on USMHLP's underlying investment in Fund IV which was valued based on the fair value that USMHLP believes it could be sold or transferred in an orderly transaction between market participants as of the measurement date). The Directors are of the opinion that given the nature of financial information available on USMIL's investment in USMHLP, the investment held by USMIL would be categorised as level 3 in the fair value reporting hierarchy.

The fair value of the debt interest invested in USMHLP is continually considered and assessed by the Directors. The principal and compounded interest is determined by the Shareholders' agreement, and its recoverability is dependent on the underlying performance of USMHLP. This is the fifth period of operation and the indications are that the debt interest is holding value, however by adopting the cost allocation and compounding the interest as stipulated in the agreement, the resulting balance of the debt interest displayed at the period end is considered to be the most appropriate fair value.

4 Capital transactions

On 15 December 2017, the initial closing consisted of an issue of 31,500 shares in USMIL at US$1,000 per share (par value) raising total capital of US$31,500,000. The second closing on 13 April 2018 raised a further US$2,000,000 of capital by issuing 1,974 shares in USMIL at US$1,013.17 per share. Since that issue date, no shares have been either issued or redeemed by USMIL.

Notes to the financial statements (continued)
For the year from 1 January 2025 to 31 December 2025

5 Financial highlights

Financial highlights for USMIL were as follows:	2025 US$	2024 US$
Per share operating performance:		
Average capital introduced per share	1,000.78	1,000.78
Net asset value at the beginning of the year	652.71	801.97
Gain from investment operations:		
Net investment income	82.73	56.67
Net unrealised loss in investment	(167.11)	(101.37)
Total loss from investment operations	(84.38)	(44.70)
Less: Distributions to shareholders	(80.66)	(104.56)
Net asset decrease per share for the year	(165.04)	(149.26)
Net asset value per share at end of the year	487.67	652.71
Total return for the year	(12.93%)	(5.57%)
Percentage and supplemental data:		
Average net asset value held in the year (US$)	19,086,554	24,346,870

Percentages of average net asset value on an annualised basis:

	2025	2024
Expenses	0.53%	0.41%
Net investment income	14.51%	7.79%
Net unrealised loss in investment	-29.31%	-13.94%
Distributions to shareholders	14.15%	14.38%
Internal Rate of Return	12.69%	14.41%

6 Financial risk management

As USMIL has a 99.525% economic interest in USMHLP, and USMHLP's only investment is an interest in Fund IV (the principal investment), the majority of risk lies with the principal investment.

Market and liquidity risk

The principal investment invests in multifamily real estate entities. A decline in economic growth in either the USA or in the local jurisdictions in which the entities reside could result in a reduction in the volume of transactions. Declines in economic growth could result in a contraction in short-term and long-term debt and equity funding resources. Although the real estate industry and the USA specifically has seen economic stability in recent years, there can be no assurance that market conditions will remain or continue to improve in the near future. Furthermore, the uncertainty in liquidity and prices of real estate and real estate related investments, as well as the availability of observable transaction data and inputs, continues to make it challenging to determine the fair value of such investments. Asa result, amounts ultimately realised by the principal investment from selling investments may differ from the fair value presented, and the difference could be material.

Financing risk

There is no guarantee that the principal investment's borrowing arrangements or other arrangements for obtaining leverage at the real estate investment entities will continue to be available, or if available, will be available on terms and conditions acceptable to the principal investment or its underlying investments. Unfavourable economic conditions could increase funding costs, limit access to the capital markets or result in a decision by lenders not to extend credit to the principal investment or its real estate entities.

Notes to the financial statements (continued)
For the year from 1 January 2025 to 31 December 2025

6 Financial risk management (continued)

Credit risk

Financial instruments which potentially subject the principal investment to a concentration of credit risk consist of cash and cash equivalents. The principal investment places its cash and cash equivalents with high credit quality institutions and minimizes its credit risk exposure through formal credit policies and monitoring procedures. The principal investment maintains funds in accounts with financial institutions that, from time to time, exceed the Federal Deposit Insurance Corporation insured limit.

7 Investment in USMHLP

As at 31 December 2025, the cost of USMIL's investment into USMHLP (net of repayments) was US$12,611,467 (2024: US$12,611,467). In accordance with the shareholder agreement signed in February 2018, the funded capital is split between debt and equity.

The debt portion was repaid in 2023

The equity portion, being 100% (2024: 100%) of the total funded capital, is entitled to the net gain on the investment in USMHLP after adjusting for the interest receivable arising from the debt portion and other expenses.

8 Total shareholders' equity

	Par value US$	Share premium US$	Retained earnings US$	Total US$
Balance as at 31 December 2023	33,474,000	26,000	(6,655,001)	26,844,999
Retained earnings for the year	-	-	(1,496,258)	(1,496,258)
Distributions to shareholders	-	-	(3,500,000)	(3,500,000)
Balance as at 31 December 2024	33,474,000	26,000	(11,651,259)	21,848,741
Retained earnings for the year	-	-	(2,824,374)	(2,824,374)
Distributions to shareholders	-	-	(2,700,000)	(2,700,000)
Balance as at 31 December 2025	33,474,000	26,000	(17,175,633)	16,324,367

All shares are fully paid and, as at 31 December 2025 there are 33,474 shares in issue (31 December 2024: 33,474 shares in issue). The company may issue an unlimited number of shares.

9 Provision for deferred taxation in USMHLP

USMIL is exempt from Guernsey income tax. USMHLP is subject to US corporation tax at a rate of 21% on the potential gain on the underlying principal investment. A deferred tax adjustment (a liability amounting to US$3,534,866) has been considered in determining the fair value of the investments held by USMHLP.

10 Capital commitments

The capital contributed to USMHLP has been used to fully fund its commitment, in accordance with the LLC Agreement, in the underlying principal investment.

11 Distributions

Distributions to shareholders will be made at the discretion of the Board of Directors, as determined by the Articles of Association, and within the limits stipulated by Guernsey company law.

Notes to the financial statements (continued)
For the year from 1 January 2025 to 31 December 2025

12 Related party transactions

Related parties comprise transactions with key management personnel, key service providers and affiliates.

Michael Schwenke (director) and Nicholas Riley (alternate director to Michael Schwenke), who held office at the year end each had an interest in 125 shares (2024: 125 shares) of USMIL as at 31 December 2025. These shares are held through nominee companies.

At year end, the provision for the performance fee amounted to US$1,726,233 (2024: US$2,358,995) which will be payable by USMHLP to the real estate manager, Investec Property Proprietary Limited on exit. USMIL's share of this cost amounted to US$1,718,033 (US$1,726,233 x 99.525%), (2024: US$2,347,790 (US$2,358,995 x 99.525%). The credit for the year was US$632,762 (2024: Expense of US$62,334)

During the year, a distributor fee amounting to US$288,000 (2024: US$288,000) was payable by USMHLP to Investec Securities Property Limited, a related company. USMIL's share of this cost amounted to US$286,632 (US$288,000 x 99.525%), as at 31 December 2024 the cost was US$286,632 (US$288,000 x 99.525%). US$240,263 (2024: US$47,737) was payable at the year end.

During the year, a real estate manager fee amounting to US$216,900 (2024: US$216,900) was payable by USMHLP to Investec Property Limited, a related company. USMIL's share of this cost amounted to US$215,870 (US$216,900 x 99.525%), US$445 (2024: US$54,670) was payable at the year end.

During the year, administration fees amounting to US$46,411 were payable to Zedra Fund Managers (Guernsey) Limited, the administrator and registrar (2024: US$44,372) of which US$11,886 (2024: US$11,250) was outstanding at year end. The fee is 15 basis points on the average of the opening and closing net asset value for the year.

In the opinion of the directors there is no controlling party as no one party has the ability to direct the financial and operating policies of the company, with a view to gaining economic benefits from their direction.

13 Subsequent events

Management has evaluated all events or transactions that occurred after 31 December 2025 and until the date of signing of these financial statements, and no other material events or transactions were identified. A distribution of US$5,200,000 was received from USMHLP and a distribution of US$5,100,000 was made to investors on 17 February 2026.

USMFIL FS 2025

Final Audit Report 2026-06-29

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