

## Part 2A of Form ADV: Firm Brochure

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**September 27, 2019**

This brochure provides information about the qualifications and business practices of HIMCO HGF I, LLC (the “Firm”).

If you have any questions about the contents of this brochure, please contact us at 973-292-9595. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about the Firm is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**The Firm is a registered investment adviser. Registration as an investment adviser does not imply a certain level of skill or training.**

**ITEM 2- MATERIAL CHANGES**

The Firm's initial Form ADV Part 2A Brochure, filed with the SEC in connection with its registration under the Investment Advisers Act of 1940, as amended (the "Advisers Act") was dated March 29, 2012.

This latest annual update of the brochure is dated September 27, 2019. There are no material changes from the Firm's last annual amended Brochure, which was dated March 29, 2019.

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MATERIAL CHANGES

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**ITEM 4 – ADVISORY BUSINESS****General Description of Advisory Firm**

HIMCO HGF I, LLC, headquartered in Morristown, New Jersey, is a privately held independent real estate investment advisory firm. The Firm provides investment advisory services to certain private real estate investment Funds and Direct Investment Vehicles (collectively, “the Funds”) described below.

The Firm has more than 60 years of experience in advising on acquiring, developing, leasing, repositioning, managing, financing and disposing of real estate. It is the Firm’s responsibility to manage the assets that the client entrusts with it and to provide clients with administrative services.

The Firm requires full compliance with all laws and regulations governing the provision of advisory services to clients, including Rule 206(4)-7 under the Advisers Act, which requires an SEC-registered investment adviser to maintain written policies and procedures designed to prevent violations of such laws and regulations. It is also the policy of the Firm to conduct its business in a manner that meets the highest standards of commercial honor and just and equitable principles of trade. Inherent in all client relationships is the fundamental responsibility to deal fairly with clients.

As noted in Part 1 of the Firm’s Form ADV, the Firm’s principal owner is The Hampshire Companies, LLC (“Hampshire”). The majority owner of Hampshire is Dehart Avenue Associates L.P., a New Jersey limited partnership, which is principally owned by James E. Hanson II.

**Advisory Services**

The Firm manages the day-to-day business activities as described below for the following private real estate investment Funds and Direct Investment Vehicles (“DIVs”) for which it serves as investment adviser:

- HUH U.S. Real Estate Income Fund, L.P.
- HUH U.S. Real Estate Enhanced Core Fund II, L.P.
- HUH II Direct Investment Partners A, L.P.

The Firm provides ongoing portfolio management and reporting services to the Funds and their investors, including, without limitation:

- confirming that each proposed real estate investment meets the applicable Funds’ investment criteria;
- preparing individual asset management plans;
- preparing portfolio-wide analysis and reports;
- performing internal valuations of all investments at least annually and adopting procedures for such valuations;
- making recommendations as to the retention or disposition of investments; and
- providing periodic status reports to the Fund’s investors, informing them of acquisitions or dispositions of investments by such Fund and other material developments affecting such Fund.

Affiliates of the Firm serve as the general partners to the Funds.

The Firm also assists the Funds in a core investment strategy and uses its sophisticated and tenured team and operating platform, extensive market knowledge, relationships and investment expertise to seek to produce favorable risk-adjusted returns through the purchase, operation and ultimate sale of retail and industrial properties. The geographic focus of the Funds is the Eastern United States, although they may selectively seek opportunities in other U.S. geographies. The geographic distribution is determined by the type of asset being acquired.

Investment decisions are made on behalf of the Funds by a management team of the Firm comprised of senior executives of the Firm, who evaluate investment analyses and provide advice with respect to the acquisition, financing, management, maintenance, improvement and disposition of the Funds' real estate investments. The Funds' management teams also evaluate the market value of the real estate assets held by the Funds on a periodic basis.

Individual assets are examined for specific results within their respective markets and economic condition by members of the Firm's management team. If there is an indication of a material change in either property-specific or macro-level metrics, the Firm's management team will prepare an updated valuation.

The factors considered during the valuation process include (but are not limited to):

- Replacement cost plus investment amount
- Stage of the property if in transition;
- Discounted cash flow analysis;
- Net operating income, capitalization rate and discount rate;
- Sales comparables;
- Local market environment;
- Age of the most recent appraisal;
- Agreement of sale;
- Capital structure including debt payments/repayment;
- Attributes to distressed debt investments including credit risk, interest rate risk and time;
- Current interest rate environment; and
- Changes in the asset such as re-measuring, entitlements, etc.

The Firm enters into a written investment advisory contract with the client Fund to manage the investments of such Fund (the "Advisory Contract"). Pursuant to the Advisory Contract, the Firm has discretionary authority with respect to such investments, including, without limitation, the authority to evaluate, monitor, exercise voting rights and take other appropriate action with respect thereto. The Firm relies upon consent from the Investment Committee to acquire and dispose of investments on behalf of the Funds.

The individual needs of the investors in the Funds are not the basis of investment decisions by the Firm. Investment advice is provided directly to the Funds by the Firm

and not individually to the Funds' investors. As such, these individual investors are not advisory clients of the Firm and do not impose restrictions on how the Firm invests within the Funds.

Each Fund determines investment guidelines and restrictions, such as limitations on how much can be invested in one property type or geographic region. The Firm designs a strategy for each Fund that is consistent with these guidelines and restrictions.

As of December 31, 2018, the Firm has \$891,282,359 of assets under management on a discretionary basis, and \$0 of assets under management on a non-discretionary basis.

## **ITEM 5 - FEES AND COMPENSATION**

The Advisory Contract governs the relationship between the Firm and each Fund, including the fee that the client pays the Firm for investment advisory services. Compensation for such services is generally negotiated for each Fund and DIV and is particular to each Advisory Contract.

The Firm charges advisory and management fees based on a percentage of equity value and/or client capital commitments and contributions for the Fund, and invoices each Fund that it serves as investment adviser based on the advisory fee method and timing described in the applicable Advisory Contract agreement.

The Chief Compliance Officer ensures that the Firm calculates the advisory fee in the manner described in its Advisory Contract(s).

Advisory fee installments for any period other than a full calendar quarter shall be adjusted on a pro rata basis according to the actual number of days elapsed.

Fees are not collected for services to be performed more than three months in advance.

The Firm refunds any pre-paid fees that have not been earned at the termination of a contract with a client Fund. However, when returning pre-paid fees, the Firm may deduct certain reasonable costs.

The advisory fee is not inclusive of all the fees which a Fund's investors may bear. For example, beyond advisory services, the Fund may retain the Firm (or an affiliate) to provide other related services with respect to each Fund's real estate investments (including, property management, leasing, tenant improvement, construction management, development and other property-related services). The charges incurred by the Fund in connection with such services are at rates which the Firm believes, based on its market experience, are no less favorable than the rates that would be charged for similar services in the applicable market. In addition, the Fund investors bear indirectly a variety of expenses associated with the formation, organization and operation of, and if applicable, sale of interests in, the Fund, including, without limitation:

- amounts payable by the Fund in connection with borrowing activities (including borrowings from affiliated entities);
- expenses relating to the evaluation, acquisition, ownership, leasing, operation, maintenance, improvement, development, renovation, sale, hedging or financing of the Fund's real estate investment(s);

- fees, costs and expenses in connection with the investigation and monitoring of investment opportunities;
- legal and accounting expenses;
- auditing expenses;
- appraisal expenses;
- taxes payable by the Fund; and
- damages and other litigation expenses.

Each Fund or its property owning subsidiary or subsidiaries may be charged for platform administration services provided by the Firm's affiliates to the extent set forth in the Fund's governing documents. Any such affiliate-provided services will be provided at reasonable rates which the Firm believes, based on its market experience, are no less favorable than would customarily be charged by a third party. Alternatively, the Firm may engage third parties to provide any such services in lieu of having them provided by affiliates. Such costs shall be Fund expenses to the extent set forth in the Fund's governing documents.

No supervised person of the Firm is compensated for the sale of securities or investment products.

The Funds' private placement memorandums ("offering materials") include further details on fees, compensation and related matters.

#### **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

The general partner of each Fund (each, an affiliate of the Firm) receives a portion of the cash proceeds otherwise distributable to investors as a performance incentive or carried interest. This is allocated and distributable to the general partner or managing member only when specific conditions are met, including the return of all capital contributed to the applicable Fund by investors and, to the extent provided in the Fund's governing documents, the receipt of a preferred return on such amounts.

The fact that the Firm's affiliate is, in part, compensated based on the performance of a Fund may create an incentive for the Firm to make investments or take actions on behalf of such Fund that are riskier or more speculative than would be the case in the absence of the performance-based compensation arrangement. The Firm manages each Fund in accordance with the investment strategy disclosed in such Fund's offering materials to help ensure that investors are aware of the investment strategy and the risks associated with the strategy. The Funds offering materials contain further details regarding the performance incentive, and risk and strategy with respect to the applicable Fund.

#### **ITEM 7 - TYPES OF CLIENTS**

The Firm provides advisory services to the Funds, which are pooled investment vehicles. Fund investors are required generally to provide a minimum capital commitment unless otherwise approved. The minimum capital commitment is set forth in the respective Fund's offering materials.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The investment strategy of the Firm is to use its operational experience to materially enhance the value and core opportunities of the commercial real estate that it acquires. The Firm focuses on properties where it can generate stable cash flow, principally in the following commercial real property types: retail and industrial.

The key components to each of these strategies are described below.

### YIELD-ORIENTED STRATEGIES:

1. **Stable Yield Strategy:** This strategy is focused on acquiring real estate assets with stable, long term Net Operating Income to counter balance the riskier investment strategies.
2. **Yield Enhancement Strategy:** This strategy is focused on acquiring real estate assets with a fairly stable Net Operating Income; however, there is an opportunity to enhance the yield by modifying the underlying leases.

In all investment strategies, the Firm uses appropriate debt leverage in order to enhance the overall returns of the investments.

Investing in real estate securities entails a significant degree of risk and therefore should be undertaken only by investors capable of bearing the risks such investments represent. Material risks relating to the business of real estate based investment include:

- Real estate investments are subject to a high degree of risk (economic climate, supply and demand, perception of investment location, adequate management, maintenance and insurance, operating costs and changes in interest rates)
- Real estate is highly competitive
- Real estate investments are illiquid
- The Fund may not be able to refinance investments if required
- Each Fund only may make a limited number of investments. Consequently, poor performance by any or a few of the investments could severely affect the aggregate return of the Fund. The Fund will also make investments that are not diversified geographically and, thus, the aggregate return of the Funds may be heavily dependent on the local conditions, economic and otherwise, of the area in which such investments are concentrated.

In addition, neither the Firm's track record, nor that of any of its employees and affiliates will necessarily imply or predict, directly or indirectly, any level of future performance of the Fund. The performance of the Fund are dependent on future events and is, therefore, inherently uncertain.

The Firm follows an investment process that is subject to the overall policy direction of an investment committee comprised largely of the Firm's personnel. The stages of the investment process are highly integrated, with formal investment committee review as the final point of the process. The Firm utilizes this same investment approach in connection with the Fund's investments and will rely upon the investment committee in reaching acquisition, financing and disposition decisions with respect to such investments. As a



first step in evaluating a prospective investment, the investment committee will seek the endorsement of both the Firm's acquisition group and portfolio management group. The initial investment recommendation will be evaluated, with investment committee approval required in order to proceed to contract and full due diligence. The terms of the acquisition and its structure will be determined as part of the initial approval and will be the responsibility of the Firm's acquisition group. Please see Item 4 -- "Advisory Business-- Advisory Services" for a discussion regarding the Firm's valuation process.

The Firm, along with construction, leasing and property management personnel, are involved in providing and verifying underwriting assumptions and developing the operating strategy. After a due diligence review and before removing conditions to the purchase contract, the final investment committee recommendation will be sought by the acquisition and operating platform teams. The investment committee will review the information developed during the due diligence process and either reject or approve each investment. All decisions of the investment committee must be unanimous.

For a more detailed discussion of certain key aspects of the Firm's investment strategy, a description of the types of investments in which a particular Fund invests, and a discussion of these and other risks related to an investment in such Fund, investors should refer to the applicable Fund's offering materials.

#### **ITEM 9 - DISCIPLINARY INFORMATION**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Firm's advisory business or the integrity of its management.

#### **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither the Firm, nor any of its management persons, has any industry activities or relationships or arrangements with any related person that are material to its advisory business or to its clients.

Additionally, neither the Firm nor any of its management persons is registered, or has an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor (or associated person thereof).

#### **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

##### **Code of Ethics**

The Firm has adopted a Code of Ethics (the "Adviser Code") designed to ensure compliance with Rule 204A-1 under the Advisers Act.

The Adviser Code is intended to reflect fiduciary principles that govern the conduct of the Firm and its supervised persons in providing investment services to the Funds. These principles include, but are not limited to, the following:

- *Place the interests of advisory clients first.* As a fiduciary, the Firm will serve in its clients' best interests (i.e., neither the Firm nor its supervised persons may benefit at the expense of the Firm's clients).
- *Comply with all applicable laws.* The Firm and its supervised persons must comply with all applicable laws, including the Advisers Act and all applicable federal and state securities laws.
- *Avoid taking advantage of advisory relationship.* To the extent applicable, the Firm and its supervised persons must conduct personal securities transactions in a manner that does not interfere with the transactions of advisory client or otherwise take unfair advantage of relationships with advisory client.

Although the Firm does not invest in securities on behalf of investors in the Funds, a key aspect of the Adviser Code is the obligation of each "access person" identified by the Firm to submit to the Firm personal securities holding and transaction reports. In particular, such persons must periodically submit to the Firm's Chief Compliance Officer a report of the securities holdings in which the person or certain related persons have a direct or indirect beneficial ownership interest or over which such persons exercise any investment control, influence or discretion. In addition, such persons also must submit quarterly reports describing certain securities transactions.

Investors may request a full copy of the Adviser Code by contacting us at 973-630-2464.

### **Participation or Interest in Client Transactions**

The Firm's affiliates act as general partners to each of the Funds to which the Firm provides investment advisory services. In addition, affiliates of and certain personnel associated with the Firm generally invest in each Fund alongside the Fund's investors. Further, the Firm's principals, officers and employees and certain of its affiliates may have direct and indirect investments of their own capital in the Funds through, for example, direct investments, performance allocation, including carried interest.

In addition, as described above, the existence of carried interest may create an incentive for the Firm or the general partner of an applicable Fund to recommend or approve more speculative investments on behalf of the Fund than would be the case in the absence of this compensation arrangement (although the substantial capital commitment by the management of the general partner may mitigate this incentive). Such speculative investments could expose the Fund to greater risk of loss than if the Firm refrained from recommending such speculative investments.

Prior to subscribing for interests in a Fund advised by the Firm, investors should carefully review the offering materials for the applicable Fund, which contains general information relating to potential conflicts of interest between the activities of the particular Fund and the business activities of the Firm and its affiliates, or others that may have a financial interest in the real estate assets in which that Fund invests.

### **Related Party Transactions and Fairness Opinion Protocol**

The Firm has instituted a Transaction Fairness Opinion protocol to ensure that any purchase and sale of assets between Funds, DIVs or affiliated entities managed by the Firms is fair and consistent with legal and contractual obligations of the Firms and its

affiliates. An independent third party valuation expert is to be engaged to establish a protocol for valuing the asset and the valuation expert shall hire a qualified independent appraiser to establish fair market value.

The related party transaction is presented to the Advisory Committee for a non-binding review and approval. Consent to permit a Fund to engage in the transaction is obtained as required by the respective partnership agreement. The Firm complies with the contractual obligations contained in the Fund's governing documents with respect to notice and consent.

## **ITEM 12 - BROKERAGE PRACTICES**

The Firm has the authority to recommend to the Fund investment opportunities consistent with the purposes of the Fund, monitor and evaluate investments and provide such other services related thereto as the Fund reasonably request. However, given the nature of the investments the Fund make (i.e., typically special purpose entities formed to hold real estate investments), broker-dealers are not generally used for transactions. In the rare case that transactions on behalf of the Fund would be executed through a broker, dealer or underwriter, the Firm's objective is to obtain "best execution" (that is, the most favorable price and execution).

With respect to real estate brokers, the Firm considers a variety of factors in retaining brokers for real estate transactions for the Fund, including geographic location and local market knowledge, quality and reliability of services, ability and dependability to close on a timely basis, experience with the property type and the level of complexity involved, reputation, and the nature of any potential conflict with the broker.

The Firm receives no additional services that it would otherwise pay for, such as research, from real estate brokers or other third parties (i.e., soft dollars) in exchange for using their services. Also, in selecting or recommending real estate brokers, the Firm does not consider whether or not it or a related persons receives client referrals from a broker or third party, nor does the Firm direct real estate transactions to any real estate broker in return for client referrals.

The Firm does not recommend, request or require that a client direct us to use a particular real estate broker and it does not permit its clients to mandate the use of a particular real estate broker. There are no conditions that exist in which the Firm aggregates the purchase or sale of real estate investments for various portfolios.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **Review of Investment Portfolios**

The Funds' real estate investments are generally private, illiquid and long-term in nature. As such, the Firm's review process is not directed toward a short term decision to dispose of such assets. However, as noted above, the Firm reviews the Fund's investment portfolio for the purpose of: (i) confirming that each proposed acquisition meets the Fund's investment criteria, (ii) preparing individual asset management plans for each investment, (iii) preparing portfolio-wide analysis and reports, (iv) performing internal valuations of all investments at least annually and adopting procedures for such

valuations and (v) making recommendations as to the retention or disposition of investments.

**Review of Investor Complaints**

Furthermore, the Firm monitors and reviews all complaints from investors in the Funds and promptly addresses and, if possible, resolves such complaints in a reasonable, fair and timely manner -- respecting the privacy of such investors' records.

**Terrorist Activities and OFAC Review**

The Chief Compliance Officer will review the Funds' investors to determine whether any such investor appears on any list of known or suspected terrorists or terrorist organizations and shall not accept the commitment of any prospective investor or maintain any investor who is on any such list. A monthly review of all existing investors accounts against such terrorist lists is also performed. When necessary to comply with the OFAC requirements, the Firm shall block or reject certain transactions. The Firm reports blocked and rejected transactions to OFAC as required by law.

**Reports to Investors**

The Firm periodically transmits a report to each Fund investor that shows the investor's investment portfolio position and account activity. Fund Controllers review the reports for correctness and completeness, reconciling the reports to the Firm's records. Any reconciling differences are investigated and resolved.

Following review, the Firm distributes the finalized reports to investors. For HUH U.S. Real Estate Income Fund, L.P., HUH U.S. Real Estate Enhanced Core Fund II, L.P. and HUH Direct Investment Partners A, L.P., the Firm provides clients with a quarterly report of total Fund account balance and activity over the past quarter.

**Participation or Interest in Client Transactions**

The Firm's affiliates act as general partners or managing members to the Funds to which the Firm provides investment advisory services. In addition, affiliates of and certain personnel associated with the Firm generally invest in each Fund alongside the Fund's investors. Further, the Firm's principals, officers and employees and certain of its affiliates may have direct and indirect investments of their own capital in the Funds through, for example, direct investments, performance allocation, including carried interest and investments in the REITs organized by the Funds' general partners or managing members and associated with particular Funds.

In addition, as described above, the existence of carried interest may create an incentive for the Firm or the general partner of an applicable Fund to recommend or approve more speculative investments on behalf of the Fund than would be the case in the absence of this compensation arrangement (although the substantial capital commitment by the management of the general partner may mitigate this incentive). Such speculative investments could expose the Fund to greater risk of loss than if the Firm refrained from making recommending such speculative investments.

Prior to subscribing for interests in a Fund advised by the Firm, investors should carefully review the offering materials for the applicable Fund, which contains information relating

to potential conflicts of interest between the activities of the particular Fund and the business activities of the Firm and its affiliates, or others that may have a financial interest in the real estate assets in which that Fund invests.

### **Related Party Transactions and Fairness Opinion Protocol**

The Firm has instituted a Transaction Fairness Opinion protocol to ensure that any purchase and sale of assets between Funds or affiliated entities managed by the Firm is fair and consistent with legal and contractual obligations of the Firm and its affiliates. An independent third party valuation expert is to be engaged to establish a protocol for valuing the asset and the valuation expert shall hire a qualified independent appraiser to establish fair market value.

The related party transaction is presented to the Advisory Committee for a non-binding review and approval. Consent to permit the Fund(s) to engage in the transaction is obtained as required by the respective partnership or operating agreement. The Firm complies with the contractual obligations contained in the applicable Fund's governing documents with respect to notice and consent.

## **ITEM 12 - BROKERAGE PRACTICES**

The Firm has the authority to recommend to the Fund investment opportunities consistent with the purposes of the Fund, monitor and evaluate investments and provide other services related thereto. However, given the nature of the investments the Funds make, broker-dealers are not generally used for transactions. In the rare case that transactions on behalf of a Fund would be executed through a broker, dealer or underwriter, the Firm's objective is to obtain "best execution" (that is, the most favorable price and execution).

With respect to real estate brokers, the Firm considers a variety of factors in retaining brokers for real estate transactions for the Fund, including geographic location and local market knowledge, quality and reliability of services, ability and dependability to close on a timely basis, experience with the property type and the level of complexity involved, reputation, and the nature of any potential conflict with the broker.

The Firm receives no additional services that it would otherwise pay for, such as research, from real estate brokers or other third parties (i.e., soft dollars) in exchange for using their services. Also, in selecting or recommending real estate brokers, the Firm does not consider whether or not it or a related persons receives client referrals from a broker or third party, nor does the Firm direct real estate transactions to any real estate broker in return for client referrals.

The Firm does not recommend, request or require that a client direct us to use a particular real estate broker and it does not permit its clients to mandate the use of a particular real estate broker. There are no conditions that exist in which the Firm aggregates the purchase or sale of real estate investments for various portfolios.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **Review of Investment Portfolios**

The Funds' real estate investments are generally private, illiquid and long-term in nature. As such, the Firm's review process is not directed toward a short term decision to dispose of such assets. However, as noted above, the Firm reviews the Fund's investment portfolio for the purpose of: (i) confirming that each proposed acquisition meets the applicable investment criteria, (ii) preparing individual asset management plans for each investment, (iii) preparing portfolio-wide analysis and reports, (iv) performing internal valuations of all investments at least annually and adopting procedures for such valuations and (v) making recommendations as to the retention or disposition of investments.

### **Review of Investor Complaints**

Furthermore, the Firm monitors and reviews all complaints from investors in the Funds and promptly addresses and, if possible, resolves such complaints in a reasonable, fair and timely manner -- respecting the privacy of such investors' records.

### **Terrorist Activities and OFAC Review**

The Chief Compliance Officer will review the Funds' investors to determine whether any such investor appears on any list of known or suspected terrorists or terrorist organizations and shall not accept the commitment of any prospective investor or maintain any investor who is on any such list. A monthly review of all existing investors against such terrorist lists is also performed. When necessary to comply with the OFAC requirements, the Firm shall block or reject certain transactions. The Firm reports blocked and rejected transactions to OFAC as required by law.

### **Reports to Investors**

The Firm periodically transmits a report to each Fund investor that shows the investor's investment portfolio position and account activity. Fund Controllers review the reports for correctness and completeness, reconciling the reports to the Firm's records. Any reconciling differences are investigated and resolved.

Following review, the Firm distributes the finalized reports to investors. The Firm transmits account statements to investors as follows:

- For Hampshire Partners Funds VII and VIII, LP and The Hampshire Christie Qualified Opportunity Fund LLC, the Firm provides investors with a quarterly report of their respective account balances and account activity over the past quarter.
- For the Hampshire Generational Fund, LLC, the Firm provides investors with a quarterly report of total Fund account balance and activity over the past quarter. Annually, the Firm provides an "Investor Profile" reflecting the units held and the value per unit.
- For the DIVs noted in Item 4 – Advisory Business, the Firm provides investors with an annual audited financial statement reflecting the value of the investment. The Firm also sends out a quarterly project update letter.

### **Privacy Notice**

The Chief Compliance Officer on behalf of the Firm maintains an updated Privacy Notice. A copy of the Privacy Notice shall be provided to an individual who becomes a "customer" of the Firm not later than when the Firm establishes a customer relationship, or a "consumer," before the Firm discloses any nonpublic personal information about the consumer to any nonaffiliated third party. The Firm provides a copy of the Privacy Policy Notice on an ongoing basis to the extent required by law.

The Firm does not disclose any non-public personal information about its investors to anyone, other than to its affiliates for ordinary business purposes, and to non-affiliated third parties (i) to the extent the procedures have been complied with and the investor has not opted out of disclosure (if applicable); (ii) to the extent necessary to administer or effect a transaction that the investor has requested or authorized, including as necessary to facilitate investment in a client Fund; (iii) to service providers or joint marketers who agree to limit their use of such information; (iv) to the extent necessary to obtain financing for a client Fund or a portfolio company of a client Fund; (v) with the consent or at the direction of the investor; (vi) to protect the confidentiality or security of Firm records; (vii) for required institutional risk control or for resolving investor disputes or inquiries; (viii) to persons holding a legal or beneficial interest relating to the investor; (ix) to persons acting in a fiduciary or representative capacity on behalf of the investor; and (x) to the extent required or specifically permitted by law or reasonably necessary to prevent fraud, unauthorized transactions or liability.

#### **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

Neither the Firm nor any related person directly or indirectly, compensates any person for client referrals or for referrals of investors in the Funds.

No person, other than the client Fund, provides an economic benefit to the Firm for providing investment advice or other advisory services.

The Firm may compensate, or may cause a Fund to compensate, others in connection with the placement of the Fund's securities to the extent provided in the Fund's governing documents.

#### **ITEM 15 - CUSTODY**

In connection with the management of the Funds, the Firm may be deemed to have custody of certain client funds or securities under Rule 206(4)-2 under the Advisers Act. With the exception of certain assets, which are defined as "privately offered securities" under Rule 206(4)-2 of the Advisers Act, the Firm will arrange for the safekeeping of such funds and securities with an unaffiliated qualified custodian as provided in Rule 206(4)-2 under the Advisers Act (or make other arrangements permissible under SEC rules).

The Funds are subject to an annual audit performed by a nationally recognized PCAOB registered and inspected public accounting firm and the audited financial statements are distributed to each of the Funds' investors. The audited financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and

distributed within 120 days of the fiscal year end of each Fund. Investors should carefully review such financial statements.

#### **ITEM 16 - INVESTMENT DISCRETION**

Each particular Advisory Contract governs the relationship between the Firm and the applicable Fund, including the degree of discretion granted to manage related investments.

Except as otherwise provided in the Advisory Contract and subject to the supervision of the Fund's general partner or managing member and the applicable written investment guidelines, all investment actions that the Firm may take and all investment determinations that the Firm may make pursuant to the Advisory Contract, may be taken and made at the sole and absolute discretion of the Firm. Such discretion includes, without limitation, the authority to evaluate, monitor, exercise voting rights and take other appropriate action with respect to such investments on behalf of each Fund (but excluding authority to acquire or dispose of Fund's investments except with the approval of each Fund's applicable investment committee).

#### **ITEM 17 - VOTING CLIENT SECURITIES**

The Firm has adopted this proxy voting policy and procedure, which is designed to ensure that it votes a Fund's securities in the best interests of such client. In the voting of client securities, the Firm does not believe material conflicts of interest would arise between its interests on the one hand and the interests of the Fund on the other.

- The Chief Compliance Officer shall maintain a record that lists those Funds where the Firm exercises proxy voting authority.
- A Fund's investors may not direct the Firm's vote in a particular solicitation.
- If the Firm votes interests, on behalf of a Fund, it does so in the economic interests of the applicable Fund. When voting securities, the Firm considers relevant facts, which may include, among many others, the impact on the value of the securities, the anticipated economic and non-economic costs and benefits associated with a proposal, the effect on liquidity, and customary industry and business practices. The Firm shall vote in a prudent and diligent fashion and only after a careful evaluation of the issue presented on the ballot.
- The Chief Compliance Officer shall maintain a record of any such vote made on behalf of a Fund.
- Existing and prospective investors in a Fund may request information from the Firm about how any voting securities held by such Fund were voted. The Firm will provide a copy of this proxy voting policy and procedure to any existing or prospective investor upon request.

#### **ITEM 18 - FINANCIAL INFORMATION**

An investment adviser must disclose and provide certain financial information if:



- a threshold of fee prepayments is met;
- there is a financial condition likely to impair the ability to meet contractual commitments; or
- a bankruptcy within the past ten years.

The Firm does not have anything to disclose under this item.