

**Part 2A of Form ADV: Firm Brochure
Dated March 27, 2020**

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This brochure provides information about the qualifications and business practices of Hammes Realty Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (414) 509-2500. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Hammes Realty Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

Since the last annual update of this brochure dated March 29, 2019, this brochure reflects the appointment of Amy Young as the Chief Compliance Officer on March 1, 2020.

There have been no other material changes to this brochure since the March 29, 2019 annual update. Hammes Realty Advisors, LLC routinely makes changes throughout its brochure in an effort to improve and clarify the description of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices.

We encourage all recipients to read this brochure carefully in its entirety.

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Item 4 Advisory Business

Hammes Realty Advisors, LLC, a Delaware limited liability company, also known as Hammes Partners (together with certain affiliated entities, “Hammes Advisors” or “we”), is an independent, privately held real estate investment management firm based in Milwaukee, Wisconsin. We focus on the acquisition and development of income-producing healthcare related real estate investments throughout the United States. Hammes Advisors was formed in July 2012.

Hammes Advisors is indirectly principally owned by Jon D. Hammes, Hammes Advisors’ Managing Partner.

We have been organized to provide investment advisory services to pooled investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended, and whose securities are not registered under the Securities Act of 1933, as amended. We provide investment advice to Hammes Partners II, L.P. and Hammes Partners III, L.P. (collectively, the “Funds”). We may in the future advise other funds in addition to those listed herein. In addition, our affiliates manage certain real estate investment partnerships that own income-producing healthcare-related real estate investments (the “Legacy Partnerships”).

As investment adviser for the Funds, we identify investment opportunities and participate in the sourcing, investigating, structuring, and negotiating of potential investments, monitoring investments post-acquisition, advising with respect to disposition opportunities and providing day-to-day managerial and administrative services for the Funds. We tailor our advisory services in accordance with each Fund’s investment strategy as disclosed in each Fund’s offering documents. Further specific details of our advisory services are set forth in a Fund’s private placement memoranda, management agreements and partnership agreements and are further described in Item 8, “*Methods of Analysis, Investment Strategies and Risk of Loss.*”

Hammes Advisors may enter and have entered into side letters or other similar arrangements with certain investors that have the effect of establishing rights under, supplementing or altering a Fund’s partnership agreement or an investor’s subscription agreement. Such rights or alterations could be regarding economic terms, fee structures, information rights, co-investment rights, or transfer rights. For the most part, any right established, or any term altered or supplemented, will govern only the investment of the specific investor and not the terms of a Fund as whole. Certain such additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with “most favored nation” rights pursuant to a Fund’s limited partnership agreement.

We do not participate in any wrap fee programs.

As of December 31, 2019, we managed approximately \$916 million of regulatory assets under management on a discretionary basis. We do not manage any client assets on a non-discretionary basis. In addition, the current value of the portfolio of Legacy Partnerships is approximately \$464 million.

Item 5 Fees and Compensation

We are compensated for our investment advisory services to the Funds based on a percentage of committed capital or invested capital. Each Fund pays us a management fee based on committed capital of the Fund during its investment period and thereafter will pay us a management fee based on invested capital. We negotiate the rate with investors in each Fund at the time the Fund is established.

Management fees are payable quarterly in advance of the services rendered. As required by the Investment Advisers Act of 1940, as amended (the “Advisers Act”), if the investment advisory agreement between a Fund and us is terminated before the end of the applicable period, management fees will be charged on a *pro rata* basis through the date of termination, and any fees paid in advance but not earned will be refunded.

Each Fund generally bears certain other fees, expenses and costs which are incidental or related to the organization and maintenance of the Fund or related to the acquisition, carrying, management, development, maintenance and disposition of investments. In particular, each Fund bears all costs and expenses incurred in connection with the organization of the Fund (“Organization Expenses”), including legal and accounting fees, printing costs, travel (which, from time to time, may include private jet travel) and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of interests in the Fund (but excluding any placement fees). The Organization Expenses payable by each Fund are generally subject to a maximum cap that is negotiated at the time the Fund is established. Each Fund pays all expenses related to its own operations (“Fund Expenses”), including, but not limited to, (i) fees, costs and expenses directly related to the discovery, evaluation, purchase, management, monitoring, and sale of investments and potential investments; principal, interest, fees, expenses and other amounts payable in respect of financings, custody fees and costs of other third-party services; (ii) legal, accounting, audit, brokerage fees and commissions, valuation expenses, fees and expenses of financial advisors, consulting, investment banking and other professional costs; private placement fees, syndication fees, bank charges, closing and execution costs, sales commissions, appraisal fees, underwriting commissions and discounts; (iii) all costs of the Fund’s administration, including preparation of its financial statements and reports to limited partners and prospective limited partners, and fees paid to custodians and other third party service providers; (iv) expenses associated with the maintenance of books and records of the Fund; (v) any insurance, indemnity, regulation, government inquiry or litigation expenses (including costs in connection with any investigation or proceeding), or the amount of any judgment or settlement paid in connection therewith; (vi) any reasonable and customary travel (which, from time to time, may include travel by a private jet owned by the founder of Hammes Advisors), accommodation, meal and entertainment costs; (vii) costs of meetings of partners; (viii) expenses incurred in connection with administrative proceedings undertaken by the tax matters partner; (ix) expenses incurred by the Fund’s limited partner advisory committee (each an “LP Advisory Committee”), including out-of-pocket expenses of its members; (x) any taxes, fees or other governmental charges levied against the Fund; (xi) any expenses incurred in connection with the dissolution and winding up of the Fund; (xii) expenses related to annual market assessments of certain property level services provided to the Fund by its affiliates (as discussed below); (xiii) expenses related to the operation and maintenance of a web-based data site; and (xiv) any such costs incurred in connection with transactions which are not consummated (including amounts that would otherwise have been borne

directly or indirectly by potential co-investors were such transactions consummated), including expenses incurred in respect of evaluating prospective development assets (such costs with respect to unconsummated transactions, “Broken Deal Expenses”). Out-of-pocket expenses associated with completed transactions will be reimbursed by a Fund or capitalized as part of the acquisition price of the transaction.

As set forth above, Fund Expenses include all out-of-pocket costs and expenses directly related to investments or prospective investments (including Broken Deal Expenses). Such expenses related to investments and prospective investments include, but are not limited to, (i) legal, accounting, consultant and other professional costs; (ii) reasonable and customary travel and entertainment costs; (iii) brokerage commissions and other finders’ fees and transaction costs; (iv) custody fees and costs of other third-party services; (v) costs associated with environmental, property management, engineering and appraisal services, insurance premiums, leasing commissions and loan servicing fees; (vi) expenses associated with maintaining, improving, leasing, developing, redeveloping, renovating, monitoring and managing investments; (vii) expenses associated with financing, refinancing, pledging or disposition of or proposed financing, refinancing, pledging or disposition of all or any portion of Investments; (viii) expenses related to structuring and maintaining investment vehicles; (ix) expenses associated with monitoring and managing investments (excluding valuation software such as ARGUS); and (x) any withholding, transfer or other taxes imposed on a Fund.

Hammes Advisors and its affiliates and employees do not receive any transaction, directors’, monitoring, consulting, or other similar fees in connection with the Funds and their investments. Hammes Advisors or its affiliates may receive break-up fees; provided, that 100% of the portion of any such break-up fees allocable to a Fund will be applied to reduce the Management Fee (net of any unreimbursed transaction expenses incurred by Hammes Advisors). To the extent such offsets reduce the Management Fee for a given period below zero, such offsets are carried forward and used to reduce future installments of the Management Fee.

The Funds retain affiliates of Hammes Advisors (each a “Hammes Services Entity”) to provide services relating to the Fund’s investments, including property management, construction, leasing, tenant coordination, development, project management, and other real estate related services (collectively, “Property Level Services”). The rates and terms for such Property Level Services are set at market rates and terms and are no more favorable to the Hammes Services Entity than such rates and terms as would be agreed for the provision of similar services on an arm’s length basis to unaffiliated third parties. In addition, except with the prior approval of the applicable LP Advisory Committee, (i) any agreement for such Property Level Services will be substantially in the form of a standard agreement, copies of which will be provided to prospective investors upon request and (ii) the ranges of compensation for various services provided in the standard form of the Service Agreement will be subject to annual market assessment by a “Big Four” accounting firm. Any amounts paid to a Hammes Services Entity for Property Level Services will not reduce the Management Fee.

Brokerage fees may be incurred in accordance with the practices set forth in Item 12 below, “*Brokerage Practices*.” The expenses described above are detailed, but do not include every possible expense a Fund may incur. Investors should review the applicable Fund’s offering materials and limited partnership agreement for further details.

Hammes Advisors and their personnel can also be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Funds, which will not be subject to management fee offsets or otherwise shared with the Funds, their investors and/or portfolio companies. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points” or credit in loyalty or status programs, and such benefits will accrue exclusively to Hammes Advisors or their personnel (and not to the Funds, their investors and/or portfolio assets) even though the cost of the underlying service is borne directly by the Funds or their portfolio assets and indirectly by the investors in a Fund.

Neither we nor any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 Performance-Based Fees and Side-by-Side Management

Some of our supervised persons and affiliates receive carried interest distributions from each Fund, which are based on a share of gains in the assets of the Fund. The amounts of such distributions are set forth in the limited partnership agreement of the Fund. Such carried interest distributions may create an incentive for Hammes Advisors and its supervised persons to make investments on behalf of a Fund that may be riskier or more speculative than would be the case in the absence of such distributions. Hammes Advisors may waive or lower carried interest with respect to certain persons as described above.

With respect to certain of the Legacy Partnerships, some of our supervised persons receive carried interest distributions, which are based on a share of gains in assets of the applicable Legacy Partnership. We do not believe that our supervised persons’ receipt of carried interest distributions from any Legacy Partnership will pose any conflict of interest vis-à-vis the Funds because each Legacy Partnership is a single-asset investment vehicle. Accordingly, our supervised persons will not face any incentive to favor any Legacy Partnership over the Fund with respect to the allocation of investment opportunities. Similarly, Hammes Advisors does not anticipate managing more than one Fund that is actively investing at any given time. Accordingly, our supervised persons will not face any incentive to favor one Fund over another with respect to the allocation of investment opportunities.

Item 7 Types of Clients

We provide investment advice to each Fund. Investors in the Funds include high net worth individuals, public pension plans, funds-of-funds and other institutional investors.

Each Fund has a specified minimum investment set forth in its offering documentation, organizational documents or other governing documents, which is typically \$10 million. Such minimum may be waived, at the discretion of Hammes Advisors, to permit investment of a smaller amount generally or with respect to any investor in the Fund.

Fund interests are offered and sold generally to investors that are (i) “accredited investors as defined under Regulation D of the Securities Act and (ii) “qualified clients” as defined under the Advisers Act or other “knowledgeable employees” of Hammes Advisors.

Item 8 **Methods of Analysis, Investment Strategies and Risk of Loss**

Our investment objective is to seek to acquire and develop healthcare-related real estate assets, including medical office buildings, ambulatory care centers and other healthcare-related real estate in the United States, leveraging the established relationships of our principals and affiliates with healthcare providers and healthcare affiliates in order to generate attractive risk-adjusted returns. Our focus is on investments in select healthcare facilities that we believe are well-positioned within their geographic market and that are expected to remain so from a strategic, operational and tenancy perspective. These target assets will support the healthcare delivery platforms of leading hospitals, healthcare systems and large independent group practices as well as other healthcare service providers that are well-positioned and well-established in the geographic markets they serve.

Our investment strategy is primarily long-term investment in healthcare real estate and healthcare real estate-related companies. It is possible that some investments may be held for less than a year, though this is not typical of our investment strategy. In the future, Hammes Advisors may determine to manage other funds or accounts with different investment strategies.

Acquiring an interest in a Fund involves a number of significant risks. An investment in a Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in a Fund. Investment risks include, but are not limited to, the following:

Risks Associated with the Fund's Investment Strategies:

- The investment strategies pursued by the Funds involve making illiquid private investments in a relatively small number of real estate investment opportunities. As a result, the Funds' portfolios will tend to be highly concentrated, and the failure of even one of these investments could have a materially adverse impact on a Fund's overall performance.
- The competition for sourcing investments for the Funds is becoming increasingly intense. There can be no assurance that Hammes Advisors will be able to source a sufficient number of suitable investments at reasonable valuations to achieve a Fund's investment objective.
- The Funds' investment strategy often involves investing in real estate projects that are subject to significant risks, including strategic, financial or other challenges. Some of these investments may be highly leveraged, and a Fund's exit strategy may be uncertain at the time the Fund makes an investment. The success of the Funds' investments is highly dependent on the ability of the managers of these investments to successfully navigate these and other challenges.
- **Bridge Financing.** From time to time, the Funds may lend to the Funds' portfolio assets on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in Hammes Advisors' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In

such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

- ***Real Estate Risks Generally.*** Real estate historically has experienced significant fluctuations and cycles in value, and specific market conditions may result in reductions in the value of real properties in which a Fund owns interests. It is anticipated that substantially all of the Funds' investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions, energy and supply shortages, changes in building, the promulgation and enforcement of governmental regulations relating to land-use and zoning restrictions, environmental protection and occupational safety, changes in real property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, negative developments in the economy that depress healthcare activity, environmental liabilities, uninsured or uninsurable casualties, acts of God, terrorist attacks and war and other factors which are beyond the control of Hammes Advisors.
- ***Investment in Land/New Development.*** Other than as set forth in a Fund's governing documents, the Funds may acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing. To the extent that a Fund acquires such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of regulatory approvals (including zoning and land-use authorizations), the cost and timely completion of construction (including risks beyond the Hammes Advisors' control, such as weather or labor conditions or material shortages). These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken.

In addition, the Funds may not be able to obtain financing on favorable terms, which may render such Funds unable to proceed with their development activities, and the Funds may not be able to complete construction and lease-up of a property on schedule, which could result in increased debt service expense or construction costs.

The time frame required for development, construction and lease-up of these properties means that the Funds may have to wait years for significant cash returns. Because the Funds are likely to make cash distributions to their limited partners, if the cash flow from operations or refinancing is not sufficient, the Funds may be forced to borrow additional money to fund such distributions. Newly developed and acquired properties may not produce the cash flow that Hammes Advisors expects, which could adversely affect the Funds' overall financial performance.

- ***Reliance on Tenants.*** Hammes Advisors expects that the Funds will receive substantially all of their current income as lease payments for leasing their properties. The Funds will generally have no control over the success or failure of their tenants' businesses and, at any time, any of their tenants may experience a downturn in their businesses that may weaken

their financial condition. The Funds' tenants may fail to make lease payments when due or declare bankruptcy. Any tenant's failure to make lease payments when due or any such tenant's bankruptcy could result in the termination of the tenant's lease.

The failure of a tenant to perform under a lease could require a Fund to declare a default, terminate the lease, find a suitable replacement tenant or sell the property.

If any lease or management agreement expires or is terminated, the Fund will be responsible for operating the facilities and paying expenses until the Fund enters into a new lease or management agreement. Hammes Advisors can give no assurance that the Fund will be able to find a suitable replacement tenant or, if it is successful in locating such a tenant, that their rental payments and revenues will not decline. The Fund's ability to locate another suitable tenant, terminate the existing lease or management agreement or operate the facility following termination may be materially delayed or limited by various state licensing or other laws. Such delays, limitations and expenses could materially delay or impact the Fund's ability to collect rent, to obtain possession of leased properties, or to terminate the management agreement or otherwise to exercise remedies for defaults. As a result, there may be a significant increase in the Fund's operating expenses. Any significant increase in the Fund's operating costs may have a material adverse effect on its business, financial condition and results of operations.

In most cases, Hammes Advisors expects the Funds to enter into leases and management agreements with newly organized companies or with subsidiaries of established companies and, in either case, a Fund's tenant may not have substantial capitalization. As a result, in the event of a default under a lease or management agreement, the tenant may not have sufficient resources for the Fund to recover its damages.

Any bankruptcy filings by or relating to one of a Fund's tenants could prevent or delay the Fund from collecting pre-bankruptcy debts from that tenant or from leasing the facility to a new master tenant. If a tenant rejects the lease while in bankruptcy, the Fund would have only a general unsecured claim for pre-petition damages. Any unsecured claim that the Fund holds may be paid only to the extent that funds are available and only in the same percentage as is paid to all other holders of unsecured claims. It is possible that the Fund may recover substantially less than the full value of any unsecured claims that the Fund holds. Furthermore, dealing with a tenant bankruptcy, including any dealings with a patient care ombudsman, or other default may disrupt the Fund's normal business operations, divert management's attention and cause the Fund to incur substantial legal and other costs.

Risks Associated with Investing in Interests in the Fund:

- Investments in the Funds are illiquid, and interests in the Funds may not be transferred without the prior consent of the general partner and the satisfaction of certain other conditions. An Investor in a Fund should be able and prepared to maintain its investment in the Fund over the entire life of the Fund.
- An investment in a Fund is a passive investment. As limited partners, investors in the Funds have no control over the day-to-day operations of the Funds and limited rights to

protect themselves if they are dissatisfied with the manner in which the Funds are being operated. Limited Partners are highly dependent on the investing skills and management abilities of Hammes Advisors to achieve success.

- The valuation of the Funds' investments is a difficult task that relies heavily on Hammes Advisors' business judgment. Although Hammes Advisors maintains stringent policies, procedures and financial controls over the valuation process (including independent review by the Funds' auditors), there can be no assurance that the Funds will be able to realize their investments at prices that are commensurate with the value at which such investments have been carried on the Funds' books.
- Hammes Advisors manages each Fund in a manner that is consistent with the best interests of the Fund, which is not necessarily consistent with the best interests of each individual investor in the Fund. In particular, Hammes Advisors may structure investments so as to maximize tax efficiency for a Fund, but which may not be the most tax advantageous structuring possible for an individual investor, depending on that investor's own particular facts and circumstances.
- ***Use of Subscription Lines.*** The Funds may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors, i.e., subscription lines) prior to calling capital commitments. The interest expense and other costs of any such borrowings will be borne by the relevant Fund and, accordingly, may decrease net returns of such Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. In light of the foregoing, Hammes Advisors has an incentive to cause such vehicle to borrow in this manner in lieu of drawing down capital commitments, subject to the operating and offering documents of each Fund.
- ***Cybersecurity and Identity Theft.*** Hammes Advisors, each Fund and each Fund's portfolio assets generally rely on information technology systems for current and planned operations. Information and technology systems of Hammes Advisors and each Fund's portfolio assets may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Hammes Advisors, a Fund and/or a portfolio asset may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the Fund's investment results and its ability to make distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Hammes Advisors', the Funds' and/or a portfolio asset's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial

owners of investors). Such a failure could harm Hammes Advisors', the Funds' or a portfolio asset's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance.

- ***Disease and Epidemics.*** The impact of disease and epidemics may have a negative impact on the Funds and their performance and financial position. In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, resulting in substantial business and social disruption. The speed and extent of the spread of the coronavirus, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain, and such adverse effects may be material. Governmental agencies and private sector participants will seek to mitigate the adverse effects of the coronavirus, which may include such measures as heightened sanitary practices, telecommuting, quarantine, curtailment or cessation of travel, and other restrictions, and the medical community is seeking to develop vaccines and other treatment options. Hammes Advisors continues to monitor developments with respect to the coronavirus and may take, or be subject to, mitigation or other public health efforts. The operations and business results of Hammes Advisors, the Funds and their investments could be materially adversely affected to the extent that the coronavirus or any other epidemic harms the economy in general, or Hammes Advisors or any Fund in particular. The extent to which the coronavirus (or any other disease or epidemic) impacts the Funds' results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions to contain the coronavirus or treat its impact, among others.

No guarantee or representation can be made that the Funds will achieve their investment objective or that limited partners will receive a return of their capital. All investing involves a risk of loss and the investment strategies pursued by the Funds could lose money over short or even long periods. Investors are advised to review the offering materials and other Fund governing documents for full details on a Fund's investment, operational and other actual and potential risks.

Item 9 Disciplinary Information

Hammes Advisors and their management persons have not been subject to any material legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

Hammes Advisors acts as investment adviser to the Funds. A related person acts as general partner of each Fund, and certain other related persons act as general partners or managing members of the Legacy Partnerships. These related persons are also investment advisers registered in accordance with SEC guidance under the Advisers Act pursuant to Hammes Advisors' registration. These affiliated investment advisers operate as a single advisory business together with Hammes Advisors and may share common owners, officers, partners, employees, consultants or persons occupying similar positions. All of these advisers are under common control and subject to Hammes Advisors' code of ethics and compliance program adopted pursuant to the requirements of the Advisers Act. The Investment Committee of Hammes Advisors is currently comprised of the Managing Partner and two other senior members of Hammes Advisors. In

addition, as discussed in Item 5 above and Item 12 below, the Funds retain affiliates of Hammes Advisors to provide services relating to the Fund's investments, including property management, construction, leasing, tenant coordination, development, project management, and other real estate related services. The affiliates are separately compensated by the Funds for such services, and such compensation is not used to offset or reduce Hammes Advisor's Management Fee.

We do not recommend or select other investment advisers for the Funds or have other business relationships with other investment advisers that create a material conflict of interest.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We have adopted a written Code of Ethics which applies to all of our employees and any person who enters into a significant consulting or other similar relationship with us that is not specifically exempted. Our Code of Ethics requires our employees to serve the best interests of our clients in compliance with our status as a fiduciary, to comply with applicable federal securities laws and to report any violations of our Code of Ethics promptly to our Chief Compliance Officer. Our Code of Ethics includes insider trading policies and procedures. Among other things, each of our employees must pre-clear certain personal securities transactions and must also provide annual securities holdings reports and quarterly securities transactions reports. We make our Code of Ethics available to any investor or prospective investor who requests a copy.

Item 12 Brokerage Practices

As a real estate investment firm, from time to time we may engage brokers to assist us in selling one of our properties or our real estate-related investments.

In selecting brokers and negotiating rates, we take into account several factors, including but not limited to the broker's relevant experience in properties of the relevant size, type and geography, the reputation of the broker, and the broker's responsiveness. Generally, we get competing bids. Under no circumstances will Hammes Advisors select a broker based on that broker's capital-raising activities on behalf of Hammes Advisors or the Funds.

The Funds' underlying real estate entities pay property management fees to an affiliated entity, Hammes Realty Services, LLC, for property management services related to the Funds' assets. Property management services include servicing, contracting, maintaining, monitoring and reporting on the Fund's real estate investments as well as physician office space marketing and leasing activities for special purpose entities. Annually, a market assessment of property management fees is performed by a third party to help management ensure that fees are in line with market.

Hammes Company Healthcare, LLC ("Hammes Healthcare"), an affiliated entity, provides feasibility and preconstruction services, development services, construction and building tenant coordination. Hammes Healthcare may be reimbursed by the Funds for any out-of-pocket costs related to any or all projects.

Item 13 Review of Accounts

We manage the Funds on a day-to-day basis and review our portfolio investments, at a minimum, on a quarterly basis.

Audited financial statements are prepared for each Fund following the end of each fiscal year, and unaudited financial statements are prepared for each Fund following the end of the first three fiscal quarters, in each case in accordance with the terms of the Fund's limited partnership agreement. In addition to the information provided to all investors, Hammes Advisors may provide certain investors with additional information or more frequent reports that other investors will not receive.

Item 14 Client Referrals and Other Compensation

Neither we nor any affiliate directly or indirectly compensates any person other than our officers, partners, directors or employees for investor referrals, except for a placement agent that we have retained in connection with raising capital for a Fund which will be paid a fee equal to a percentage of the capital committed to the Fund.

Item 15 Custody

Hammes Advisors is deemed to have custody over the Funds' assets and securities because its affiliates act as general partner of the Funds. As required by the Advisers Act, Hammes Advisors has established custody accounts with one or more qualified custodians to hold funds and securities, if any, on behalf of each of the Funds for which Hammes Advisors is deemed to have custody. Independent public accountants audit each of the Fund's financial statements annually, and such audited financial statements are distributed to the Investors in each Fund.

Item 16 Investment Discretion

We and our affiliates generally have the authority to make all investment determinations on behalf of the Funds. The limited partnership agreements of the Funds generally impose some limitations on our investment discretion, which limitations can only be waived by a Fund's investors or by its limited partner advisory committee. Investment advice is provided directly to each Fund and not individually to the limited partners of any Fund.

Item 17 Voting Client Securities

We have adopted a Voting Policy to comply with Rule 206(4)-6 promulgated under the Advisers Act. The Voting Policy, which has been designed to ensure that we vote client securities in the best interest of the Funds and provide the Funds with information about how such client securities are voted, contains procedures that have been reasonably designed to prevent and detect fraudulent, deceptive or manipulative acts by us.

It is our policy to vote client securities in the interest of maximizing equity holder value. To that end, we vote in a way that we believe, consistent with our fiduciary duty, will cause the value of the securities to increase the most or decline the least. Consideration is given to both the short- and long-term implications of the proposal to be voted on when considering the optimal

vote. We vote a Fund's portfolio securities in the best interests of the Fund and not our own. In voting Fund portfolio securities, we avoid material conflicts of interest between our interests on the one hand and the interests of the Fund on the other.

The Funds are not able to direct our vote in any particular solicitation.

We will maintain records of all client security statements received and votes cast in an easily accessible place for five years. Investors and prospective investors in the Funds may request information from us about how we voted the securities held by the applicable Fund. We make our Voting Policy available to any investor or prospective investor who requests a copy.

Item 18 Financial Information

We have not been the subject of a bankruptcy petition at any time.