

Action Summary – 25 March 2020

Analyst Theodore R. O'Neill *is initiating coverage of UC Asset LP*

- **We are initiating coverage of UC Asset LP with a Buy rating and a \$5.50 unit price target.**
- UC Asset went public with a Regulation A offering that was qualified in 2018. Trading on the OTC began January 2, 2020.
- UC Asset is engaged in residential and commercial real estate development and redevelopment primarily in Atlanta, GA. The business is structured as a publicly traded limited partnership (Master Limited Partnership or MLP) rather than a real estate investment trust (REIT) in order to appeal to investors looking for long-term growth. It does not pay a dividend.
- Atlanta is the #1 fastest growing, most affordable residential real estate market in the U.S. Part of the reason for its growth is it is HQ for 88 public and nearly 16,000 private companies. Between 2013 and 2019, three massive headquarters were built in Dunwoody and Sandy Springs north of Atlanta totaling nearly three million ft².
- We believe that given the dislocation in the market due to the Coronavirus, this is likely to be a good time to acquire real estate – there could be fewer qualified buyers.

3/24 Closing price: \$2.10

Market cap: \$10.5 million

Multiple of book: 1.16

Dividend/Yield: NA/NA

Statement of Changes in Net Assets (\$)

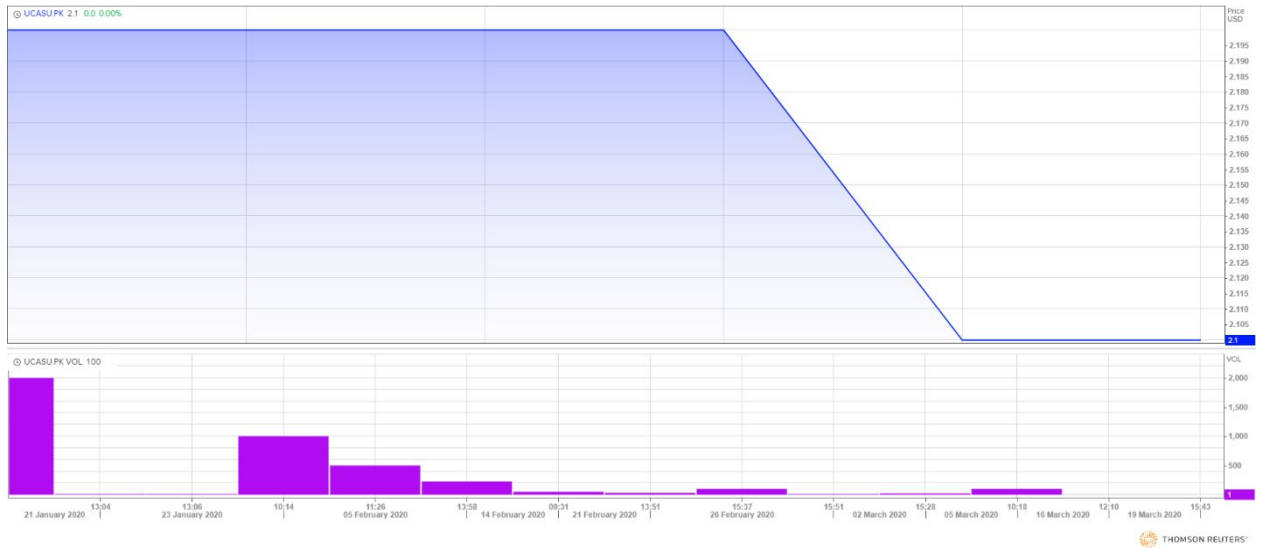
	<u>2021E</u>	<u>2020E</u>	<u>2019E</u>	<u>2018</u>	<u>2017</u>
Interest income	\$8,000	\$7,000	\$7,500	\$5,194	\$9,131
Other Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Income	<u>8,000</u>	<u>7,000</u>	<u>7,500</u>	<u>5,194</u>	<u>9,131</u>
Operating expenses:					
Management Fees	160,000	150,000	140,000	155,221	142,731
Professional fees and other expenses	115,000	110,000	105,000	83,645	107,238
Depreciation		<u>2,250</u>	<u>2,250</u>	<u>2,223</u>	<u>1,902</u>
Total Expenses	<u>275,000</u>	<u>262,250</u>	<u>247,250</u>	<u>241,089</u>	<u>251,871</u>
Net investment loss before unrealized (losses) / gains	(267,000)	(255,250)	(239,750)	(235,895)	(242,740)
Unrealized (loss) / gain on investment	<u>900,000</u>	<u>400,000</u>		<u>(25,592)</u>	<u>873,801</u>
Net investment (loss) / gain	<u>\$633,000</u>	<u>\$144,750</u>	<u>(\$239,750)</u>	<u>(\$261,487)</u>	<u>\$631,061</u>
Net increase / (decrease) in net assets from operations	\$0.12	\$0.03	(\$0.05)	(\$0.05)	\$0.14
Weighted average units outstanding	5,500,000	5,200,000	5,017,140	5,000,111	4,367,552

Risks/Valuation

- Risks include: Changes in credit markets, housing demand, weather impact on construction projects
- Our \$5.50 unit target is derived using a multiple of net equity per share

Company description: UC Asset LP is a limited partnership formed for the purpose of investing in real estate for development and redevelopment, concentrating in metropolitan areas of Atlanta, GA and Dallas, TX.

Figure 1 – UC Asset LP - Trading snapshot



Source: Refinitiv Eikon

Investment Thesis

We are initiating coverage of UC Asset LP with a Buy rating and a \$5.50 unit price target.

UC Asset went public with a Regulation A offering that was qualified in 2018. Trading on the OTC began January 2, 2020. In order to obtain a listing on the OTC, it spent a good part of 2018 completing a FINRA review.

UC Asset is engaged in residential and commercial real estate development and redevelopment primarily in Atlanta, GA. The business is structured as a publicly traded limited partnership (Master Limited Partnership or MLP) rather than a real estate investment trust (REIT) in order to appeal to investors looking for long-term growth. It does not pay a dividend. With its listing, it now has the ability to pay for real estate with its own shares.

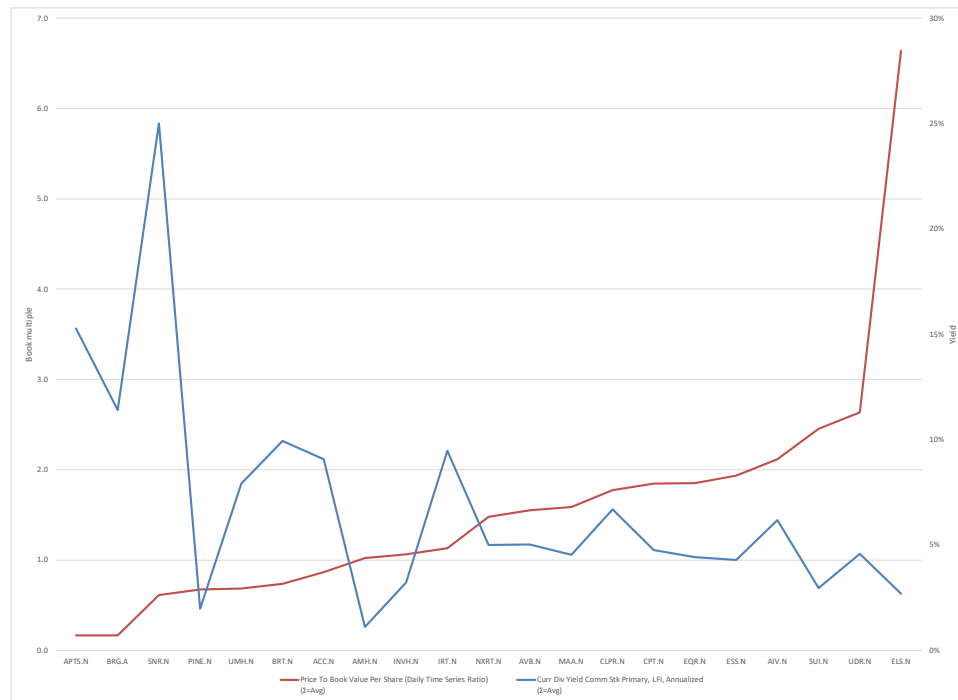
Atlanta is the #1 fastest growing, most affordable residential real estate market in the U.S. Part of the reason for its growth is it is HQ for 88 public and nearly 16,000 private companies. Between 2013 and 2019, three massive headquarters were built in Dunwoody and Sandy Springs north of Atlanta totaling nearly three million ft².

We believe that given the dislocation in the market due to the Coronavirus, this is likely to be a good time to acquire real estate – there could be fewer qualified buyers.

Valuation and Methodology

Valuing a dividendless real estate MLP requires some creativity because they are scarce. What we did was look primarily at the constituents of the Thomson Reuters U.S. Residential REIT Index (n=21) and we looked at two metrics: dividend yield and multiple of book. Now REITs aren't the best comparable because they have to pay out 90% of earnings every year which would more or less work to keep book value from growing. But what we observed is that higher book multiples (left hand scale, red line) tend to correlate with lower dividend yield (right hand scale, blue line). See Figure 2.

Figure 2 – UC Asset LP – U.S. REITs Book Multiple vs. Yield



Source: Litchfield Hills Research LLC

Book multiples range from 0.17x to 6.6x (see Figure 13). Since UCASU does not pay a dividend, we might argue for the high end of the range, but for the sake of being conservative in this example, we would expect the units to trade up to at least 50% of the high-end of the range. Were it to trade to 3.3x book/net equity per share, the units would sell for \$5.78. For the purposes of this report, we rounded that down to \$5.50/unit

Guidance and Financial Forecasts

On March 2, the company announced that its shareholder's net equity increased from approximately \$8.35 MM by the end of 2018, to approximately \$8.78 MM by the end of 2019, which equals a 5.1% increase YoY. Considering the change of the weighted number of common units, this result translates into a \$0.07 increase of net equity per share.

According to management, 2019 is a year of slower market growth in both metro Atlanta and Dallas, where it has built its portfolio. For nearly the entire year, it has had to freeze business operations in capital raising and M&A, because it was subject to FINRA review in order to get quoted on OTC markets.

Management expressed confidence that it will have much higher growth in 2020. Also, in March it raised an additional \$300,000 from an accredited investor in the U.S. This is significant because the company was founded with global capital mostly from Chinese investors. Our detailed forecasts are in Figures 14, 15, 16, and 17.

Company Overview

UC Asset LP is a limited partnership formed on February 1, 2016. It invests in real estate for development and redevelopment in the Atlanta and Dallas areas. The long-term goal of the Partnership is to acquire assets with potential for long-term appreciation as suitable opportunities arise, renovate, remodel, or rebuild them and sell them at a profit. When appropriate, the Partnership may sell or refinance selected properties. Proceeds from any such sales or refinancing will be used to reduce debt, reinvested in acquisitions of other properties, distributed to the partners, repurchase equity interests, or used for operating expenses or reserves, as determined by the General Partner.

The partnership is managed by its General Partner, UCF Asset LLC under the terms of the partnership's Limited Partnership Agreement.

The individuals who own and control the general partner are "Larry" Xianghong Wu, as General Partner with a 90% interest and Gregory Bankston with a 10% interest. Both men bring significant expertise to the management of a portfolio of assets.

Larry Wu has years of experience as a portfolio manager. He has managed a \$1 billion portfolio in China, has worked for Cisco Systems (CSCO-NR) as a senior executive in China and as a liaison officer at the Chinese Embassy to the U.S. He has been instrumental in founding UC Asset and raising capital.

Gregory Bankston is a real estate expert with 15 years of experience. We believe that in most real estate markets, knowledge of the local market is particularly important. We believe that in order to maximize success in this business, you need someone who knows which parts of an area to avoid, what parts are in demand, and what buyers are looking to acquire. Gregory Bankston provides this expertise in both the acquisition, development, and disposition of assets. He also has over a decade experience in property development. Gregory Bankston is the managing member of the general partner.

UCF Asset LLC does not conduct any business activities other than management of the partnership.

The partnership's investments primarily consist of ownership interests in residential properties for redevelopment in the Atlanta metropolitan area and land for development in the Dallas metropolitan area. Since inception it has acquired 28 residential properties and disposed of 17.

The business is structured as a publicly traded limited partnership (Master Limited Partnership or MLP) rather than a real estate investment trust (REIT) in order to appeal to investors looking for long-term growth. It combines the tax benefits of a private partnership—profits are taxed only when investors receive distributions—with the liquidity of a publicly-traded company. The majority of MLPs are organized in natural resources sectors, and only a very limited number are in real estate. The Master Limited Partnership Association counted a total number of 82 MLPs trading on US national exchanges, and only four of them are in the real estate sector. We highlight the distinctions between REITs and MLPs in Figure 3.

Figure 3 – UC Asset LP – REITs vs MLPs

REIT	vs	MLP
<ul style="list-style-type: none"> Popular as a real estate investment vehicle on public market; 90% of profit must be distributed as cash dividend; May prefer properties with current and/or immediate cash income; Great for managers who are familiar with financial engineering; and Suit investors who seek immediate cash dividend. 		<ul style="list-style-type: none"> Under-supplied on public market as a real estate investment tool; No cash dividend requirements; May acquire financially distressed properties with great potential of value-adding over time; Great for managers who are familiar with real estate industry; and Suit investors who look for long term equity growth.

Source: Company presentation

Residential Investment and Redevelopment in Metropolitan Atlanta

UC Asset acquires and redevelops residential real estate properties in the northern area of metropolitan Atlanta, mostly in the suburban regions north of Atlanta, known as Brookhaven, Dunwoody and Marietta, and in downtown Atlanta. Atlanta is the ninth largest metropolitan area in the United States.

Its properties in metropolitan Atlanta are acquired and owned through its wholly-owned investee Atlanta Landsight LLC, which is a Georgia limited liability company.

Upon acquisition of a property, it makes improvements intended to increase its value before putting it back on the market for sale. Depending on the condition of a property, the improvements may be renovation, remodeling, or a complete tear-down and rebuild of the residential home. After improvements, it may sell the completed project immediately if it believes the submarket has reached a short-term peak; or, it may rent it out for a period, usually no longer than 12 months, if it believes that the submarket has potential of appreciation in the coming year.

Atlanta is an attractive market for real estate development. According to Nerdwallet, <https://www.nerdwallet.com/blog/mortgages/most-and-least-affordable-housing-markets-q2-2018/> Atlanta is the fastest growing Metro Area with the most affordable housing in the United States. According to Danielle Hale, Chief Economist at realtor.com, the reason for this growth is that there is space to grow, with few physical barriers such as mountains and oceans and they have local governments that “are more willing to permit and allow development too.” Data from the Nerdwallet analysis is shown in Figure 4

Figure 4 – UC Asset LP – Affordability of housing in Atlanta

Atlanta Is The #1 Fastest Growing Metro Area With The Most Affordable Housing

1. Atlanta-Sandy Springs-Roswell, Georgia

Median home price: **\$228,800**

Median household income: **\$62,613**

Principal and interest payment: **\$950** (equivalent to 18.2% of median monthly income)

Atlanta had the lowest median house price among the 10 fastest-growing metro areas, yet it had the fifth-highest household income. The combination of good wages and low house prices put Atlanta at the top for house affordability. It added 89,013 people in 12 months, making it the third-fastest-growing metro.

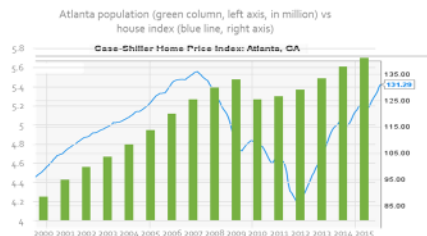
Source: Nerdwallet

Indeed, Atlanta's population growth has led to an increase in housing value (see Figure 5).

Figure 5 – UC Asset LP – Population and Housing Growth

Atlanta Is The 3rd Fastest Growing Metro In US – Population Growing 70,000 – 90,000 People Every Year

Growth of Population Correlated with and Led to the Increase of Local House Price



Population Growth Driven by 3 Industrial Trends That Will Likely Last for Decades

- Continuous growth of its traditional industries as an international transportation hub and corporate headquarter cluster.
- Fast expansion of new service industries such as entertainment, as Atlanta has proactively market itself as "Hollywood of the South" for the past decades.
- One of the top "rising stars" for technology startups in the U.S. Total tech jobs have grown by 46.7% since 2010 – almost 20 percentage above the national average.

Source: Company presentation

One of the reasons for such strong growth is that Atlanta is headquarters for 88 public companies with a combined market cap of \$870 Billion, serving a wide diversity of business segments, and employing over one million people, although not all in Atlanta. See Figure 6.

Figure 6 – US Asset LP – Companies with headquarters in Atlanta over \$100MM Market Cap

Company Name	Market Cap (\$MM)	Business Sector
Aaron's Inc	2,164	Retailers
Acuity Brands Inc	3,908	Cyclical Consumer Products
American Software Inc	472	Software & IT Services
Americold Realty Trust	5,945	Real Estate
Ameris Bancorp	1,886	Banking & Investment Services
Atlantic Capital Bancshares Inc	326	Banking & Investment Services
Atlanticus Holdings Corp	195	Banking & Investment Services
Beazer Homes USA Inc	331	Cyclical Consumer Products
Cardlytics Inc	1,131	Cyclical Consumer Services
Carter's Inc	3,577	Retailers
CatchMark Timber Trust Inc	390	Real Estate
Coca-Cola Co	222,656	Food & Beverages
Cousins Properties Inc	4,865	Real Estate
Crawford & Co	368	Insurance
Cumulus Media Inc	144	Cyclical Consumer Services
Delta Air Lines Inc	27,857	Transportation
Equifax Inc	17,178	Industrial & Commercial Services
EVO Payments Inc	1,793	Industrial & Commercial Services
Fleetcor Technologies Inc	19,016	Industrial & Commercial Services
Floor & Decor Holdings Inc	4,623	Retailers
Genuine Parts Co	11,652	Automobiles & Auto Parts
Global Payments Inc	49,364	Industrial & Commercial Services
Graphic Packaging Holding Co	3,853	Applied Resources
Gray Television Inc	1,314	Cyclical Consumer Services
GreenSky Inc	1,043	Banking & Investment Services
Haverty Furniture Companies Inc	316	Retailers
HD Supply Holdings Inc	5,554	Industrial & Commercial Services
Home Depot Inc	229,576	Retailers
Intercontinental Exchange Inc	49,047	Banking & Investment Services
Interface Inc	758	Cyclical Consumer Products
Invesco Ltd	5,255	Banking & Investment Services
Invesco Mortgage Capital Inc	2,491	Real Estate
Manhattan Associates Inc	3,954	Software & IT Services
Marine Products Corp	399	Cyclical Consumer Products
Metrocity Bankshares Inc	307	Banking & Investment Services
NCR Corp	2,494	Software & IT Services
Newell Brands Inc	5,793	Cyclical Consumer Products
Oxford Industries Inc	933	Cyclical Consumer Products
Piedmont Office Realty Trust Inc	2,598	Real Estate
Preferred Apartment Communities Inc	416	Real Estate
PulteGroup Inc	10,429	Cyclical Consumer Products
Repay Holdings Corp	1,093	Industrial & Commercial Services
Rollins Inc	12,547	Industrial & Commercial Services
RPC Inc	472	Energy - Fossil Fuels
SecureWorks Corp	953	Software & IT Services
SigmaBroadband Co	1,279	Telecommunications Services
Southern Co	65,531	Utilities
United Parcel Service Inc	74,843	Transportation
Veritiv Corp	115	Transportation
Westrock Co	6,878	Applied Resources

Source: Litchfield Hills Research LLC and Thomson Reuters

Atlanta is also headquarters for 15,884 private companies according to Thomson Reuters and it is U.S. headquarters for some large global firms including Mercedes-Benz and Porsche.

Acquiring Assets

Since inception, the company has acquired 28 residential properties and is currently evaluating three other properties depending on liquidity. Evaluating assets is a joint effort and includes “Larry” Xianghong Wu, Gregory Bankston, and Chief Engineer, Felipe de Leon. Oftentimes it involves professional opinions from outside third parties with specialized engineering, regulatory or market information. Every team member may bring in opportunities, but Greg is the one who screens them in the first round. When evaluating an asset, the team is looking for very specific criteria that varies depending on where the property is located, what needs to be done to it (if anything), what it might sell for and how long it would take to realize that objective. It also looks for diversity in the portfolio of assets it examines and acquires, including a mix of residential, and income producing such as apartments, and office buildings as well as a mix of short and long-term opportunities of varying sizes. Assets may be acquired using shares of company stock which would improve cash flow.

Renovation, Remodeling and Rebuilding

Renovation, remodeling and rebuilding have different levels of investment and range of ROI. Of the 28 it has acquired; we show the breakdown of each in Figure 7.

Figure 7 – UC Asset LP – Property Development

Activity	Typical ROI	Level of Investment	Intensity of Construction Management	Number Completed Since Inception
Renovation	Low	\$	Low	19
Remodeling	Medium	\$\$	Medium	4
Rebuilding	High	\$\$\$	High	5

Source: Litchfield Hills Research and Company data

Renovation

Renovating a property usually includes optimizing spaces, fixing or replacing water lines, running new power lines, installing or repairing HVAC equipment, installing new flooring, upgrading kitchens and bathrooms, installing new appliances, and/or painting of interior and exterior walls. Renovation can be a relatively low-cost method to improve the value of a property.

Remodeling

A remodeled property may include most renovation described above but also changes to the structure, usually by adding more space and altering floor plans. Remodeling usually cost more than renovation but less than rebuilding, and its ROI is usually be higher than renovation but lower than rebuilding.

Rebuilding

If the condition of a property is too deteriorated to be cost-effectively fixed or repaired, it may be a candidate to tear down and rebuild. When choosing properties to rebuild, the company prefers those in a neighborhood where other active rebuilding projects have taken place and completed rebuilt properties have been sold.

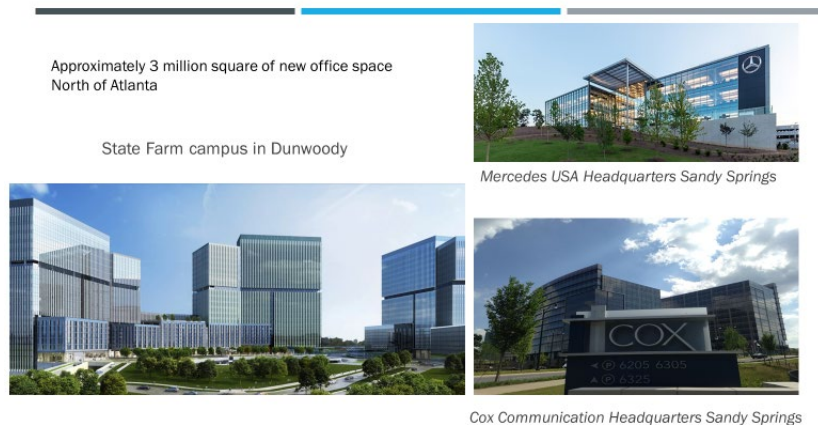
Disposition of Assets

Since inception, the company has sold 17 properties. It has 11 other properties in various states of disposition from development to in-contract to sell. Even before the renovations are completed, the asset can be marketed for sale. The company utilizes the real estate brokerage services of Liz Bankston of Bankston Brokers to acquire and sell properties in the Atlanta area. Mrs. Bankston is the wife of Gregory Bankston, the managing member of the general partner. UC Asset’s relation with Liz Bankston is not exclusive, and it has worked with other brokers from time to time. The company believes the commissions it pays are at or less than a standard market rate.

Practical Example of How UC Asset Management Views the Opportunity in Atlanta

Between 2013 and 2019, three massive headquarters were built in Dunwoody and Sandy Springs north of Atlanta totaling nearly three million ft². State Farm built a campus of two million ft², Mercedes built a USA HQ of 200,000 ft² and Cox built an office of 578,000 ft² (see Figure 8).

Figure 8 – UC Asset LP – Recent Corp HQ Construction North of Atlanta



Source: Litchfield Hills Research and Company presentation

All three of these office complexes are within four miles of each other and helped drive a shortage in supply of high-end single-family homes. According to the Multiple Listing Service (MLS) data, as of January, 2020 there was a significant shortage of single-family high-end homes for sale in the UC Asset targeted areas (see Figure 9).

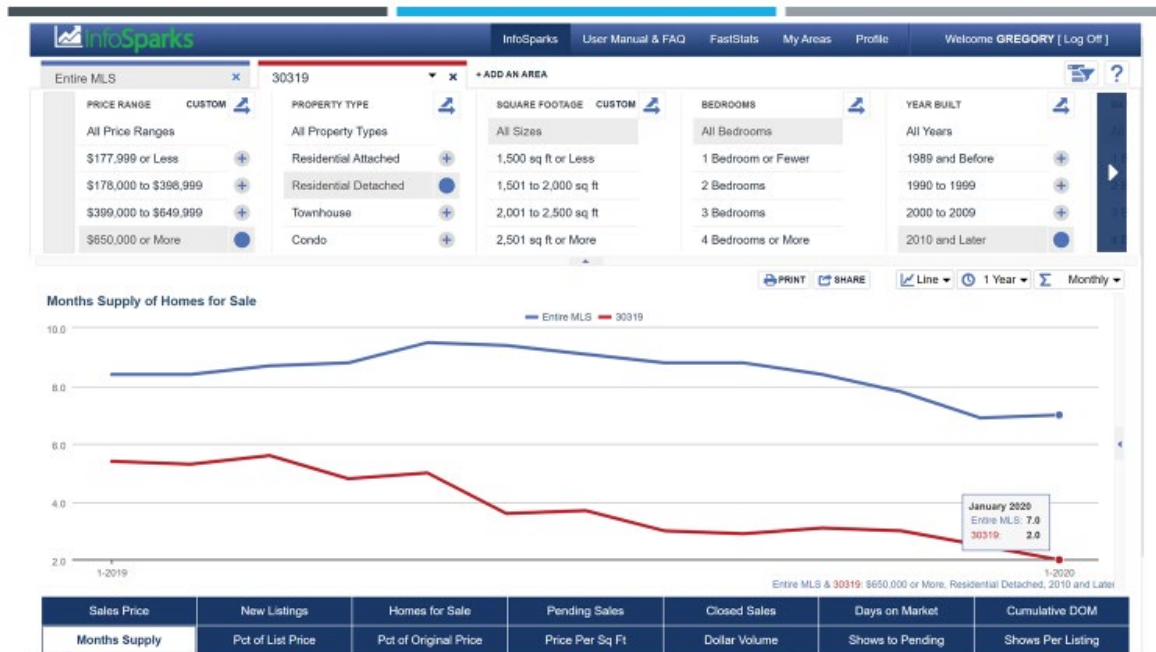
Figure 9 – UC Asset LP – Months' Supply of Single-Family High-End Homes

City	House Price	Months' Supply (MS)	Average MS All MLS	Shortfall to average
Atlanta	>\$650K	2	7	71%
Sandy Springs	>\$500K	3.7	6.1	39%
Dunwoody	>\$486K	3	4.8	38%

Source: Litchfield Hills Research and Company Data

The trend in Atlanta in particular has been trending down for the twelve months ending January 2020. Red line is Atlanta (see Figure 10).

Figure 10 – UC Asset LP – Months' Supply of high-end homes in Atlanta 1/2019 – 1/2020

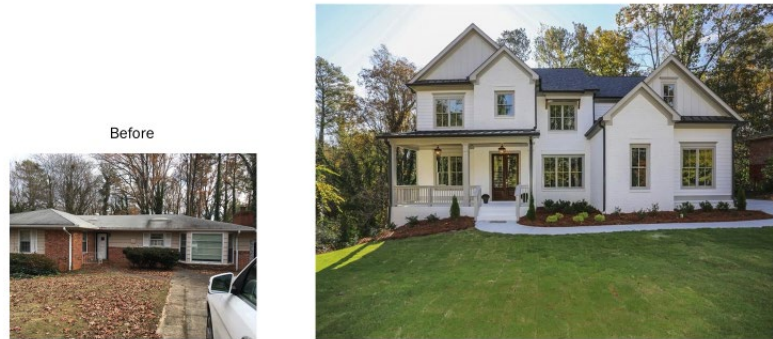


Source: Company Presentation

To capitalize on the opportunity, UC Asset has transformed older homes into the style of home high-end buyers want. For example, the Company acquired a ranch home on 1433 Oconee Pass NE in Brookhaven, GA on 2/7/2017 for \$350,000, remodeled it and sold it 3/15/19 for \$1.19 million (see Figure 11)

Figure 11 – UC Asset LP – Representative Example of Successful Remodel

1433 Oconee Pass NE – Complete Remodel



Source: Litchfield Hills Research and Company presentation

Another example. UC Asset acquired a two-story colonial on 1745 Tamworth, CT, Atlanta (Dunwoody) on 5/16/2017 for \$435,000, remodeled it and it is now in contract for \$1.26 million (see Figure 12).

Figure 12 – UC Asset LP – Representative Example of Successful Remodel

1745 Tamworth Ct. – Complete Remodel



Source: Litchfield Hills Research LLC and Company presentation

Management Team

Dr. Larry Wu, Founder, General Partner

Dr. Larry Wu started his career with a business group in China in the mid-1990s before he was recruited to work as a liaison officer at the Chinese Embassy to the US in 2000 to promote trade and investment between the two nations. Following his term, he returned to the private sector and worked with US private investment advisories including Manatt & Jones Global Strategies, and then served as a senior executive for Cisco Systems in China. Later he worked for a family office and managed a billion-dollar portfolio in China. He shifted his focus to the US real estate market and founded UC Asset LP in 2015.

Gregory C. Bankston, Managing member

A real estate expert with over 15 years of experience, Greg was recognized as a gifted salesman even in his childhood. He won "Rookie of the Year" in his first year with Keller Williams Realty in 2002. After 2008 he elevated his involvement in real estate and embarked on property development, and has since acquired extensive experience in evaluating potential investment opportunities and managing high quality yet cost-effective renovation, rehabilitation, and new construction. He joined UC Asset LP in 2016.

Felipe de Leon, Chief Engineer

A US citizen with Mexican legacy, Felipe was born into a construction family and worked on building sites as a child. He explored his potential in other areas such as insurance and IT but returned to family business and has since then worked in construction for over 25 years. He is an effective process implementation expert with strong field troubleshooting skills. He is also a resourceful team leader and a solution-oriented project manager.

Figure 13 – UC Asset LP – Comp Table

Ticker	Company Name	Market Cap (USD) (Σ=Avg)	Curr Div Yield Comm Stk Primary, LFI, Annualized (Σ=Avg)	Price To Book Value Per Share (Daily Time Series Ratio) (Σ=Avg)
APTS.N	Preferred Apartment Communities Inc	327,846,636	15.3%	0.17
BRG.A	Bluerock Residential Growth REIT Inc	139,922,591	11.4%	0.17
SNR.N	New Senior Investment Group Inc	169,075,653	25.0%	0.61
PINE.N	Alpine Income Property Trust Inc	92,713,990	2.0%	0.67
UMH.N	UMH Properties Inc	375,368,057	7.9%	0.69
BRT.N	BRT Apartments Corp	142,811,286	9.9%	0.74
ACC.N	American Campus Communities Inc	2,856,668,320	9.1%	0.86
AMH.N	American Homes 4 Rent	5,459,554,267	1.1%	1.02
INVH.N	Invitation Homes Inc	8,740,569,741	3.2%	1.06
IRT.N	Independence Realty Trust Inc	781,224,353	9.5%	1.13
NXRT.N	NexPoint Residential Trust Inc	632,420,900	5.0%	1.48
AVB.N	AvalonBay Communities Inc	17,028,941,230	5.0%	1.55
MAA.N	Mid-America Apartment Communities	9,675,360,623	4.5%	1.59
CLPR.N	Clipper Realty Inc	101,543,630	6.7%	1.77
CPT.N	Camden Property Trust	6,550,058,442	4.8%	1.84
EQR.N	Equity Residential	19,115,972,494	4.4%	1.85
ESS.N	Essex Property Trust Inc	12,058,538,138	4.3%	1.94
AIV.N	Apartment Investment and Managemen	3,766,449,867	6.2%	2.11
SUI.N	Sun Communities Inc	9,512,959,248	3.0%	2.45
UDR.N	UDR Inc	8,850,729,149	4.6%	2.63
ELS.N	Equity LifeStyle Properties Inc	8,299,633,614	2.7%	6.64
UCASU.PK	UC Asset LP	10,535,700	0%	1.16

Source: Litchfield Hills Research LLC and Refinitiv Eikon (formerly Thomson Reuters Eikon)

Figure 14 – UC Asset LP – Balance Sheet (\$) Year Ending December

	<u>2021E</u>	<u>2020E</u>	<u>2019E</u>	<u>2018</u>	<u>2017</u>
Assets					
Portfolio investments	\$10,600,000	\$9,200,000	\$8,660,238	\$8,227,738	\$7,532,507
Property, equipment, and other assets	\$40,000	\$32,000	\$32,999	\$34,047	\$37,356
Cash and equivalents	<u>\$95,040</u>	<u>\$260,040</u>	<u>\$164,053</u>	<u>\$135,353</u>	<u>\$178,689</u>
Total Assets	<u>\$10,735,040</u>	<u>\$9,492,040</u>	<u>\$8,857,290</u>	<u>\$8,397,138</u>	<u>\$7,748,552</u>
Liabilities and Partners' Capital					
Accrued expenses	\$100,000	\$90,000	\$75,000	\$45,098	\$146,000
Partners capital	<u>\$10,635,040</u>	<u>\$9,402,040</u>	<u>\$8,782,290</u>	<u>\$8,352,040</u>	<u>\$7,602,552</u>
Total liabilities and Partners' Capital	<u>\$10,735,040</u>	<u>\$9,492,040</u>	<u>\$8,857,290</u>	<u>\$8,397,138</u>	<u>\$7,748,552</u>
Net Equity Per Share	\$1.93	\$1.81	\$1.75	\$1.67	\$1.77

Source: Company filings and Litchfield Hills Research LLC

Figure 15 – UC Asset LP – Statement of Changes in Net Assets (\$) Year Ending December

	<u>2021E</u>	<u>2020E</u>	<u>2019E</u>	<u>2018</u>	<u>2017</u>
Interest income	\$8,000	\$7,000	\$7,500	\$5,194	\$9,131
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Depreciation		<u>\$2,250</u>	<u>\$2,250</u>	<u>\$2,223</u>	<u>\$1,902</u>
Total Expenses	<u>\$275,000</u>	<u>\$262,250</u>	<u>\$247,250</u>	<u>\$241,089</u>	<u>\$251,871</u>
Net investment loss before unrealized (losses) / gains	-\$267,000	-\$255,250	-\$239,750	-\$235,895	-\$242,740
Unrealized (loss) / gain on investment	<u>\$900,000</u>	<u>\$400,000</u>		<u>-\$25,592</u>	<u>\$873,801</u>
Net investment (loss) / gain	<u>\$633,000</u>	<u>\$144,750</u>	<u>-\$239,750</u>	<u>-\$261,487</u>	<u>\$631,061</u>
Net increase / (decrease) in net assets from operations	\$0.12	\$0.03	(\$0.05)	(\$0.05)	\$0.14
Weighted average units outstanding	5,500,000	5,200,000	5,017,140	5,000,111	4,367,552

Source: Company reports and Litchfield Hills Research LLC

Figure 16 – UC Asset LP – Statement of Partners Capital (\$)

Balance January 1, 2017	\$4,425,578
Contributions	\$2,649,876
Distributions	-\$23,704
Advances to General Partner, net of repayments	-\$80,259
Net change in net assets from operations	<u>\$631,061</u>
Balance, December 31, 2017	\$7,602,552
Contributions	\$1,106,128
Distributions	-\$236,363
Advances to General Partner, net of repayments	\$141,210
Net change in net assets from operations	<u>-\$261,487</u>
Balance, December 31, 2018	\$8,352,040
Contributions	\$725,000
Distributions	-\$75,000
Advances to General Partner, net of repayments	\$20,000
Net change in net assets from operations	<u>-\$239,750</u>
Balance, December 31, 2019E	\$8,782,290
Contributions	\$500,000
Distributions	-\$75,000
Advances to General Partner, net of repayments	\$50,000
Net change in net assets from operations	<u>\$144,750</u>
Balance, December 31, 2020E	\$9,402,040
Contributions	\$750,000
Distributions	-\$200,000
Advances to General Partner, net of repayments	\$50,000
Net change in net assets from operations	<u>\$633,000</u>
Balance, December 31, 2021E	\$10,635,040

Source: Company reports and Litchfield Hills Research LLC

Figure 17 – UC Asset LP – Cash Flow

	<u>2021E</u>	<u>2020E</u>	<u>2019E</u>	<u>2018</u>
Net investment (loss) / gain	\$633,000	\$144,750	(\$239,750)	(\$261,487)
Portfolio investments	(\$1,400,000)	(\$539,762)	(\$432,500)	(\$695,231)
Property, equipment, and other assets	(\$8,000)	\$999	\$1,048	\$3,309
Accrued expenses	\$10,000	\$15,000	\$29,902	(\$100,902)
Net contributions	<u>\$600,000</u>	<u>\$475,000</u>	<u>\$670,000</u>	<u>\$1,010,975</u>
Total Cash Flow	<u>(\$165,000)</u>	<u>\$95,987</u>	<u>\$28,700</u>	<u>(\$43,336)</u>

Source: Litchfield Hills Research LLC

Disclosures:

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UC Asset LP

UCASU-\$5.50 Unit PT