



SAFE HARBOR STATEMENT / DISCLAIMER

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This presentation contains forward-looking statements. Forward-looking statements are typically identified by the use of such terms as “may,” “should,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe” or the negative of such terms and other comparable terminology. Such forward-looking statements are based upon the Company’s current plans, expectations, estimates, assumptions and beliefs that involve numerous risks and uncertainties, including, but not limited to, those set forth in “Risk Factors” section of the offering circular, related to future economic and/or market conditions, as well as future business decisions, which are difficult or impossible to predict accurately or which may be out of the Company’s control. Actual results could vary materially from those set forth in such forward-looking statements.

Before investing, a prospective investor should carefully read the offering circular contained in the Company’s offering statement, which may be found at <https://www.sec.gov/cgi-bin/browse-edgar?company=HC+Government+Realty+Trust&owner=exclude&action=getcompany>

There is a risk of loss of the entire investment. There is no guarantee of any specific outcome. Investments may be speculative, illiquid, and carry a high degree of risk. Past performance is not indicative of future results.



Investing in Real Estate Leased to the United States of America



DEA - Port Saint Lucie



CBP – Cape Canaveral

Winter 2017-2018



COMPANY RISK FACTORS

Set forth below are summary risk factors regarding the Company and its common stock. Investors should review the Company's Final Offering Circular, including the "Risk Factors" therein, prior to investing in the Company's common stock.

- The Company recently organized and does not have a significant operating history or financial resources. There is no assurance that the Company will be able to successfully achieve our investment objectives.
- A portion of the Company's distributed cash, particularly early in our operations as we deploy proceeds of the offering, may constitute a return of each stockholder's capital investment in the Company. Any such distributions would constitute a return of capital and would reduce the amount of capital available for investment in properties.
- Investors will rely solely on the Company's manager, Holmwood Capital Advisors, LLC (the "Manager") to manage the Company and its investments. The Manager will have broad discretion to invest the Company's capital and make decisions regarding investments. There are substantial risks associated with owning, financing, operating and leasing real estate, including specific risks related to U.S. Government leased real estate.
- The Company's investments are not anticipated to be diversified across real estate asset classes, so, if U.S. Government leased real estate experiences an adverse event the Company and your investment will be materially and adversely affected.
- Some of our leases permit the occupying agency to vacate the property and for our tenant to discontinue paying rent prior to the lease expiration date.
- Shares of our common stock will have limited transferability and liquidity. Although we intend to apply for quotation of our common stock on the OTCQX following final termination of this offering, even if we obtain that quotation, we do not know the extent to which investor interest will lead to the development and maintenance of a liquid trading market.
- Substantial actual and potential conflicts of interest exist between the Company's investors and its interests or the interests of its Manager, and their respective affiliates, including with respect to Holmwood Capital, LLC's contribution to the Company of seven of the Company's initial ten portfolio properties.
- The Company may fail to qualify or maintain our qualification as a REIT for federal income tax purposes. The Company would then be subject to corporate level taxation and the Company would not be required to pay any distributions to our stockholders.
- An investor could lose all or a substantial portion of its investment.



GSA RISK FACTORS

Set forth below are summary risk factors regarding the GSA. Investors should review the Company's Final Offering Circular, including the "Risk Factors" therein, prior to investing in the Company's common stock.

- The Company must obtain the consent of the GSA in order to assume the rights and obligations of the landlord under the leases of GSA Properties acquired, and will need to collect the rent from the former owners of those GSA Properties until that consent is obtained.
- An increase in the amount of federal government-owned real estate relative to federal government-leased real estate may materially and adversely affect the Company.
- The federal government's "green lease" policies may materially and adversely affect the Company.
- GSA Properties may have a higher risk of terrorist attack.
- Because the Company's GSA Properties are built-to-suit for various federal government agencies and are dispersed across the United States, individual GSA Properties may have unique risks which are not characteristic of the portfolio as a whole.
- The market for real estate investments, and particularly GSA Properties, is highly competitive.



OFFERING SUMMARY

Security Offered	Common Stock
Offering Size	\$3 million (minimum) / \$30 million (maximum)
Shares Offered	300,000 (minimum) / 3,000,000 (maximum)
Offering Price	\$10.00 per share / \$1,500 minimum investment
Targeted Distribution	\$0.55 per share / 5.5% yield
Use of Proceeds	Acquisition of GSA properties, repayment of certain outstanding debt, general working capital
Proposed Listing	We intend to apply for an OTCQX listing upon completion of this offering
Board of Directors	7 total (4 independent*)

* 4 Independent Directors to be appointed to Board of Directors upon initial closing of the offering

STRATEGY AND INVESTMENT HIGHLIGHTS

Strategy

- Provide investors with reliable and predictable income from distributions
- Leases are full faith and credit obligations of the United States
- Generate shareholder value by building a diversified portfolio of single-tenant properties leased to the United States
- Provide liquidity and an “early player” opportunity typically only accessed by larger institutional investors and private equity funds

Investment Highlights

**Secure and Long-Term
Federal Government
Tenants**

**Investment Grade
Rated Tenant**

**Strong Built-In
Cash Flow**

**Large and Fragmented
Marketplace**

**Unique Operation with
High Barriers to Entry**

**Experienced and
Committed Management
Team**

COMPANY OVERVIEW

HC Government Realty Trust, Inc. (“HCGR” or the “Company”) seeks to acquire built-to-suit and improved-to-suit, single-tenant properties leased by the United States of America, primarily through the U.S. General Services Administration (“GSA”)

- Leases are full faith and credit obligations of the United States and are not subject to annual budgetary review
- Federal agencies that fulfill mission-critical or direct citizens service functions
- Target secondary or smaller markets with limited competition and properties with between 5,000 and 50,000 RSF
- Built-to-suit and improved-to-suit properties are uniquely tailored to the needs and role of the agency tenant, providing a number of benefits including:
 - Increasing the “stickiness” of property/incentivizes long-term leases
 - Typical occupants include FBI, DEA, SSA, CBP, CIS, DOT and BLM
- Current portfolio of 13 properties; ~265,000+ RSF; ~ \$7.7MM annual rental revenue.
- Aligned and experienced management team -- \$3B+ of asset class experience.



OPERATIONAL STRATEGY

Business Model

- *Specialized, mission-critical and customer service oriented* properties to mitigate non-renewal risk
- Portfolio *diversification* – agency, location, staggered lease expirations
- Significant *experience* in property management and *management* of third party property managers

Property Upgrades

- Work closely with GSA throughout lease term to *implement improvements* to *enhance property value* for the occupying agency and improve the likelihood of *lease renewal*
 - Improvement costs returned over time as rent adjusted by the corresponding straight-lined amount
- Conduct *frequent audits* of each of our properties in concert with the GSA and the occupying agency to keep each facility in *optimal condition*
 - Assist the occupying agency in better performing its stated mission
 - Helping to position us as a GSA partner of choice

Efficient Management

- Review all property level operating expenditures to determine if the property can be managed more *efficiently*
- Seek to *reduce operating costs* at all of our properties
 - Often implementing energy efficiency programs that help the U.S. Government achieve its conservation and efficiency goals

THE BENEFITS OF A DISCIPLINED DIVERSIFICATION STRATEGY



HC Government Realty Trust, Inc. has implemented a disciplined approach to diversification of risk intended to create a portfolio of assets capable of producing superior returns in light of relative risk.

GSA leased properties are backed by the full faith and credit of the United States and are not subject to annual budget appropriations – no occupancy risk. We consider the principal risk to be non-renewal of the lease at the expiration of its term.

Key elements of the Company's diversification strategy include:

- Concentration of agency exposure is limited for political/long-term budgetary sustainability
- Focus on agencies and uses critical to the government's presence in that region – mission critical/citizen service
- Target secondary and smaller markets, where options limited
- Staggered lease rollover schedule helps ensure that there is no concentration of lease expiration in any given year
- Scale of individual acquisitions helps ensure that no single property impacts cash flow significantly

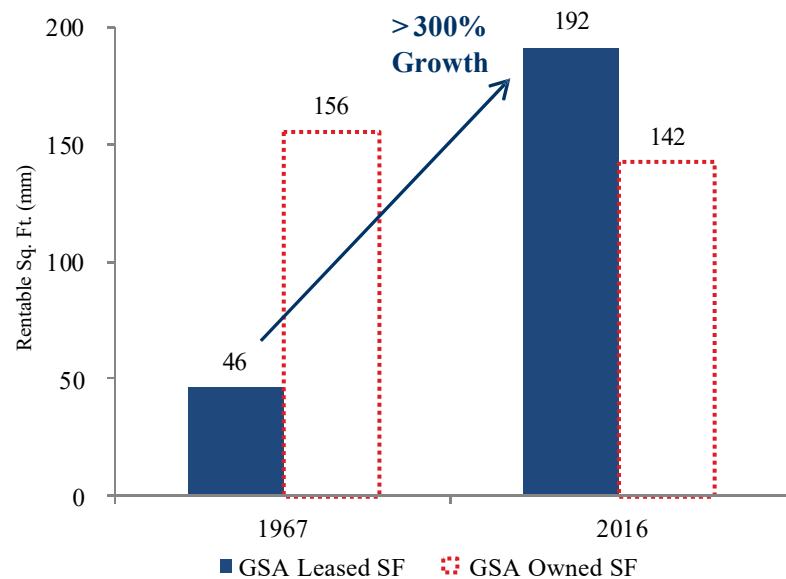


THE OPPORTUNITY

GSA LEASE HIGHLIGHTS

- Leases are full faith and credit obligations of the United States and are not subject to the risk of annual appropriations, although non renewal at the end of the lease term is a risk.
- Long-term leases, typically 10 to 20 years in total
- Since 2001, the average duration of occupancy for federal agencies in the same leased building is 25 years ⁽¹⁾
- High renewal rates of 95% for single-tenant, built-to-suit properties ⁽²⁾
- Significant rent growth at renewal, typically a 29% increase ⁽¹⁾
- Leases typically include inflation-linked rent increases associated with certain property operating costs and taxes

Growth in GSA-Leased Space ⁽³⁾



Top 6 Customers of GSA-Leased Inventory



(1) Source: GSA, Colliers International Study completed March 2016

(2) Source: GSA

(3) Source: GSA REXUS Inventory; 2016 data as of 7/21/16; GSA June 2016 External Inventory Report

ACQUISITION CRITERIA



Building Acquisition Characteristics

- Single-tenant, Federal Agency-occupied
- Mission-critical or direct citizen service functions
- Located in secondary or smaller markets with strong demographics
- 5,000 to 50,000 rentable square feet
- Lease in first term after construction or retrofitted to post-9/11 standards
- Target LEED® certified
- Acquisition cap rates approximately 6.75% - 7.25% for properties with at least 6+ years of lease term remaining



Target Market⁽¹⁾

Total GSA Properties

~ 10,300 properties and 335mm RSF

GSA-Leased Properties

~ 8,200 leases and 190mm RSF

Properties 5,000 – 50,000 RSF

~ 4,600 leases and 70mm RSF

Single-Tenant

~ 1,300 leases and 20mm RSF

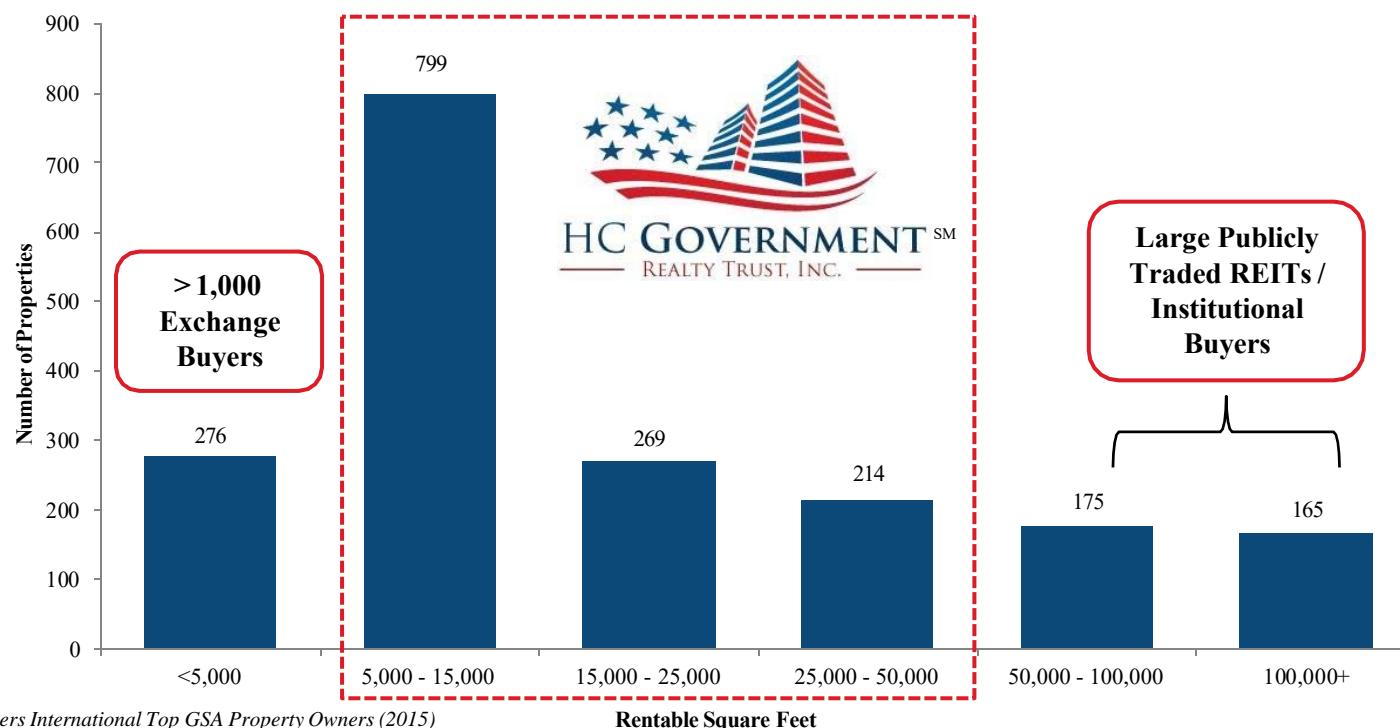
⁽¹⁾ Source: GSA June 2016 External Inventory Report

GSA MARKET OPPORTUNITY



- The federal government leasing market is highly fragmented and often overlooked by larger investors
 - RFP process perpetuates market fragmentation – the top 10 owners own ~17% of total GSA-leased properties and no single landlord owns more than ~ 4% of such properties⁽¹⁾
- Focus on single-tenant, built-to-suit or improved-to-suit, first generation federal agency occupants with rentable square footage ranging from 5,000 to 50,000
 - Over 1,300 single-tenant properties in our targeted size throughout the U.S.⁽²⁾

GSA-Leased Market Participants ⁽²⁾⁽³⁾



(1) Source: Colliers International Top GSA Property Owners (2015)

(2) Source: GSA June 2016 External Inventory Report

(3) Includes single-tenant, 100% leased buildings

ACQUISITION CASE STUDIES*

Port Saint Lucie, FL

U.S. Drug Enforcement Administration



- Built-to-suit in 2002 – current prototype for DEA Field Offices
- ~ 25,000 RSF
- Limited-market transaction
- Discrete location with convenient access to Interstate 95 – the main North / South artery from Miami to Maine

Perceived Management Value Add:

- Property was sourced from a fractured Tenant-in-Common (“TIC”) syndication that renewed the lease without a rent increase resulting in an acquisition price well below replacement cost
- Below market rent rate allows for significant upside upon the next lease renewal
- New roof and HVAC replacement negotiated into purchase price

Cape Canaveral, FL

U.S. Customs and Border Protection



- Built-to-suit in 2012 with significant additional land for future expansion
- ~ 15,000 RSF
- Off-market transaction at a significant discount to current cap rates
- Extremely valuable location within the space constrained Port Canaveral – the 2nd largest cruise port in the world servicing 3.9 million passengers

Perceived Management Value Add:

- Negotiated with the Port to extend the ground lease from 25 years remaining to a total of 40 years at no additional cost, reflecting the Port’s commitment to the CBP’s location
- Completed significant tenant improvements to accommodate an expanding employee base at the request of the GSA during our first year of ownership

Johnson City, TN

U.S. Department of Homeland Security



- Built-to-suit FBI Field Office in 2012
- ~ 10,000 RSF
- Designated a “Continuous Operations Building” to support the Knoxville, TN Regional Headquarters
- Protects the Blue Ridge Mountain corridor

Perceived Management Value Add:

- Management currently working with the GSA to add tenant improvements and security upgrades that will allow the facility to operate 24/7
- Early stage discussions to expand the size of the building – the property was acquired with additional land and expansion capabilities in anticipation of future space needs

* Please refer to Offering Circular for complete list of properties



THE HCGRT TEAM

EXPERIENCED ADVISOR MANAGEMENT

- Our senior management team has experience in sourcing, acquiring, owning and managing GSA properties
- In the aggregate, management and other insiders will own approximately 30% of the fully-diluted common stock, assuming completion of this offering at the maximum raise at \$10.00 per share
- All members of our senior management team are also founders of our predecessor, Holmwood Capital, LLC

**Edwin M.
Stanton**
Director & CEO
Age: 42



- Overall responsibility for execution of HCGR's corporate, investment and capitalization strategies
- Founding principal of U.S. Federal Properties Trust, where he was responsible for sourcing over \$250 million of federal government-leased assets
- Co-founder of private equity real estate firm, SRS Investments, where he focused on the acquisition, financing, and management of investment properties
- Has participated in the acquisition / financing of over \$800 million of CRE
- Holds a BA degree from Rollins College and an MBA degree from Georgetown University

**Robert R.
Kaplan, Jr.**
President
Age: 45



- Responsible for structuring HCGR's investment offerings, property, corporate governance and legal matters
- Founder and Managing Partner of Kaplan Vockler Cunningham & Frank, PLC, a Richmond, VA based law firm with national practices in securities, development and real estate investments
- Over 20 years of legal experience in real estate securities and finance, M&A, private offerings, etc.
- Primary counsel in over \$2 billion of securities offerings and real estate financings
- Holds AB and JD degrees from the College of William & Mary

**Elizabeth
Watson, CPA
CFO**
Age: 56



- Responsible for oversight and management of HCGR's accounting, financial reporting and portfolio investment performance
- Prior CFO, COO, and founder of four successive private equity funds invested in over \$2.5 billion of government leased real estate
- Over 35 years of experience in financial and operations management, both domestic and international
- Executed multiple exit strategies delivering attractive risk-adjusted returns to investors
- Holds BS, Accounting and MBA degrees from University of Maryland, a MS, Real Estate degree from Johns Hopkins University and an IEMBA degree and Certificate in Financial Planning from Georgetown University

BOARD OF DIRECTORS*

William R. Fields

Independent Director

Age: 66

- Former President & CEO of Wal-Mart Store Division, where he served for over 20 years
- Former Chairman & CEO of Factory 2-U Stores Inc.
- Over 30 years of retail and consumer goods industry experience, ~ 20 years of which were at the executive level

Robert R. Kaplan

Director & Secretary

Age: 69

- Co-founder of Holmwood Capital, LLC and member of Kaplan Voekler Cunningham & Frank, PLC law firm
- Over 44 years of experience as an attorney, investment banker, and entrepreneur
- Co-founder of Carter Kaplan, an investment bank now part of RBC Wealth Management and Columbia Naples Capital, a leveraged buy-out sponsor

W. Leo Kiely

Independent Director

Age: 69

- Current member of Board of Directors of Altria Group, Inc.
- Prior CEO of MillerCoors LLC
- Prior executive at Frito-Lay, Inc. and Ventura Coastal Corporation

Philip Kurlander, MD

Director & Treasurer

Age: 51

- Co-founder of HCGR, Principal of Holmwood Capital, LLC and healthcare professional
- Business entrepreneur for the past 20 years, having served critical roles in numerous start-up ventures and early-growth companies across a variety of industries from real estate to manufacturing
- Active member of numerous Boards, as well as advisory boards of a mezzanine lender and a private equity firm

Scott Musil, CPA

Independent Director

Age: 48

- Current CFO, SVP and Treasurer of First Industrial Realty Trust, Inc. (NYSE: FR), where he's worked since 1998 and served in a variety of roles
- Prior experience in various capacities at Arthur Andersen & Company

John F. O'Reilly

Independent Director

Age: 70

- Chairman & CEO of the law firm O'Reilly Law Group
- Over 40 years of experience as an attorney, government official & CEO of a publicly-traded company
- Prior experience with public accounting firm Ernst & Young and the Nevada Gaming Commission

* Note: Edwin Stanton, CEO, detailed on slide 9 is also a member of the Board of Directors

ADVISORY AGREEMENT

Asset Management Fee

- 1.5% of stockholders' equity payable quarterly in arrears in cash
- Stockholders' equity defined as the sum of a) net proceeds from all equity and equity-equivalent securities, plus b) retained earnings less any non-cash equity compensation, unrealized gains or losses and other non-cash items (including depreciation and amortization)

Acquisition Fee

- 1.0% of the gross purchase price, as adjusted pursuant to any closing adjustments, of each investment made on our behalf by our Manager following the initial closing of this offering
- Note, acquisition fees are accrued and payable in equity of our company only upon the earlier of a) initial listing on a national stock exchange, or b) March 31, 2020

Termination

- Equal to three times the sum of the asset management fees, acquisition fees, and leasing fees earned by our Manager during the 24-month period prior to such termination (calculated as of the end of the most recently completed fiscal quarter prior to the date of termination; includes any accrued acquisition fees as well)
- Payable upon termination of the Management Agreement a) by us without cause or b) by our Manager if we materially breach the Management Agreement
- Payable in cash, equity of our company, or a combination thereof, in the discretion of our board

Internalization of Property Management

- Management plans to consider internalization (bringing property management in-house, as opposed to being done under contract by a third party) once meaningful scale is achieved

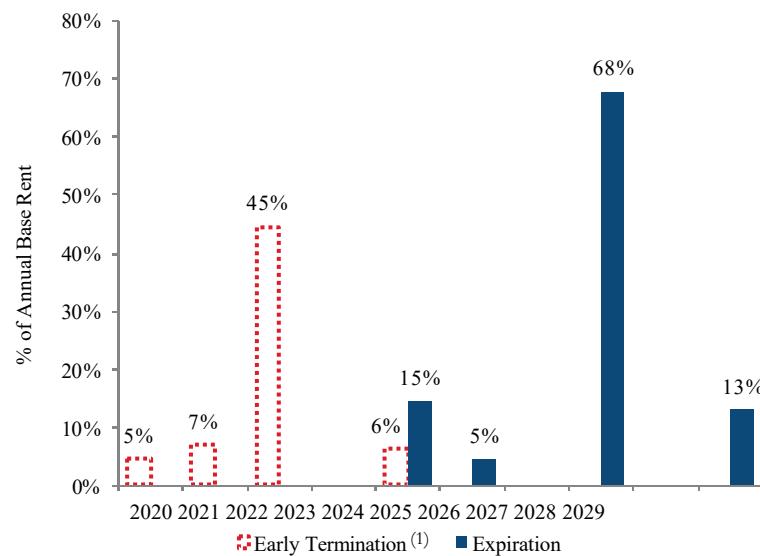


THE PORTFOLIO

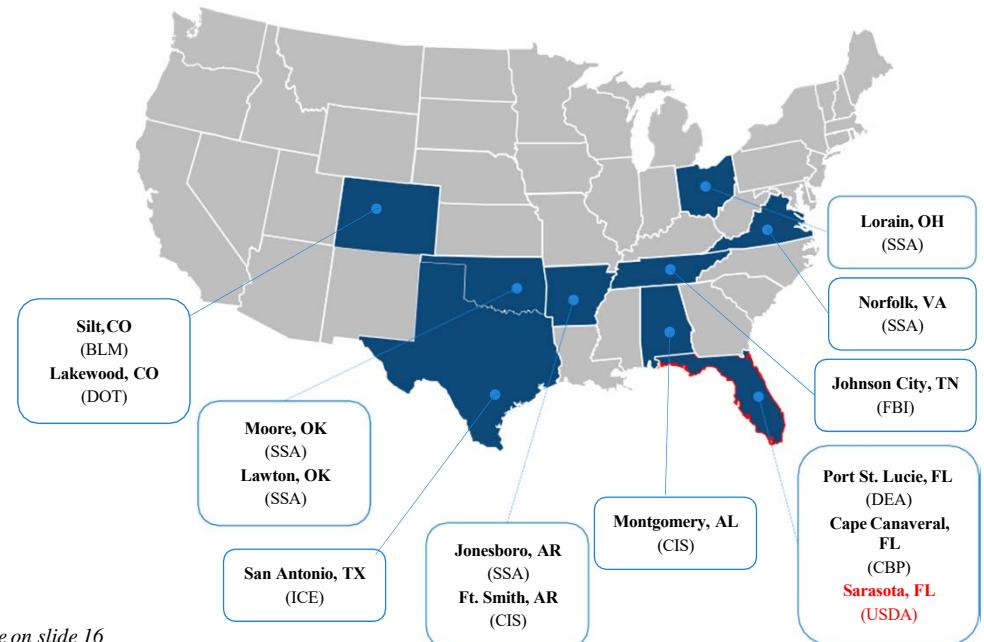
CURRENT PORTFOLIO

- 13 Federally leased properties located in 8 states
- All properties are new construction or retrofitted to meet current security and agency specs
- ~265,000 square feet with an aggregate annual base rent of ~\$7.6 million
- Weighted average remaining total lease term of 9.5 years (increases to 11 years with properties under contract)
- One property under contract with an estimated closing date of 2/15/2018 and one property in contract negotiation with an estimated closing to occur before end of Q1 2018.

Lease Rollover Schedule



Current / Under Contract Property Locations



(1) Three leases do not have early termination clauses; see Lease Early Termination language on slide 16



PORTFOLIO DETAILS

GSA Property Location	Occupying Agency	RSF	% of Current Portfolio (RSF)	Firm Term Exp. Date ⁽¹⁾	Total Lease Term Exp. Date ⁽²⁾	Annual Base Rent	Annual Base Rent % of Total
Cape Canaveral, Florida	CBP	14,704	5.6%	7/15/2022	7/15/2027	\$645,805	8.4%
Fort Smith, Arkansas	CIS	13,816	5.2%	N/A	10/30/2029	419,627	5.5%
Johnson City, Tennessee	FBI	10,115	3.8%	8/20/2022	8/20/2027	392,077	5.1%
Jonesboro, Arkansas	SSA	16,439	6.2%	1/11/2022	1/11/2027	616,155	8.0%
Lakewood, Colorado	DOT	19,241	7.3%	N/A	6/20/2024	459,902	6.0%
Lawton, Oklahoma	SSA	9,298	3.5%	8/17/2020	8/17/2025	281,143	3.7%
Lorain, Ohio	SSA	11,607	4.4%	3/31/2021	3/11/2024	437,423	5.7%
Moore, Oklahoma	SSA	17,058	6.4%	4/9/2022	4/9/2027	524,018	6.8%
Port Saint Lucie, Florida	DEA	24,858	9.4%	5/31/2022	5/31/2027	562,257	7.3%
Norfolk, Virginia	SSA	53,917	20.4%	N/A	6/26/2027	1,428,690	18.6%
Montgomery, Alabama	CIS	16,036	6.1%	12/8/2026	12/8/2031	446,793	5.8%
San Antonio, Texas	ICE	38,756	14.6%	4/30/2022	4/30/2027	1,086,879	14.1%
Silt, Colorado	BLM	18,813	7.1%	9/30/2024	9/30/2029	385,029	5.0%
Portfolio Total		264,658	100.0%			\$7,685,798	100.0%

(1) Lease Early Termination Date is the effective date, if any, on which the GSA on behalf of the occupant may exercise a one-time right to terminate the applicable lease

(2) Lease Expiration Date is the date the applicable lease will terminate if the early termination is not exercised or if no early termination right exists

* Weighted average remaining portfolio lease terms calculated as of 3/31/17



THE OFFERING



OFFERING SUMMARY

Security Offered	Common Stock
Offering Size	\$3 million (minimum) / \$30 million (maximum)
Shares Offered	300,000 (minimum) / 3,000,000 (maximum)
Offering Price	\$10.00 per share / \$1,500 minimum investment
Targeted Distribution	\$0.55 per share / 5.5% yield
Use of Proceeds	Acquisition of GSA properties, repayment of certain outstanding debt, general working capital
Proposed Listing	We intend to apply for an OTCQX listing upon completion of this offering
Board of Directors	7 total (4 independent*)

* 4 Independent Directors to be appointed to Board of Directors upon initial closing of the offering

KEY INVESTMENT CONSIDERATIONS

The United States as Tenant

- Leases are full faith and credit obligations of the U.S.
- Single-tenant, geographically diverse properties, each with a mission-critical or direct citizen service focus

Investment Grade Rated Tenant

- Investment grade credit quality with long-term leases
- 5.5% targeted distribution rate *

Strong Built-In Cash Flow

- Built-to-suit, 1st generation assets with a 95% renewal rate **
- 29% average rent growth at renewal ***

Fragmented Market

- GSA marketplace is large and highly fragmented with our target market segment developed primarily by small, independent developers
- Niche investment market leads to value-enhancing, off-market and limited-market acquisition opportunities

Experienced Management Team

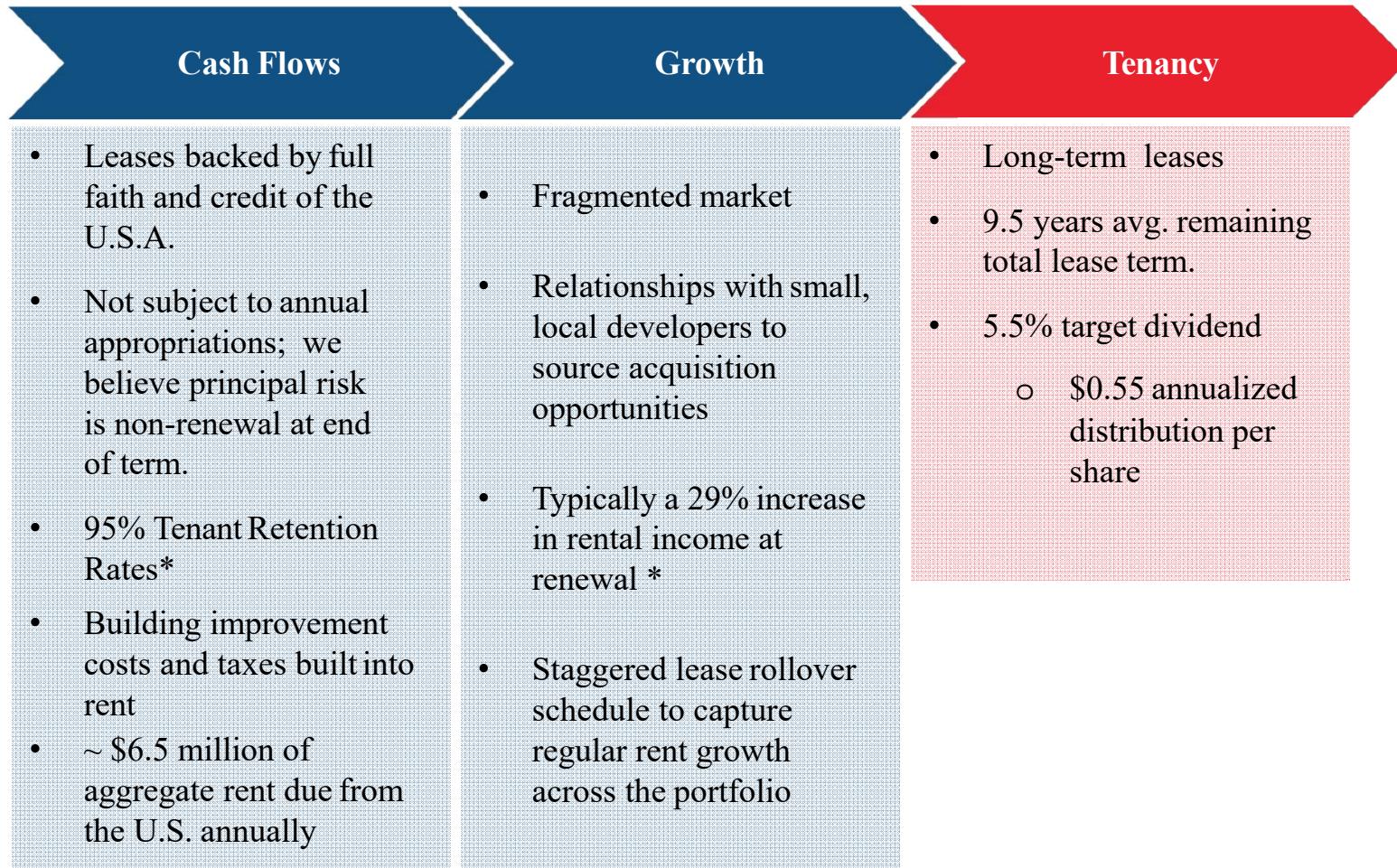
- Management team with extensive experience with GSA properties, commercial real estate ownership and operation, and other diverse areas of business and management
- Strong insider ownership of approximately 30% of the fully-diluted common stock of HCGR, assuming the maximum raise at \$10.00 per share

* There is no assurance such yield will be achieved

** See note 2 on slide 11

*** See note 1 on slide 11

SUMMARY INVESTMENT OPPORTUNITY



* See notes on slide 11