Memorandum

To	Vermont Pension Investment Commission ("VPIC")
From	RVK, Inc. ("RVK") Investment Manager Research
Subject	Hammes Income & Growth Healthcare Fund – Due Diligence & Recommendation
Date	March, 2023

The following is a review of an investment opportunity offered by Hammes Realty Advisors ("Hammes" or "the Firm"). Hammes Income & Growth Healthcare Fund, L.P. ("HIGH Fund" or "the Fund") is an open-end commingled fund investing in private real estate assets within the United States. Investments will target well-located, high-quality healthcare-related real estate in the U.S., leveraging Hammes Company Healthcare ("HH") and previously established healthcare and real estate relationships through their prior real estate investments. The Fund targets an annualized gross return of 8% - 10% over the course of the real estate cycle, including current income distributions.

The following is an executive summary of the HIGH Fund opportunity based upon RVK's diligence, which included: a thorough review of the offering and legal documents; evaluation of the limited historical track record; qualitative assessment of the managing Principals and their strategy; the market environment; and an on-site visit to the Firm's Milwaukee Office. Additional level of detail is available upon request.

Recommendation Summary

RVK, Inc. recommends that the Vermont Pension Investment Commission commit $30 million to Hammes Income & Growth Healthcare Fund to continue to diversify the Commission's Inflation Hedging Asset Portfolio with a differentiated medical office core plus real estate strategy. RVK believes that a commitment sizing of up to $30 million to a complementary strategy:

1. Appropriately reflects a meaningful allocation to the Commission's Inflation Hedging Asset Portfolio with a complementary manager that is well positioned to take advantage of the market opportunity and continued demographic tailwinds that exist.

2. Adequately balances risk-reward potential for a contribution to returns from a dedicated sector specialist core plus fund.

RVK believes the Fund represents an attractive opportunity with several potential benefits to the Commission's total portfolio. Factors supporting our recommendation include: the investment team's history of investing through a vertically integrated organization in the medical office sector, a strong emphasis on distributable income and demographic-driven target assets which may offer downside protection in the event of a broader real estate market drawdown. Further, by investing as a founding partner, net returns will be improved through favorable founder's management fees.

While we find these merits compelling, all investment opportunities, including this one, carry risks as well. These risks are further outlined in the "Issues to Consider" section of this memorandum. However, while RVK detailed concerns surrounding risks of investing in a first-time open-end structure for Hammes, potential changes in healthcare legislation, the rising interest and cap rate environment and the current economic uncertainty, RVK contends that this is a reasonable entry point for strategic investors with a long-time horizon.

Merits

- **Vertically Integrated Synergies** – The Fund will leverage the collective knowledge and capabilities of the Hammes platform which includes: Hammes Healthcare ("HH") and Hammes Realty Services ("HRS") gained over the Firm's 32-year operating history to select, underwrite, and de-risk investments. Hammes has established relationships with both not-for-profit and for-profit Healthcare Providers, including hospitals and healthcare systems. Consequentially, Hammes has emphasized building long-term relationships with the executives and middle management of many of the nation's most prominent Healthcare Providers. The Team will leverage these relationships to source, underwrite and select investment opportunities for the HIGH Fund. Hammes has differentiated itself from other healthcare-related real estate investors by virtue of its access to the healthcare industry reconnaissance and consultative expertise as well as healthcare real estate operational and development experience. No other private real estate platform is vertically integrated in the same way that Hammes is nor does one of its competitors have the breadth of capabilities of the Hammes platform.

  HH has a history of being a leading service provider in outpatient ambulatory network planning and implementation. This enables Hammes to gain valuable insights into the operating platforms, competitive positioning and financial strength of Healthcare Providers and Healthcare Affiliates, which represent the primary tenancy targeted for the Fund's assets. We believe Hammes' market and operational expertise provides a distinct competitive advantage in underwriting investment opportunities.

  This core plus open-end fund structure expands on Hammes' ability to offer solutions to Healthcare Providers by having capital available to invest in a broader range of healthcare-related assets. This breadth of capital should continue to strengthen Hammes' relationships, allowing the team to review and diligence a broader scope of real estate transactions.

- **Characteristics Driving Core Plus Returns** – One of the Fund's primary objectives is to generate a significant amount of its return from current income. This income will be driven by attractive attributes of Hammes' targeted facilities and providers. Healthcare properties tend to have longer lease terms (7-15 years) relative to other primary sectors such as multifamily and self-storage. The leases Hammes focuses on will have contractual rent increases, providing income growth potential and some inflation protection. Having leading creditworthy Healthcare Providers as tenants offers support to the long-term lease structures and assurance of lease payments. Targeted facilities typically have lower tenant turnover compared to other commercial real estate. This is driven by tenants' desire to remain in place following significant capital investment into the spaces, locations that are integral to their associated healthcare networks including associated providers, laboratories, and hospital campuses.

- **Demographics Supporting Investment Theme** – Hammes expects longer-term demographic trends to drive increased healthcare-related real estate demand in contrast to other commercial real estate that is more tied to typical cyclical real estate trends. The U.S. Census Bureau expects the population over the age of 65 to nearly double, growing from 49.2 million people in 2016 to 94.7 million people in 2060. Additionally, the "over 65" age segment visits physician offices at a rate of 5.5 times a year on average. This is compared to 3.0 visits for the "45-64" age segment and 1.7 visits for the "18-44" age group.

- **Experienced and Seasoned Team** – Hammes has an experienced team that includes three Managing Principals, Jon Hammes, Todd Kibler and Patrick Hammes ("Managing Principals"), and eight additional experienced senior investment professionals, including several that have worked together since the inception of the Firm's closed-end fund series starting with Fund II's investment period. This is the same closed end series, VPIC already invests in as well. The Managing Principals make up the Investment Committee for the Fund and have an average of 34 years of industry experience across a broad range of relevant disciplines, including acquisitions, development, dispositions, financing, leasing and management. Mr. Kibler joined Hammes in 2005 and served as Senior Vice President of Finance and Investments and Chief Financial Officer of Hammes Healthcare. Mr. Patrick Hammes joined the Firm in 2012. Hammes Partners' Investment Committee was formed in 2012 with the inception of Fund II (Hammes' first institutional fund) and both Patrick and Todd were original members of the IC.

- **Economically Resilient Real Estate Sector –** The healthcare-related real estate sector's resiliency and strong fundamentals have resulted in lower volatility than other real estate sectors across economic cycles, including during the global financial crisis. Hammes expects healthcare-related real estate investments to continue to offer above-average performance relative to investments in other commercial real estate sectors on a risk-adjusted basis. Hammes believes that outpatient facilities, including Medical Office Buildings ("MOBs") and Ambulatory Care Centers ("ACCs"), are most attractive as they typically offer Healthcare Providers a lower cost structure and greater patient convenience relative to inpatient facilities. Outpatient facilities also enable Healthcare Providers to increase their market share in targeted markets and practice areas and are expected to continue to serve an increasingly important role in the nation's healthcare delivery system.

  Healthcare real estate, including the outpatient sector, was materially impacted at the onset of the COVID-19 outbreak, which was declared a pandemic in early March 2020. At that time, 39 states across the United States issued guidance to suspend or cancel elective procedures as a temporary response to the pandemic and therefore patient volumes declined within the healthcare real estate sector. For example, in April of 2020, outpatient visits declined 58% from baseline volumes. However, the temporary responses by states to elective procedures were generally lifted by the end of May 2020 and by July 2020, outpatient volumes returned to nearly 90% versus the same baseline. As of December 2020, volumes returned to pre-COVID-19 outbreak levels as healthcare providers had implemented operational adjustments to enable patients to safely receive care. Sustained by strong demographic trends and demand for healthcare, the return of volumes demonstrates the resiliency within the healthcare real estate sector.

Issues to Consider

- **First Time Open-End Fund Structure** – Hammes is holding initial fundraising with a "Founders" round and expects to begin fundraising to other parties that have expressed interest in an open-end fund structure during previous discussions about the Firm's closed-end fund strategy. Investing in the founding of the fund introduces risk, as the team scales the platform through increased investment activity.

  Currently the HIGH Fund does not have a named Portfolio Manager or dedicated fund resource personnel. The naming of this person will be an important hire for the Fund and how the new Portfolio Manager works with the Investment Committee and Hammes' teams on sourcing, managing and disposing of assets. The new Portfolio Manager and entire Hammes team will also have to manage the intricacies of open-end funds which include perpetual fundraising and managing entrance and exit queues. This aspect of managing exit queues is an important aspect that the team has not had to manage and can be driven more by investor related factors instead of Fund related factors that are more easily managed by Hammes. While these concerns cannot be fully resolved, the Managing Principals launched the value-add closed-end fund series in 2012 and have lead the growth of the organization from a startup real estate investment firm to an established leader in healthcare-related real estate investing.

- **Lack of Track Record as a Core Plus Manager** – As described above, this will be the first time Hammes has managed a dedicated portfolio of core plus risk assets. While in the same sector and with overlapping tenants of their value-add fund series, there are different characteristics, hold period considerations and levers to drive returns the Firm must consider.

- **Rising Interest & Cap Rates –** As the Fed continues with planned rate hikes with the goal of countering inflation, it is increasingly likely that the Fed pushes the economy into a recession, squelching economic growth prospects, which would have an adverse impact on property values and an upward effect on cap rates. Cap rates are already facing upward pressure as the Fed's policy rate has moved above 4%. These rate increases have slowed real estate transactions leading to further uncertainty around current cap rate levels. The increased financing costs for purchasers of real estate and higher required return because of a higher risk-free rate are causing expanding cap rate pressure, thus leading to lower property valuations. However, we note the HIGH Fund targets assets that include contractual yearly rate increases which help mitigate the effects of rising interest rates and inflation. Hammes has a long track record of healthcare real estate investment and has produced consistent returns through a variety of market cycles and interest rate environments.

- **Investment Committee ("IC") Membership Concentration –** The current Investment Committee is comprised of Hammes' most senior and experienced real estate professionals: Jon Hammes, Todd Kibler and Patrick Hammes. The current level of concentration within the IC presents an elevated Key-Person risk to investors given their level of engagement, institutional knowledge, and industry relationships they retain. It is expected that once a Portfolio Manager has been named for the HIGH Fund, membership of the Investment Committee will expand. The IC membership expansion is anticipated early in the life of the HIGH Fund.

- **Sector Concentration –** There are increased levels of concentration and execution risk associated with investing in a narrowly focused strategy such as the case here. The Fund exclusively invests in the medical office sector, not other healthcare proximate sectors or strategies. The expected level of diversification, by market, healthcare provider and asset of the HIGH Fund's assets helps to assuage some of the risk associated with the single sector focus of this strategy. Additionally, from an investor's total portfolio perspective, this consideration is further allayed as this strategy assists in complementary diversification with traditional property type representation already inherent in the VPIC's core real estate exposure, via the UBS Trumbull Property Fund.

- **Firm Ownership and Potential for Perceived Conflicts of Interest –** Mr. Hammes and the Hammes Trusts (trusts established for the benefit of Mr. Hammes' family members) own a substantial proportion of HH. The common ownership of HH and HRS by Mr. Hammes could potentially create a conflict of interest, particularly when it comes to buy-sell decisions and other asset management decisions. Jon and Patrick Hammes sit on the Boards of HH and HRS along with senior professionals within these business units. Our diligence process did not uncover any misconduct or indication that preference was given to HH or HRS as it would adversely impact the overall Hammes organization and fund investors.
- **General Market Risks –** All real estate and real estate-related investments are subject to varying degrees of risk. The real estate market generally is highly cyclical, and an investment in real estate is subject to a number of risks and uncertainties, including downturns in national or local economic conditions; the supply and demand for properties; the relative attractiveness of real estate compared to alternative investments and the financial condition of tenants, buyers and sellers of properties. Many of these matters, as well as other factors, may result in decreases in rents and occupancy rates or increases in operating expenses, causing the value of the Fund's investments to decline and adversely affecting their returns. The value of the Fund's investments may fluctuate significantly due to these factors and may be significantly diminished in the event of a downturn in the market for real estate and real estate-related assets.

Investment Overview

Hammes Income & Growth Healthcare Fund, L.P. is a Delaware limited partnership sponsored by Hammes Realty Advisors. The HIGH Fund will own assets through a subsidiary Real Estate Investment Trust (REIT) for the benefit of favorable income tax treatment for investors. The Fund is structured to operate as an open-end, perpetual life vehicle.

Similar to Hammes' prior investment strategies, the Fund will target well-located, high-quality healthcare-related real estate in the U.S. Targeted assets include medical office buildings, ambulatory care centers and other healthcare facilities that are well positioned within their geographic market and that are expected to remain integral to established healthcare providers from a strategic, operational, and tenancy perspective. Hammes expects strong continued demand growth for Targeted Facilities, driven by growth in aging cohorts in the U.S. and the continued migration of healthcare service volumes to Targeted Facilities in order to capitalize on the lower cost structure and convenience for patients, as typically associated with those venues. Hammes will seek to leverage its and its affiliates' relationships, industry knowledge, consultative expertise and healthcare-related real estate investment and operational capabilities to provide risk-adjusted core plus returns for Fund investors. As a core plus fund, the HIGH Fund expects to maintain leverage around 40-50% of GAV, not to exceed 55% of GAV.

Firm

Jon Hammes founded Hammes Company in 1991 after 17 years at the Trammell Crow Company, where he was the Managing Partner responsible for managing Trammell Crow's operations in the Midwestern U.S. and Canada. Additionally, Mr. Hammes was a member of its management board and its investment arm, Trammell Crow Ventures. Upon his departure from Trammell Crow, Mr. Hammes retained a commercial real estate portfolio, which Hammes successfully managed and then substantially realized in 2006, capitalizing on Hammes' perception that valuations for commercial real estate were aggressive at that time.

In 1993, Mr. Hammes established HH to apply his extensive management and real estate experience to the healthcare sector. In particular, Mr. Hammes believed that the healthcare industry could benefit from the disciplines he developed and employed at Trammell Crow, including expertise to successfully control costs while developing and managing large-scale campuses. Since then, HH has continued to build its team and expand services to meet the needs of its burgeoning client base. HH currently provides an array of services to the healthcare industry, including: (i) operational strategy and planning, (ii) healthcare facility development and project management, and (iii) healthcare-related real estate advisory services. HH has earned broad recognition as a national leader within the healthcare and healthcare-related real estate industries, including over 24 consecutive years being ranked as either the #1 or #2 U.S. healthcare real estate developer by *Modern Healthcare* magazine.

In 2001, Hammes began to pursue investments in healthcare-related real estate assets to capitalize on its relationships with leading Healthcare Providers nationwide, flow of investment opportunities, and expertise selecting, underwriting, and managing such investments. Hammes was early to recognize that healthcare systems and providers were beginning to look to developers and owner/operators to provide third-party financing to fuel their growth and other business initiatives. Over the past 20 years, Hammes has selectively and successfully invested in healthcare-related real estate assets. Of those investments, the first 28 were funded on a deal-by-deal basis with capital from the Hammes family, high net worth investors, and institutional investors (Fund I). In 2012 Hammes established HRS and since its formation investments have been funded solely from Hammes' institutional fund platform (Fund II, Fund III and Fund IV).

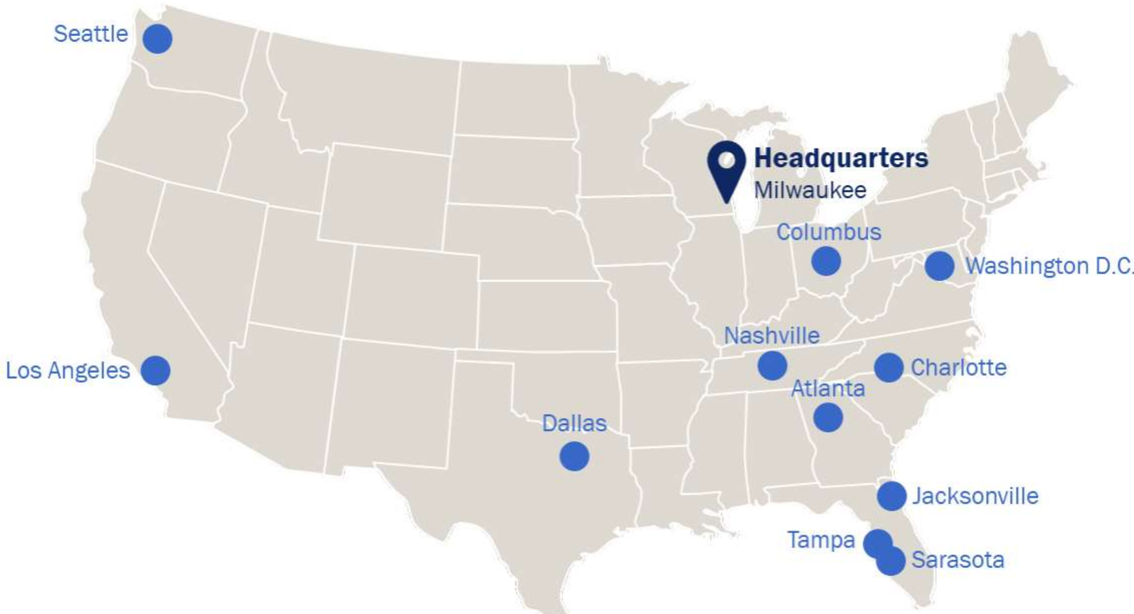
As with Funds II, III and IV, the latter of which the VPIC is an investor in, the HIGH Fund team includes highly experienced healthcare-related real estate professionals with complementary skill sets, including several that have worked together at Hammes, including prior to the inception of Hammes Realty Advisors, LLC.

The Manager, Hammes Realty Advisors, LLC, is a registered investment adviser with the U.S. Securities and Exchange Commission (the "SEC") that acts as the dedicated management entity for Fund II, Fund III, Fund IV and prior Hammes investments.

Hammes expects the Fund to benefit from Hammes' market presence brand recognition and reputation as a leader in the healthcare industry and its distinct combination of leading healthcare strategic and advisory experience, along with its proven healthcare-related real estate development capabilities. From its inception, HH has recruited and trained experienced healthcare strategy and planning and real estate professionals.

In addition, HRS believes it offers best-in-class property and leasing management capabilities for fund assets, pursuant to pre-negotiated agreements. Together, HRS and HH offer a national footprint across 12 locations. Hammes' integrated network of regional locations provides perspectives and insights from working with healthcare providers across the country and knowledge of local healthcare, real estate and construction marketplaces. Hammes' network also allows for sharing of national resources and best practices that benefit the Fund.

Hammes' National Network



Since 1993, HH has been involved in the development and construction of ACCs, MOBs, and acute care facilities. HH has been ranked by *Modern Healthcare* magazine as the #1 developer of healthcare facilities in the U.S. for 19 of the past 24 years and #2 for five years. In addition, HRS currently has widespread coverage of healthcare real estate across the country.

The Fund will benefit from HH's relationships, healthcare knowledge and experience in the healthcare real estate sector. This support is significantly additive in the underwriting and due diligence of prospective investment opportunities for the Fund. In addition, the pipeline for the Fund will be augmented by the Fund's access to HH's flow of investment opportunities, particularly for investments in prospective development and adaptive reuse projects. HH will generally refer all healthcare-related real estate investment opportunities that could potentially meet the Fund's investment criteria to the Manager.

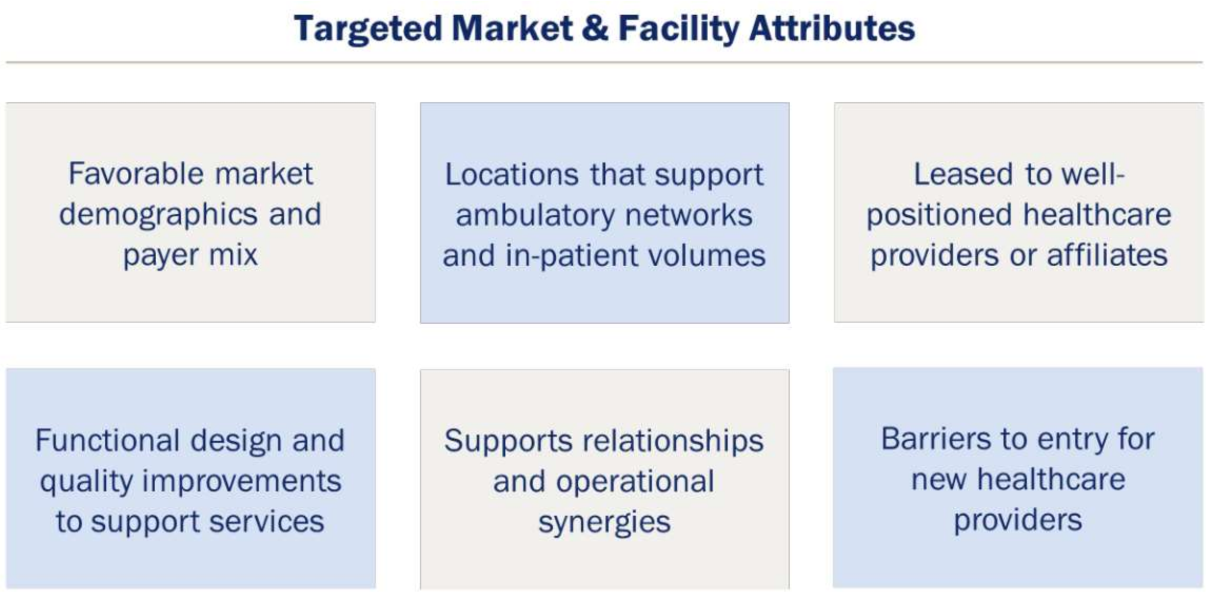
Investment Philosophy and Strategy

The HIGH Fund will allow Hammes to capitalize on additional volume within the U.S. healthcare real estate market, complementing its value-add fund series. The Fund will primarily invest in stabilized, and to a limited extent, substantially pre-leased development assets with core plus risk return profiles. The Fund expands Hammes' market opportunity and the ability to secure investments unavailable to its closed-end value-add fund series. The perpetual, open-end vehicle affords Hammes the ability to hold assets over a longer-term duration (7+ years), taking advantage of strong current income. Consistent with prior funds, the Fund will execute Hammes' proven investment strategy and leverage its vertically integrated platform to source Targeted Facilities. Similar to the investment strategy of prior funds, the Fund will capitalize on Hammes' positive outlook for the healthcare-related real estate market and investments generally, and more particularly for investments in Targeted Facilities. Additional opportunities are expected to finance build-to-suit or multi-tenant facility development initiatives and/or adaptive reuse opportunities. Hammes will seek to leverage its and its affiliates' relationships, industry knowledge, consultative expertise and healthcare-related real estate investment and operational capabilities to provide risk-adjusted core plus returns for Fund investors.

Focus on Select Targeted Facilities – The Fund will focus its investment activities on stabilized Targeted Facilities that Hammes expects to be integral to Healthcare Providers' future operating strategies by virtue of a strong tenant mix, strategic location and other attributes described further below. Hammes believes that these integral facilities will be less vulnerable to new competition or obsolescence and more likely to maintain above-average income and performance and increase in value over the long term.

Hammes will also target well-located facilities that are leased to creditworthy healthcare service providers that are known to Hammes to have long-standing, well-recognized franchises within their areas of specialization that might not be affiliated with Healthcare Providers. These tenants may include single-specialty, multi-specialty or small physician groups, laboratories, or diagnostic centers. Hammes will selectively invest in assets with such tenancy, if the physical attributes of these target facilities, location and patient capture, lease terms and other relevant factors make it an attractive investment opportunity.

Attributes of Targeted Facilities – Hammes will primarily seek targeted investments that possess attributes favorable for long-term hold at the time of investment. Hammes believes that it is well-qualified to assess the relative competitive positioning of existing and prospective healthcare tenants within the markets that they serve and other relevant attributes of healthcare assets by virtue of HH's 30 years of experience providing operational, strategic planning and real estate related services to the healthcare industry. Hammes plans to leverage these insights and capabilities to identify, underwrite and select investments, to select asset taking into account the following attributes: geographic markets with favorable demographics and barriers to entry; strategic locations that support healthcare providers, healthcare affiliates, and companies that serve healthcare providers; strong tenant mix; physical attributes and amenities that support best practices; predictable cash flows with potential growth.



Portfolio

As a new fund the HIGH Fund does not have an established portfolio of assets. HIGH will begin with a single seed asset that has been held by a Hammes joint venture. This asset is located in Los Angeles, California and is an Ambulatory Surgery Center and Medical Office Building. It was acquired by Hammes and its joint venture partner in 2004 and is currently 100% leased. As can be seen by the long hold period, Hammes views this as an excellent core plus asset, that offers key medical services to two premier Southern California health systems and provides attractive current cash flows. This asset will be purchased by HIGH to buy out the joint venture partner and represent a significant amount of GP investment in HIGH. As of December 31, 2022, on a mark-to-market basis, this asset has returned a 21.5% gross IRR and 9.3x gross MOIC.

As Hammes purchases assets for the Fund the allocation to geographies, and Healthcare Providers, and the sizing of assets within the portfolio will shift significantly with each purchase. The LPA sets diversification levels for the fund once the HIGH Fund has reached $2 billion in Fund NAV. Once this hurdle has been reached, diversification restrictions will be in place in which the HIGH Fund will not:

• invest more than 20% of the Fund NAV in a single property or portfolio of properties in a particular geographic region that is dependent upon the credit of a single tenant;

• invest more than 30% of the Fund NAV that would be allocable to the credit of a single Healthcare Provider regardless of location; or

• invest more than 35% of the Fund NAV in a particular MSA.

The Fund is also limited to real estate assets located in the United States. The Fund also will not: (i) invest in unentitled land; (ii) invest in publicly traded securities; or (iii) engage in hedging strategies other than in connection with the hedging of interest rate exposure.

Debt Profile

The Fund will begin with a seed asset that will be leveraged at 30%. This will establish an anchor for the debt profile of the Fund as assets are acquired. The following indebtedness restrictions are placed on the Fund at any time the Fund Net Asset Value is $1 billion or more.

> No Fund entity shall be permitted to incur third-party indebtedness to the extent that such incurrence would: (i) cause the aggregate amount of the Fund's indebtedness to exceed 55% of Fund GAV or (ii) cause the amount of the Fund's indebtedness secured by any Single Real Estate Asset to exceed 65% of the Gross Asset Value attributable to such Single Real Estate Asset. However, in the event that the limitations in clauses (i) or (ii) above would be violated as a result of Assumed Indebtedness, the Fund shall have five (5) years from the date of the acquisition of the Real Estate Asset to which such Assumed Indebtedness relates to cure such circumstance by causing a refinancing of such Assumed Indebtedness or taking other measures to cause the Leverage Test to be satisfied, and in the event the Fund cures such circumstance within such cure period, the Leverage Test shall be deemed not to have been violated as a result of such Assumed Indebtedness.

RVK feels that five years to cure or remedy the debt limitation violation is too long, not market standard and this should be reduced so that the violation will be cured within two years, even if during the initial launch of the Fund phase.

Fund Performance

As described previously in the "Issues to Consider" section, this will be the first time Hammes is endeavoring to manage a dedicated portfolio of core plus risk assets. In lieu of a full quantitative analysis standard in RVK's due diligence process, RVK worked with Hammes to historically evaluate assets from their value-add track record that could be used to represent core plus profiles over the assets' hold periods. Hammes Funds acquired these assets, initially with value-add risk profiles (development, lease-up, renovation/expansion and re-tenanting), then over time as the team has executed the individual business plans, the assets were "de-risked" and reflect more core plus risk-reward profiles. These de-risked assets were held in the funds over time, generating attractive stabilized current income until an opportunity for exit was found which is similar to Hammes' approach with managing the HIGH Fund.

One additional point of distinction is that the hold period for core plus assets is expected to be longer than that of Hammes' experience through their closed-end fund series. RVK believes the experience of Hammes in managing assets following stabilization provides a necessary degree comfort that they will be able to execute an institutional quality managed fund reflective of their core plus risk profile they set out to accomplish.

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Summary of Key Partnership Terms (As of December 31, 2022)

Inception	March 2023
Gross Asset Value	Fundraising for initial closing, initial seed asset will be $130M
Net Asset Value	Fundraising for initial closing, expecting $350M Founders' round
Entry Queue **Exit Queue**	$0 $0
Fund Structure	Hammes Income & Growth Healthcare Fund, L.P. is a Delaware limited partnership. The HIGH Fund owns assets through a subsidiary (REIT) for the benefit more favorable income tax treatment
Target Sectors	Healthcare
Risk Controls	Following Fund reaching $1B portfolio leverage shall not exceed 55% of Fund GAV and property leverage is limited to 65% on a single asset Upon Fund NAV reaching $2B new acquisitions must be <20% of NAV Following $2B NAV, the fund will not invest more than 20% of Fund NAV in a single asset or portfolio of assets that is dependent upon the credit of a single healthcare provider in a particular MSA; >30% of Fund NAV assets dependent on the credit of a single healthcare provider (regardless of location) Investments in a particular MSA shall not exceed 35% of Fund NAV Fund can only invest in properties located in the United States
Debt Overview	After Achieving $1B NAV Fund Level LTV Limit – 55% Asset Level LTV Limit – 65%
Management Fee	First $20 million at 1.35% Next $30 million at 1.30% Next $50 million at 1.20% Next $100 million at 1.00% Greater than $200 million at 0.94% *Founders Fee at 0.90%
Quarterly Redemption Policy	Partnership interests must be held for three years to be eligible for redemption. Quarterly, with at least 45 days written notice.

*Founders Fee: 90bps in perpetuity for commitments closed by final closing of Founders Round in 2023, irrespective of commitment size.

Conclusion

RVK believes the Hammes Income and Growth Healthcare Fund represents an attractive opportunity to capitalize on the Firm's strong investment platform and sector expertise. The risks detailed previously are, in RVK's opinion, outweighed by the positive attributes of the Firm and Fund. Commitments to the Fund are expected to provide strong current income, exposure to the medical office sector and varying geographies, diversifying existing private real estate portfolio investments as well as offer potential downside protection due to differentiated demand drivers in the underlying properties relative to primary real estate sectors.

Appendix A

Redemption and Subscription Process

The Fund held its initial closing on December 23, 2022. Following this closing the General Partner may accept subscription agreements at any time.

To the extent that there are sufficient liquid assets to satisfy redemption requests, an investor will have the right to elect to have some or all of its Fund interests redeemed by providing to the general partner written notice of such election at least 45 days prior to the end of the calendar quarter for which the election is made. Partnership interests must have been held (not including DRP interests) for at least three years to be eligible for redemption.

The Incentive Allocation will accrue and be made with respect to Redemption Interests on the Redemption Date with respect to such interests as if the date of such redemption were an Incentive Payment Date, and the redemption price payable to such Partner shall be reduced by the amount of any such Incentive Allocation.

If there are insufficient assets to pay redemptions, they are held for redemption on the next Redemption Date and will be considered for redemption along with any additional redemption requests effective as of such Redemption Date. In redeeming Partnership Interests of any Limited Partner, the Partnership Interests first issued to such Limited Partner (including whether pursuant to one or multiple Subscription Agreements (or amendments thereto)) that are eligible for redemption shall be the first Partnership Interests to be redeemed pursuant to the Redemption Notice.

It is important to note that any investor that has the Founders' Fee structure and seeks a partial redemption will be redeemed first through their Founders commitment and will lose the fee discount for the amount of their redemption. Founding investors should negotiate this point if possible, to preserve this fee discount if making a partial redemption.

Distribution Reinvestment Plan

Each Limited Partner may provide the General Partner with written notice in a form acceptable to the General Partner (a "DRP Election") that such Limited Partner elects to participate in the reinvestment program of cash distributions received with respect to all or any portion of its Partnership Interests (the "DRP"), and the reinvestment of such Limited Partner's cash distributions will be effective no sooner than the first calendar quarter that follows the date on which receipt of such DRP Election was acknowledged by the General Partner.

DRP Participants may withdraw from the DRP with respect to all or a portion of the Partnership Interests held in their account in the DRP by providing 90 days' written notice in a form acceptable to the General Partner. The request will be processed as of the first DRP Record Date following 90 days after receipt of the request by the General Partner. All distributions with respect to the Partnership Interests withdrawn from the DRP, subsequent to the effective date of the withdrawal, will be paid in cash. A Limited Partner who has withdrawn from the DRP with respect to all or any portion of its Partnership Interests may request that the General Partner reinstate its participation in the DRP with respect to all or any portion of its Partnership Interests by providing a DRP Election, and the General Partner may grant (or decline) such request for reinstatement in its discretion.

The General Partner may in its discretion suspend or terminate the DRP at any time upon forty-five (45) days' prior written notice to the Limited Partners. In addition, the General Partner may in its discretion amend the DRP at any time without prior notice to or the Consent of any Person. Notice will be sent to all Limited Partners of any amendment that alters the DRP terms and conditions, as soon as practicable after such action by the Partnership.

Valuation Policy

An independent valuation firm (the "Valuation Management Firm") oversees and administers the appraisal process for the Fund. The Valuation Management Firm will be chosen from time to time by the General Partner and its services will be an expense of the Fund.

The Valuation Management Firm selects and supervises third-party appraisal firms. Except as provided within the valuation policy, each Investment is appraised annually Hammes Income & Growth Healthcare Fund, L.P. by a third-party appraisal firm, with approximately 25% of the Investments being appraised each quarter. In the interim quarter, the appraised values are updated by the Valuation Management Firm.

The values of the Fund's Investments are established in accordance with its valuation policy statement, a copy of which is available upon request. The Partnership's net asset value (the "Partnership NAV") and the Operating Partnership's net asset value (the "OP NAV") are generally determined by the Fund Operators as of the last day of each calendar quarter and at such other times as required by the Partnership Agreement or otherwise appropriate. The OP NAV will be based on (i) the aggregate appraised values or costs of the Investments in accordance with the Fund's valuation policy, (ii) additions to the appraised values (or updates thereof) of cost to reflect capital expenditures made subsequent to such appraisal (or updates) or cost, (iii) the carrying value under U.S. generally accepted accounting principles (“GAAP”) of all other assets, (iv) the amount of any unamortized Organizational Expenses, and (v) the amount of the consolidated liabilities of the Operating Partnership and its direct and indirect subsidiaries. Indebtedness for this purpose will be valued at fair value in accordance with GAAP. Any Investment in which the Fund owns less than a 100% direct or indirect interest is valued by beginning with the value of the entire underlying investment (determined as described above) and reducing that value to equal what the Fund would receive in the event the entire underlying Investment were sold for that value. Substantially all of the Partnership’s assets will consist of indirect interests in Class A OP Interests, held through the Subsidiary REIT. The Partnership NAV will be based on (i) the Partnership’s share of OP NAV, (ii) the carrying value under GAAP of all other assets of the Partnership, and (iii) the amount of the consolidated liabilities of the Partnership and the Subsidiary REIT. Indebtedness for this purpose will be valued at fair value in accordance with GAAP.

Prospective Investors should note that real estate assets generally cannot be marked to an established market and are not readily tradable assets. Accordingly, the appraised value of a real estate asset may not always coincide with, and therefore may be higher or lower than, the price at which the asset could be sold on any particular date. As a result, the Partnership NAV as determined in accordance with the procedures described above may be inexact and may not always reflect the value of the Partnership’s underlying Investments.

UBTI

The Fund generally intends to hold its REIT-qualifying investments through the Subsidiary REIT. With respect to investments held by the Subsidiary REIT, a tax-exempt Investor that has not leveraged its investment in the Partnership generally is not expected to recognize unrelated business taxable income (“UBTI”), although special rules apply to certain types of tax-exempt entities. If the Subsidiary REIT were to become a pension-held REIT, any qualified pension trusts indirectly owning more than 10% of the Subsidiary REIT may incur UBTI. In addition, although the Fund does not intend to hold a material amount of Investments outside of the Subsidiary REIT, the Fund may hold certain assets and incur indebtedness outside of the Subsidiary REIT, which may generate UBTI.

Incentive Allocation

The Special Limited Partner will receive an incentive allocation (the “Incentive Allocation”) that will accrue on the last day of each calendar quarter (each such date, an “Incentive Accrual Date”) and be payable in Incentive Interests as set forth below. On each Incentive Accrual Date, the Incentive Allocation will accrue, with respect to each Limited Partner on such date, in an amount equal to 15% of the Excess NAV attributable to such Limited Partner’s Partnership Interest on such date (the amount so accrued with respect to any Limited Partner in any calendar quarter, the “Quarterly Incentive Accrual Amount”).

Beginning at the close of business on December 31 of the year in which the third anniversary of the Initial Closing Date occurs, and at the close of business on December 31 of each third calendar year thereafter (each such date, an “Incentive Payment Date”), (i) the Special Limited Partner shall, with respect to each Limited Partner, receive an Incentive Allocation of profits to the Special Limited Partner’s capital account equal to the Incentive Payment Date Amount; and (ii) the Special Limited Partner shall be issued, with respect to each Limited Partner, a number of Incentive Interests equal to the quotient of (A) the Incentive Allocation made with respect to such Limited Partner on such Incentive Payment Date divided by (B) the Partnership Interest Price as of such Incentive Payment Date. The General Partner may in its discretion waive or reduce the Incentive Allocation with respect to any Partnership Interests.

With respect to Partnership Interests subject to a valid Redemption Notice, the Incentive Allocation will accrue and be made on the Redemption Date with respect to such interests as if the date of such redemption were an Incentive Payment Date, and the redemption price payable to such Partner will be reduced by the amount of any such Incentive Allocation.

Holders of Class B OP Interests will also be subject to an incentive allocation to be made to an affiliate of the general partner of the Operating Partnership. However, the Class A OP Interests, which are indirectly held by the Partnership, will not bear any portion of such incentive allocation.

“Excess NAV” means, as of any Incentive Accrual Date, the excess, if any, of the Partnership NAV (before giving effect to the accrual of any unpaid Quarterly Incentive Accrual Amounts) as of such date over the Hurdle NAV as of such date. “Incentive Payment Date Amount” means, with respect to any Limited Partner and any Incentive Payment Date, the sum of the Quarterly Incentive Accrual Amounts accrued with respect to such Limited Partner with respect to the preceding three years (including any Quarterly Incentive Accrual Amount accrued on such Incentive Payment Date). “Hurdle NAV” means, as of any Incentive Accrual Date, the Partnership NAV that would result in a 7% cumulative annualized internal rate of return (before giving effect to the accrual of any unpaid Quarterly Incentive Accrual Amounts) during the period beginning on the date immediately following the most recent Incentive Payment Date (or, if no Incentive Payment Date has occurred, the Initial Closing Date) and ending on such Incentive Accrual Date, taking into account the timing and amount of all distributions and deemed distributions (including deemed distributions by means of the Partnership’s distribution reinvestment plan and distributions in redemption of Redemption Interests) made by the Partnership during such period and Capital Contributions (and deemed Capital Contributions, including by means of the reinvestments made through the Partnership’s distribution reinvestment plan) made to the Partnership during such period. “Redemption Date” means a date following the determination of the Net Asset Value at the end of a calendar quarter with respect to which a timely Redemption Notice has been given. “Redemption Notice” means a written notice submitted by an Investor to the General Partner at least 45 days prior to the end of a calendar quarter setting forth the number of Partnership Interests such Investor elects to redeem.

RVK

Appendix B

Biographies of Key Personnel – Managing Principals

Jon Hammes – Founder & Managing Principal
Jon is a Managing Principal of the Firm and is a member of the Investment Committee. Jon is also the Chairman and CEO of Hammes Healthcare ("HH").

Jon founded Hammes Company Healthcare in 1993 to apply his extensive management and real estate experience to the healthcare sector. Prior to forming HH, Jon was a Managing Partner at Trammell Crow Company, responsible for managing its operations in the Midwestern United States and Canada, and a member of Trammell Crow's management board.

Jon has substantial experience serving institutional investors, including in his current position as Director of the University of Wisconsin Foundation and former role of Director and Chair of the State of Wisconsin Investment Board, which invests the assets of the Wisconsin Retirement System, the State Investment Fund and other state trust funds. In addition, Jon is a Past Chair of the Medical College of Wisconsin. He earned a B.B.A. degree in Economics from the University of Wisconsin-Milwaukee and M.S. degree in Real Estate and Investment Analysis from the University of Wisconsin-Madison.

Todd Kibler – Managing Principal
Todd leads the investment and financing activities for the Firm and is a member of the Investment Committee.

Prior to joining the Firm, Todd was a Partner with HH and served as the company's Chief Financial and Investment Officer. Todd's experience includes transactional, managerial and consultative involvement in the real estate industry, spanning virtually all product types. Prior to joining Hammes Company, Todd was Executive Vice President of Finance & Administration for Corporex Companies, a developer and operator of commercial office, industrial, hospitality, and residential properties. Previously, he was Vice President of Finance & Strategic Business for The Mills Corporation, a publicly traded REIT focused on the development and operation of retail centers, and other retail and entertainment operating ventures. Todd began his real estate career with Kenneth Leventhal & Company.

Todd serves on the Advisory Board for Healthcare Real Estate Insights, a publication platform that covers the healthcare real estate sector with notable news, projects, and trends. Todd is a C.P.A. and earned a B.A. in Political Science from the University of California, Los Angeles and an M.B.A. in Real Estate and Finance from the University of Southern California.

Patrick Hammes – Managing Principal
Patrick leads the portfolio management, operational and investor activities for the Firm and is a member of the Investment Committee. Patrick is also a member of the board of directors of HH.

Prior to joining the Firm, Patrick was a Vice President in the Business Services and Healthcare Investment Banking Group at Robert W. Baird & Co. ("Baird") where he participated in a wide range of financial advisory transactions, including mergers & acquisitions, equity & debt offerings, valuation opinions and private placements. Before Baird, Patrick was an attorney at Strasburger & Price in Dallas, Texas and previously clerked in the General Counsel's office of the U.S. Department of Health and Human Services.

Patrick serves as the Chair of the board of directors for Children's Wisconsin, the leading pediatric health system in Wisconsin and one of the top pediatric hospitals in the country. Patrick also serves on the boards of the University of Wisconsin's Nicholas Center for Corporate Finance and Investment Banking and for The Boys & Girls Clubs of Greater Milwaukee. He holds his B.A. in Political Science and M.B.A. in Corporate Finance from the University of Wisconsin-Madison where he was the recipient of the Wisconsin Distinguished Graduate Fellowship. He earned his J.D. from Georgetown University Law Center.

Appendix C

Biographies of Key Personnel – Investment Professionals

Nicholas Horsfield – Principal
Nicholas is primarily involved in the asset management activities of the Firm. Prior to joining the Firm, Nic served as Vice President for Lehman Brothers Holdings, Inc.'s Global Real Estate Group where he was involved in investment restructurings, asset dispositions, underwriting and asset management. Prior to Lehman Brothers, Nic worked for LaSalle Investment Management, where he provided valuation, budgeting and strategic planning for a $350 million separate account real estate portfolio. He earned a B.B.A. in Finance, Investments & Banking and an M.B.A. in Real Estate & Urban Land Economics from the University of Wisconsin-Madison.

William Roberson – Principal
Will is primarily involved in the investment activities of the Firm. Prior to joining the Firm, Will was a Vice President in the Medical Facilities Group at Health Care REIT (NYSE: HCN). While at Health Care REIT, he transacted with hospitals, large physician practices and developers. Prior to this position, Will led the medical facilities group for General Electric's healthcare real estate platform. Will offers over 30 years of healthcare real estate experience. He earned his B.S. in Accounting from the University of Alabama.

Justin Shea – Principal
Justin is primarily involved in the investment activities of the Firm. Prior to joining the Firm, Justin worked with the Acquisition and Asset Management groups at Greenfield Partners, a global real estate investment firm. His responsibilities included acquisition and management activities in various types of real estate, including healthcare, hospitality, distressed debt, and land, with responsibility for over $500 million in equity invested. Previously, he worked with Robert W. Baird & Co. in its Investment Banking Group.

Justin serves on the board of directors, as Treasurer and Chair of the finance committee, and is a member of the executive committee and investment committee of CurePSP, an organization supporting awareness and a cure for neurodegenerative diseases. He earned a B.S. in Accountancy and a B.S. in Real Estate Finance from the University of Illinois, Urbana-Champaign.

Steve Buckeridge – Senior Vice President
Steve is primarily involved in the development activities of the Firm. Prior to joining the Firm, Steve was a Development Principal with MedCraft Healthcare Real Estate. Previously, Steve was a Senior Vice President of Development at Healthcare REIT (Welltower; NYSE: HCN), a Vice

President at Hospital Affiliates Development Corporation (HADC) and a facility planner and program manager for the U.S. Navy. He received a B.S. in Engineering from Texas A&M University and an M.B.A. from the University of Maryland.

Jeffrey Ruidl – Senior Vice President
Jeff is primarily involved in the investment activities of the Firm. Prior to joining the Firm, Jeff was a Director at Northwestern Mutual Real Estate where he led investment activity in New York City and sourced and produced transactions in excess of $1.2 billion. He previously served as national head of underwriting and was responsible for the final valuations of all new debt and equity investments, totaling about $6 billion each year. Jeff serves on the Board of Trustees for Nativity Jesuit Academy and is chair of its Investment Committee. He received a B.S. in Business from Marquette University, a J.D. from Marquette University Law School, and a M.B.A. in Real Estate & Urban Land Economics from the University of Wisconsin-Madison. He is a CFA Charterholder.

Amy Young – Senior Vice President
Amy is the Controller and Chief Compliance Officer for the Firm. Prior to joining the Firm, Amy spent over nine years at PricewaterhouseCoopers. Her time at PricewaterhouseCoopers included serving on both public and non-public financial services audit engagements including private equity funds, retail and investment banks, insurance companies, and asset managers. She also served in advisory roles related to accounting policy, capital market transactions and valuation. She earned a B.B.A. in Accounting and Masters of Accountancy from the University of Wisconsin-Madison. She is a CPA licensed in Wisconsin and Virginia.

Mark Buelow – Vice President
Mark is primarily involved in the asset management activities of the Firm. Prior to joining the Firm, Mark was a Financial Manager for JP Morgan Asset Management where he handled asset management functions for a portfolio of office and industrial buildings across the United States. His portfolio included investments with numerous joint venture structures and assets in various stages of the real estate life cycle, including development and operating. Prior to JP Morgan Asset Management, Mark worked for Acadia Realty Trust, a publicly traded REIT, as well as Brookdale Senior Living. Mark earned his B.B.A. in Accounting from St. Norbert College. He is a licensed CPA in Wisconsin.

Barrett Freeman – Vice President
Barrett is primarily involved in the investment activities of the Firm. Prior to joining the Firm, Barrett was Vice President and head of CBRE's Advisory and Transactions platform on behalf of Baylor Scott & White Health, one of the largest non-profit health systems in the U.S. Previously, he was Director of Acquisitions for Caddis, a national healthcare real estate company. His experience

includes development, acquisitions, landlord/tenant representation, advisory, underwriting and financing of medical properties throughout the U.S. Prior to Caddis, Barrett worked for a development firm as a Development Director. Barrett earned a B.S. in Economics from Texas A&M University and an M.B.A. in Real Estate and Finance from Southern Methodist University, where he received the unique distinction as a Cox Distinguished M.B.A. Scholar.

Arvin Taneja – Vice President

Arvin is primarily involved in the investment activities of the Firm. Prior to joining the Firm, Arvin served as Vice President at Ascendance Partners, an opportunistic real estate private equity fund. His responsibilities included overseeing all acquisitions and asset management activities including sourcing and underwriting new investment opportunities, negotiating and structuring debt financing and executing on value-add investment strategies. Previously he worked at Fannie Mae in their Analytics & Reporting division and US Restaurant Properties, a private REIT. He earned a B.S. in Finance from The University of Texas at Dallas and an M.B.A. in Econometrics and Statistics from the Booth School of Business at The University of Chicago.