

Item 7.01 Regulation FD Disclosure.

On July 15, 2020, HGR Liquidating Trust, a Maryland statutory trust (the “Trust”) released the Frequently Asked Questions and the Letter to Investors furnished herewith as Exhibits 99.1 and 99.2, respectively, related to the information described under Item 8.01 of this Current Report on Form 8-K. The information in this Item 7.01 of this Current Report on Form 8-K, including the exhibits hereto, is furnished pursuant to Item 7.01 and shall not be deemed “filed” for any purpose, including for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of Section 18. The information furnished pursuant to Item 7.01 in this Current Report on Form 8-K shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in any such filing.

Item 8.01 Other Events.

Special Distribution July 2020

As previously disclosed in filings made by Hines Global REIT, Inc. (the “Company”) with the Securities and Exchange Commission (the “SEC”), with the approval of its stockholders in July 2018, the Company adopted a plan of liquidation and dissolution (the “Plan”). On June 30, 2020, in accordance with the Plan, the Company transferred all of its assets and liabilities to the Trust, and each of the Company’s stockholders became holders of units of beneficial interest (“units”) of the Trust. Pursuant to the Plan, the board of trustees of the Trust (the “Board”) has authorized the Trust to declare a special distribution on the Trust’s units, in an amount equal to \$1.00 per unit, payable to the Trust’s unitholders of record at the close of business on July 15, 2020. This special distribution will be paid in cash on July 31, 2020 and will be designated by the Trust as a return of a portion of the unitholders’ invested capital and, as such, will reduce the unitholders’ remaining investment in the Trust.

After this special distribution is paid on July 31, 2020, the Company and the Trust will have made aggregate special distributions, including return of invested capital distributions and liquidating distributions of approximately \$5.00 per share/unit between January 2018 and July 2020. These special distributions reduced investors’ remaining investment.

In addition to the \$5.00 of special distributions, the Company paid \$5.64 of regular operating distributions since the inception of the Company, for a combined total of \$10.64 in aggregate distributions paid to investors since inception. The amount of regular operating distributions received by each investor depends on when the investment was made and will be lower for those who invested after inception.

New Per Unit Net Asset Value

On July 9, 2020, the Board determined a new per unit net asset value (“NAV”) of \$5.58 as of June 30, 2020. This new per unit NAV is approximately 10% lower than the per share NAV of \$6.17 previously determined as of February 14, 2019. This decrease is primarily the result of declines in values of the Trust’s four remaining retail assets, including the most recent negative impact related to the COVID-19 pandemic. The new per unit NAV was determined utilizing the guidelines established by the Institute for Portfolio Alternatives’ Practice Guideline 2013-01 - “Valuation of Publicly Registered, Non-Listed REITs” issued April 29, 2013, except that it includes an estimate of closing costs that the Trust expects to incur related to the Trust’s liquidation of its remaining properties pursuant to the Plan. Following the establishment of the per unit NAV as of June 30, 2020, the Board adjusted the NAV to reflect the effect of the special distribution described above of \$1.00 per unit to be paid on July 31, 2020, resulting in a new per unit NAV of \$4.58 as of July 15, 2020 (the record date for the special distribution). See below for a description of how the new per unit NAV as of June 30, 2020, as well as the new per unit NAV of \$4.58 as of July 15, 2020, were determined.

Methodology

In order to establish the new per unit NAV of \$4.58 as of July 15, 2020, the Board first established the per unit NAV as of June 30, 2020, which was the date of the transfer of the Company’s assets and liabilities to the Trust. In establishing the per unit NAV of \$5.58 as of June 30, 2020, the Trust used appraised values of its real estate property investments and valuations of its debt obligations as of June 30, 2020. Additionally, the Board included in its determination the values of other assets and liabilities such as cash, tenant receivables, accounts payable and accrued expenses, and other assets and liabilities, all of which were valued at cost, and an estimate of potential credits at close and closing costs that the Trust expects to incur related to the liquidation of its remaining properties pursuant to the Plan. No liquidity discounts or discounts relating to the fact that the Trust is externally managed were applied to the per unit NAV and no attempt was made to value the Trust as an enterprise.

The Trust engaged Altus Group U.S. Inc., or Altus, to provide appraised values of the Trust's domestic real estate property investments as of June 30, 2020. These appraisals were performed in accordance with Uniform Standards of Professional Appraisal Practice. Altus has extensive experience in conducting appraisals and valuations on real properties and each of the Trust's appraisals was prepared by personnel who are members of the Appraisal Institute and have the Member of Appraisal Institute, or MAI, designation. Additionally, the Trust engaged Knight Frank, LLP, or Knight Frank, an independent third party real estate advisory and consulting services firm, to provide appraised values of the Trust's international real estate investments as of June 30, 2020. These appraisals were performed in accordance with the professional standards as published by the Royal Institution of Chartered Surveyors.

The Trust also engaged Altus to perform valuations of the Trust's debt obligations as of June 30, 2020 and to review the appraisals provided by Knight Frank and to assess the reasonableness of the Trust's new per unit NAV as of June 30, 2020. The appraisal reviews were conducted under the supervision of a member of the MAI. In assessing the reasonableness of the June 30, 2020 per unit NAV, Altus utilized the appraised values it prepared, as well as those provided by Knight Frank, Altus' valuations of the Trust's debt obligations and information provided by management regarding balances of cash, tenant receivables, accounts payable and accrued expenses, and other assets and liabilities and an estimate of closing costs that the Trust expects to incur related to the liquidation of its remaining properties pursuant to the Plan. Altus reviewed the calculation of the per unit NAV as of June 30, 2020, and concurred with the calculation of the per unit NAV.

The independent firms engaged to assist the Trust in connection with its determination of the NAV per unit as of June 30, 2020, as described above, have provided, and are expected to continue to provide, real estate appraisal, valuation and financial advisory services to the Trust and to its sponsor, Hines Interests Limited Partnership ("Hines") and its affiliates and have received, and are expected to continue to receive, fees in connection with such services. Certain of these firms and their respective affiliates may from time to time in the future perform other real estate appraisal, valuation and financial advisory services for the Trust and for Hines and its affiliates, or in transactions related to the properties that are the subject of the valuations being performed for the Trust, or otherwise, so long as such other services do not adversely affect the independence of the applicable firm as certified in the applicable report.

The aggregate value of the Trust's real estate property investments as of June 30, 2020 was \$1.2 billion. Additionally, the Trust sold five properties and several outparcels at one of its properties since February 14, 2019, with an aggregate sales price of \$1.1 billion. Including the effect of the sold properties, the aggregate value of the Trust's real estate property investments decreased 7.3% when compared to the previously determined value of those assets as of February 14, 2019. This 7.3% net decrease resulted from a 6.7% depreciation in the aggregate values of the Trust's real estate property investments as well as a 0.6% decrease resulting from the weakening of the Euro and British pound sterling against the U.S dollar.

The aggregate value of the Trust's real estate property investments owned as of June 30, 2020 also represented a 23.1% decrease compared to their aggregate net purchase price. The table below sets forth the calculation of the Trust's per unit NAV as of June 30, 2020 and the previous per share NAV as of February 14, 2019:

	June 30, 2020		February 14, 2019	
	Gross Amount (in millions)	Per Unit	Gross Amount (in millions)	Per Share
Real estate property investments	\$ 1,241	\$ 4.73	\$ 2,397	\$ 9.07
Other assets	519	1.98	709	2.68
Debt obligations and other liabilities	(255)	(0.97)	(742)	(2.81)
Special Distributions	—	—	(661)	(2.50)
Net Asset Value before closing costs	\$ 1,505	\$ 5.74	\$ 1,703	\$ 6.44
Estimated closing costs	(41)	(0.16)	(72)	(0.27)
NAV	\$ 1,464	\$ 5.58	\$ 1,631	\$ 6.17
Units/Shares outstanding	262		264	

The Board determined the per unit NAV as of June 30, 2020 by (i) utilizing the values of the Trust's real estate property investments, net of an estimate of potential credits at close, of \$1.2 billion and adding the Trust's other assets comprised of the Trust's cash, tenant and other receivables and other assets of \$0.5 billion; (ii) subtracting the values of the Trust's debt obligations and other liabilities comprised of the Trust's accounts payable and accrued expenses, due to affiliates, and other liabilities of \$0.3 billion; (iii) subtracting an estimate of closing costs that the Trust expects to incur related to the liquidation of its remaining properties pursuant to the Plan of \$41.0 million; and (iv) dividing the total by the Trust's common units

outstanding as of June 30, 2020 of 262 million, resulting in a per unit NAV as of June 30, 2020 of \$5.58. The Board then adjusted the June 30, 2020 per unit NAV for the effect of the \$1.00 per unit special distribution described above, resulting in the new per unit NAV of \$4.58 as of July 15, 2020:

	Per Unit
NAV as of June 30, 2020	\$ 5.58
Special Distribution to be paid on July 31, 2020	(1.00)
NAV as of June 30, 2020	<u>\$ 4.58</u>

Other than with respect to the values of the Trust's real estate property investments and values of the Trust's debt obligations, the values of the assets and liabilities described above were determined based on their cost and included certain pro forma adjustments, such as estimated closing costs that the Trust expects to incur in relation to the liquidation of its remaining properties pursuant to the Plan. The Board thought it appropriate to include an estimate of the closing costs, including disposition fees payable to the advisor to the Trust, that the Trust expects to incur related to the liquidation of its remaining properties pursuant to the Plan. However, there can be no assurances of the time frame in which the Trust expects to liquidate its remaining properties or that the closing costs related to the liquidation of its remaining properties pursuant to the Plan would be incurred in the amount estimated by the Trust. Other than the adjustments described in the paragraphs above, no other adjustments were made related to the period from July 1, 2020 through July 15, 2020, because the Trust did not believe they would have a material effect on its per unit NAV. Additionally, the calculation of the per unit NAV excluded certain items on the Trust's unaudited consolidated balance sheet that were determined to have no future value or economic impact on the valuation. Examples include receivables related to straight-line rental revenue and costs incurred to put debt in place. Other items were excluded because they were already considered elsewhere in the valuation. Examples include intangible lease assets and liabilities related to the Trust's real estate property investments and costs incurred for capital expenditures that were included in the appraised values of the Trust's real estate property investments and the fair values of interest rate swaps and caps, as they were included in the valuation of the Trust's debt.

The appraised values provided by Altus and Knight Frank described above were determined primarily by using methodologies that are commonly used in the commercial real estate industry. For the Trust's domestic real estate property investments, these methodologies included discounted cash flow analyses and reviews of current, historical and projected capitalization rates for properties comparable to those owned by the Trust and assume a 10 year holding period. For the Trust's international real estate investments, these methodologies included cash flow analyses and going-in capitalization rates for properties comparable to those owned by the Trust. The tables below summarize the key assumptions that were used in the valuations of the Trust's real estate property investments.

	<u>Range</u>	<u>Weighted Average</u>
Domestic Real Estate Property Investments		
<i>Office/Retail</i>		
Exit capitalization rate	6.00% - 8.75%	7.18%
Discount rate/internal rate of return	7.00% - 9.50%	7.93%
International Real Estate Property Investments		
<i>Office/Industrial</i>		
Going-in capitalization rate	2.50% - 10.33%	3.74%

Limitations of the per unit NAV

As with any valuation methodology, the methodology used to determine the per unit NAV was based upon a number of assumptions, estimates and judgments that may not be accurate or complete. Further, different parties using different property-specific and general real estate and capital market assumptions, estimates, judgments and standards could derive a per unit NAV that could be significantly different from the per unit NAV determined by the Board. While the Trust's board of directors believes that the assumptions used in determining the appraised values of the Trust's real estate property investments are reasonable, a change in these assumptions would impact the calculation of such values. For example, assuming all other factors remained unchanged, an increase in the average discount rate of 25 basis points would yield a decrease in the appraised values of the Trust's domestic real estate property investments of 2.0%, while a decrease in the average discount rate of 25 basis points would yield an increase in the appraised values of the Trust's domestic real estate property investments of 1.9%. Likewise, an increase in the average exit capitalization rate of 25 basis points would yield a decrease in the appraised values of the Trust's domestic real estate property investments of 2.0%, while a decrease in the average exit capitalization rate of 25 basis points would yield an increase in the appraised values of the Trust's domestic real estate property investments of 2.1%. Additionally, an increase in the average going-in capitalization rate of 25 basis points would yield a decrease in the appraised values of the Trust's international real estate property investments of 4.9%, while a decrease in the average going-in capitalization rate of 25 basis points would yield an increase in the appraised values of the Trust's international real estate property investments of 4.8%.

The per unit NAV determined by the Board does not represent the fair value of the Trust's assets less liabilities in accordance with U.S. generally accepted accounting principles, and such per unit NAV is not a representation, warranty or guarantee that (i) a unitholder will ultimately realize distributions per unit equal to the per unit NAV upon the liquidation of the Trust's remaining assets; (ii) the Trust's units would trade at the per unit NAV on a national securities exchange; (iii) a third party would offer the per unit NAV in an arm's-length transaction to purchase all or substantially all of the Trust's units; or (iv) the methodologies used to determine the per unit NAV would be acceptable to FINRA. In addition, the Trust can make no claim as to whether the value will or will not satisfy the applicable annual valuation requirements under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Internal Revenue Code of 1986, as amended (the "Code") with respect to employee benefit plans subject to ERISA and other retirement plans or accounts subject to Section 4975 of the Code that are investing in the Trust's units.

Further, the per unit NAV was calculated as of a moment in time, and, although the value of the Trust's units will fluctuate over time as a result of, among other things, developments related to individual assets, sales of additional assets and the payment of fees and closing costs in connection therewith, changes in the real estate and capital markets, and the distribution of sales proceeds to the Trust's unitholders, the Trust does not undertake to update the per unit NAV on a regular basis. As a result, unitholders should not rely on the per unit NAV as an accurate measure of the then-current value of the Trust's units.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

- 99.1 Frequently Asked Questions, dated July 15, 2020
- 99.2 Letter to Investors, dated July 15, 2020

Forward-Looking Statements

This Current Report on Form 8-K, including the exhibits furnished herewith, contains forward-looking statements (including, without limitation, statements concerning the per unit NAV, assumptions made in determining the per unit NAV) that are based on the Trust's current expectations, plans, estimates, assumptions, and beliefs that involve numerous risks and uncertainties, including, without limitation, unanticipated difficulties or expenditures related to the liquidation of the Trust's remaining assets, the Trust's ability to maintain occupancy levels and lease rates at its properties prior to their disposal, the Trust's ability to repay or successfully refinance its debt obligations, the future operating performance of the Trust's investments, and those risks set forth in the "Risk Factors" section of the Company's Annual Report on Form 10-K for the year ended December 31, 2019, as amended or supplemented by the Trust's filings with the SEC. Although these forward-looking statements reflect management's belief as to future events, actual events or the Company's investments and results of operations could differ materially from those expressed or implied in these forward-looking statements. Important factors that could cause actual results to differ materially include the risks associated with potential buyers of the Trust's properties determining to postpone or abandon the acquisition, the tenants at the Trust's properties continuing to be able to pay rent in a timely manner, and changes in the severity of the public health and economic impact of the COVID-19 pandemic. To the extent that the Trust's assumptions differ from actual results, the Trust's ability to meet such forward-looking statements may be significantly hindered. You are cautioned not to place undue reliance on any forward-looking statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HGR Liquidating Trust

July 15, 2020

By: /s/ J. Shea Morgenroth

Name: J. Shea Morgenroth

Title: Chief Financial Officer

HGR Liquidating Trust – Frequently Asked Questions

Formerly Hines Global REIT, Inc. (HGR)

Portfolio

1. How many assets remain in the portfolio and what is their status?

The portfolio has the seven assets listed below remaining. Each of these assets were in various phases of the marketing process as part of the Plan of Liquidation and Dissolution (“Plan of Liquidation”) adopted by HGR’s stockholders in July 2018, but given current events related to the Coronavirus (COVID-19) pandemic, the sales of those assets have been delayed. We are still actively in discussions with potential buyers for certain of the assets and will continue our efforts to move those processes forward.

Asset Name	Location
25 Cabot Square	London, England
New City	Warsaw, Poland
Gogolevsky 11	Moscow, Russia
Minneapolis Retail Center	Minneapolis, Minnesota
The Markets at Town Center	Jacksonville, Florida
The Avenue at Murfreesboro ⁽¹⁾	Nashville, Tennessee
The Rim	San Antonio, Texas

(1) Currently under contract for a sales price of \$141.3 million.

2. Is there any debt outstanding? Are there any upcoming loan maturities?

The only debt outstanding is mortgage debt at 25 Cabot Square and New City.

- 25 Cabot Square - £124M principal balance maturing in September 2020
- New City - €62M principal balance expiring in March 2021

We expect to refinance these loans or to repay such obligations with proceeds from the sale of assets and available cash on hand.

We also have available a \$200M credit facility led by JP Morgan which currently doesn’t have any borrowings outstanding. The J.P. Morgan facility expires in September 2020, with the option to extend for two additional six-month terms, subject to certain conditions.

Liquidating Trust

3. What is a liquidating trust?

A liquidating trust is a trust organized for the primary purpose of liquidating assets transferred to it and distributing the net sales proceeds to its equity holders after paying any of the remaining liabilities.

4. Why did Hines Global REIT form a liquidating trust?

Hines Global REIT formed a liquidating trust, called HGR Liquidating Trust (“Trust”) to facilitate the completion of its Plan of Liquidation approved by its stockholders on July 17, 2018.

When Hines Global REIT adopted its Plan of Liquidation in July 2018, it anticipated completing the sale of all of its assets within the 24-month period imposed by the Internal Revenue Service (“IRS”). While Hines Global REIT had been actively marketing the remaining assets for disposition, the sales of those assets have been delayed given the COVID-19 pandemic and its influence on the global economic environment.

Accordingly, Hines Global REIT formed the Trust and transferred its remaining assets and liabilities to the Trust on June 30, 2020 (the "Liquidation Date").

5. **What are the consequences of not transferring the assets into a liquidating trust?**

The consequences of not liquidating or transferring assets to a liquidating trust within 24 months is that Hines Global REIT could lose its entitlement to a dividends paid deduction for the liquidating distributions that have been made since the adoption of the Plan of Liquidation, which could result in loss of REIT status and/or the imposition of additional tax liabilities by the IRS.

6. **What did the stockholders of Hines Global REIT receive on the Liquidation Date?**

On the Liquidation Date, Hines Global REIT distributed to its stockholders units of beneficial interest in the Trust ("Units") in complete liquidation of their interests in Hines Global REIT. One Unit was distributed for each share of Hines Global REIT's common stock and a statement will be sent in July 2020 to all unitholders confirming the number of Units they own. The Units generally are not transferable.

7. **Did stockholders vote to approve the conversion to a Trust?**

Yes, the stockholders approved the formation of the Trust when they approved the Plan of Liquidation in July 2018.

8. **Who governs the Trust?**

The Trust is governed by a board of trustees, which is substantially similar to Hines Global REIT's board of directors. The members of the board of trustees are Jeffrey C. Hines, Charles M. Baughn, David L. Steinbach, Jack L. Farley, Thomas L. Mitchell, John S. Moody and Peter Shaper. All of the trustees were directors of Hines Global REIT, with the exception of Mr. Steinbach, who was Hines Global REIT's Chief Investment Officer. As was the case for Hines Global REIT, a majority of the Trust's board members are independent of the advisor and its affiliates.

9. **Who will manage and administer the Trust?**

Hines Global REIT's external advisor has entered into an advisory agreement with the Trust to provide advisory services, asset management services, disposition of asset services, and other administrative services to the Trust and its subsidiaries on substantially the same terms as the advisory agreement with HGR.

One exception is that the advisor reduced the annual asset management fee equal to 1.125% of net equity invested in real estate investments, down 25% from the prior annual rate of 1.5%.

The advisor's reduction is further evidence of Hines' continued commitment to the Trust and its unitholders. This commitment was also demonstrated when the Advisor previously waived more than \$12 million in asset management fees in support of the payment of distributions to Hines Global REIT's stockholders in prior years.

10. **Who will pay the expenses of the Trust?**

The expenses of the Trust will be paid from the revenues of the Trust before distributions are paid to the Trust's unitholders.

11. **Will there be a redemption program available at the Trust?**

No. Although the Trust will not be permitted to have a redemption program, certain limited transfers will be permitted, including in connection with the death of the unitholder.

12. Will holders be permitted to sell their interests in the Trust?

The Units will generally be non-transferable, with the exception that transfers will be permitted in connection with the death of the holder (if specified in a will or in accordance with applicable law) or in the event the transfer is mandated by operation of law.

In addition, Units held in an IRA may be transferred to the account owner, but only if and to the extent that (i) a distribution from the account is required to be made in order to satisfy the required minimum distribution (“RMD”) provisions applicable to such account, and (ii) such RMD requirements cannot be satisfied by distributing other assets from such account, or from other accounts of such account owner.

13. What will be required of broker dealers and other financial professionals whose clients were stockholders of Hines Global REIT that have become unitholders in the Trust?

There won't be any additional requirements above and beyond regular communications with clients. Financial professionals will communicate with their clients regarding their investment as they ordinarily would, including any changes, such as the conversion to a liquidating trust and information concerning tax reporting as a result of the conversion.

For example, for 2020, HGR's former stockholders (each of whom has become a unitholder in the Trust) will receive a 1099-DIV from Hines Global REIT and a K-1 (or an equivalent substitute, such as a grantor letter) from the Trust, for tax reporting purposes because Hines Global REIT was a corporation taxed as a REIT for the first part of the year, until the transfer of its assets and liabilities to the Trust for the remainder of the year.

Tax Implications

14. How will the distribution of Units of the Trust be taxed?

Unitholders will generally be treated as having sold their shares of Hines Global REIT's common stock, in a taxable transaction, in exchange for Units of the Trust. They will be treated as recognizing taxable gain to the extent the value of those Units exceeds the tax basis in their shares of Hines Global REIT's common stock. The Trust is not providing income tax advice or guidance. Unitholders are urged to consult with their tax advisors as to their individual tax consequences. If you have additional general questions, please reach out to our Investor Relations line at 888.220.6121.

A stockholder's basis in shares of Hines Global REIT's common stock will generally be equal to the price at which the stockholder purchased such stock less any distributions received that constituted a return of capital.

15. What is the value of the Units that were distributed and what will be the tax basis of holders of Units of the Trust?

As disclosed in a Form 8-K on July 15, 2020, the fair market value of a Unit was determined by the Trust's board of trustees as of June 30, 2020 to be \$5.58 per share. The fair market value as of June 30, 2020 will be the tax basis in each Unit.

16. How will the holders of Units of the Trust be taxed?

The Trust is intended to be treated as a “grantor trust” for U.S. federal income tax purposes. Accordingly, each Unit in the Trust will represent ownership of an undivided proportionate interest in all of the assets and liabilities of the Trust and holders will be treated, as receiving or paying directly a pro rata portion of all income, gain, loss deduction and credit of the Trust. The long-term or short-term character of any capital gain or loss recognized in connection with the sale of the Trust's assets will be determined based upon a holding period commencing on the Liquidation Date.

Although the Trust will not be treated as a partnership for U.S. federal income tax purposes, the tax consequences to unitholders generally will be similar to those that would be experienced if the Trust were a partnership. As is the case with a partnership, income derived from the Trust will only be taxed at the unitholder level, and the Trust itself will not be taxed (i.e., no “double taxation”). However, each unitholder will receive an itemized statement, in the form of a Schedule K-1 (or equivalent substitute, such as a grantor letter), that reports the unitholder’s allocable share of all of the various categories of revenues and expenses of the Trust.

17. When will tax documents be sent each year?

The goal of the Trust will be to provide as soon as possible after each year-end the detailed itemized statement that reports each unitholder’s allocable share of all of the various categories of revenue and expense of the Trust for the year. This statement will likely be distributed on or around March 31st.

18. Do you expect any taxable income in 2020?

Based on current estimates, we do not expect taxable income for 2020. However, this is subject to change to the extent gains on assets sold are higher than currently estimated.

19. What is the effect of HGR becoming a Trust on qualified accounts?

Generally, a qualified account’s allocable share of all of the various categories of revenue and expense of the Trust will be exempt from taxes. While we do not currently anticipate that the amount of unrelated business taxable income (“UBTI”) recognized in any year solely with respect to unitholders’ interest in the Units will exceed the threshold, tax exempt investors, including IRAs, are taxed on any UBTI that they recognize in a year if the total amount of the tax exempt investor’s UBTI exceeds \$1,000 for the year. UBTI also includes income and gain attributable to any portion of an investment that is financed with debt.

To the extent the Trust has debt outstanding or earns income for providing certain non-customary services to tenants, a portion of its income will be considered UBTI.

20. How will UBTI be reported and what will the impact be on unitholders?

The detailed itemized statement delivered at the beginning of each year for tax reporting purposes will include information as to the amount of any UBTI for the year.

While we do not currently anticipate that the amount of UBTI recognized in any year solely with respect to unitholders’ interest in the Units will exceed the threshold, any IRA or other tax exempt investor that has more than US \$1,000 of UBTI for the year from all sources, including its interest in the Trust and other investments, will need to file a U.S. federal income tax return for the year (on IRS Form 990-T) reporting that income and paying tax on the UBTI in excess of US \$1,000. The applicable U.S. federal income tax rate on that income would be the highest rate applicable to individuals – currently 37%. Investors should consult their tax advisors regarding any necessary tax filings.

21. Do unitholders have to pay tax on UBTI whether they have received cash distributions or not?

We do not currently anticipate that the amount of UBTI recognized in any year solely with respect to unitholders’ interest in the Units will exceed the \$1,000 threshold and require that they pay tax on the excess amount. While we believe it is unlikely, tax exempt unitholders whose total UBTI for any year exceeds \$1,000, will be taxed in that year on their share of the UBTI from the Trust whether or not they receive a distribution of cash from the Trust that year.

Distributions

22. When will stockholders receive cash distributions from the Trust?

As disclosed on July 15, 2020, with the authorization of the Trust's board of trustees, a special distribution was declared in the amount of \$1.00 per Unit to be paid in cash on July 31, 2020 to all unitholders of record as of July 15, 2020. This special distribution reflects an aggregate gross distribution of \$262 million to the unitholders.

23. What distributions have been made to date?

After this special distribution of \$1.00 per Unit is paid, we will have paid aggregate distributions of \$10.64 per Unit to holders that have been invested since the inception of HGR. The following table provides more information with respect to distributions paid and payable to investors since inception:

Distributions per share/Unit	Description
\$ 5.64	Regular operating distributions paid from inception through June 2018
\$ 4.00	Special distributions paid in 2018 and 2019
\$ 1.00	Special distribution payable on July 31, 2020
\$10.64	

The amount of regular operating distributions received by each investor depends on when the investment was made and will be lower for those who invested after inception. Special distributions include liquidating distributions and other special distributions that are deemed a return of invested capital and reduce the investors' remaining investment in the company.

24. When will you complete the liquidation and pay out the net proceeds to unitholders?

The Trust is committed to executing the liquidation in as efficient a manner as possible, while also being mindful of its goal of enhancing value for its unitholders. The ultimate timing of a completion of the liquidation will be based, in part, on the state of the real estate and capital markets which will impact disposition valuations of the remaining assets. Accordingly, there can be no assurances as to the timing of the completion of the liquidation and the timing of final cash distribution payments.

Net Asset Value (NAV)

25. What is the amount of the new NAV and how was it determined?

The board of trustees determined a new NAV as of June 30, 2020 of \$5.58 per Unit, based on a review of third-party appraisals of the remaining real properties. This reflects a decrease of approximately 10% from the NAV determined in February 2019. In addition, given that the special distribution of \$1.00 per Unit to be paid on July 31, 2020 will reduce investors' remaining investment in the Trust, the board of trustees reduced the June 30, 2020 NAV to be \$4.58 per Unit as of July 15, 2020.

The NAV per Unit on the next account statement will be \$4.58 per Unit.

\$5.58	NAV per unit as of June 30, 2020
— \$ 1.00	Special distribution payable on July 31, 2020
\$ 4.58	NAV per unit as of July 15, 2020

26. How much has COVID-19 impacted your NAV?

Like equity and bond markets, the fall-out from the COVID-19 virus has spread to all aspects of commercial real estate. The roughly 10% decrease in the June 30, 2020 NAV compared to the NAV as of February 14, 2019 is primarily attributable to declines in values of our retail assets, including the most recent negative impact related to the COVID-19 pandemic.

Forward-Looking Statements

Statements in this communication, including, without limitation, intentions, beliefs or expectations relating to the timing of the Trust's completion of the liquidation and payment of additional distributions, the ability of the Trust to refinance outstanding debt, and tax implications for unitholders, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on current expectations and assumptions with respect to, among other things, the ability of the Trust to effectively market and sell its remaining assets at desirable prices, future economic, competitive and market conditions and future business decisions that may prove to be incorrect or inaccurate. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although the Trust believes these statements are based on reasonable assumptions, actual outcomes may differ materially from what is expressed in such forward-looking statements. Important factors that could cause actual results to differ materially include the risks associated with potential buyers of the Trust's properties determining to postpone or abandon the acquisition, the tenants at the Trust's properties continuing to be able to pay rent in a timely manner, changes in the severity of the public health and economic impact of COVID-19, and other risks described in the "Risk Factors" section of HGR's Annual Report on Form 10-K, as updated from time to time by the Trust's filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on any forward-looking statements and the Trust undertakes no duty to update any forward-looking statements.

Hines

July 15, 2020

Dear Investor,

As we continue through the process of the expected liquidation and dissolution of Hines Global REIT, Inc. (the “Company” or “HGR”) we are writing with important updates related to the Plan of Liquidation (the “Plan”) approved by HGR stockholders in July 2018.

LIQUIDATING TRUST

While we anticipated a completion of the sale of all the Company’s assets by July 17, 2020, which is the 24-month period imposed by the Internal Revenue Service (“IRS”) for execution of the Plan, the economic disruption and uncertainty resulting from the COVID-19 pandemic have had a significant impact on the process and timing of the Plan’s completion. Since our last communication to you in April, despite our continued marketing and disposition efforts, it has not been possible for the Company to sell its remaining assets at acceptable prices prior to July 17, 2020. Accordingly, as required by the IRS regulations, HGR formed the stockholder approved HGR Liquidating Trust (the “Trust”) and transferred its remaining assets and liabilities to the Trust on June 30, 2020. The shares you owned in the Company have automatically been converted into units of beneficial interest in the Trust.

We expect the Trust to operate in a similar manner as HGR had previously, with the primary objective of the Trust to operate the properties while continuing our efforts to market the properties for sale until such time as it is feasible to sell the remaining assets at acceptable prices and make additional liquidating distributions to investors. The Trust is governed by a board of trustees of highly experienced individuals with extensive knowledge of the remaining assets in our portfolio. The board of trustees provides significant continuity with respect to the execution of our liquidation objectives, with six of the trustees previously serving as board members of HGR, including all four of those members who are independent of Hines.

For more details regarding the Trust, as well as tax information, please refer to the enclosed Frequently Asked Questions which were filed with the Securities and Exchange Commission (SEC) on July 15, 2020.

REDUCED ASSET MANAGEMENT FEE

Additionally, in accordance with the move to a liquidating trust, Hines has reduced the annual asset management fee by 25%. This fee reduction is reflective of Hines’ continued commitment to you to maximize the value delivered. This commitment was also demonstrated previously when Hines waived more than \$12 million in asset management fees in support of the payment of distributions to HGR’s stockholders in prior years.

SPECIAL DISTRIBUTION AND NET ASSET VALUE (NAV)¹

As disclosed on July 15, 2020, with the authorization of the Trust’s board of trustees, and following our recent asset sales, we are declaring a special distribution in the amount of \$1.00 per unit to be paid in

cash on July 31, 2020 to all unitholders of record as of July 15, 2020. After this special distribution is paid, we will have paid aggregate distributions of \$10.64 per unit to holders that have been invested since the inception of HGR. The following table provides more information with respect to distributions paid and payable to investors since inception:

Distributions per share/unit ²	Description
\$ 5.64	Regular operating distributions paid from inception through June 2018
\$ 4.00	Special distributions paid in 2018 and 2019
\$ 1.00	Special distribution payable on July 31, 2020
\$10.64	

The board of trustees determined a NAV per unit of \$5.58 as of June 30, 2020, following the completion of third-party valuations of the Trust's seven remaining assets. This represents an approximate 10% decrease from our prior NAV per share of \$6.17 determined as of February 14, 2019. This decrease was primarily a result of declines in values of the Trust's four remaining retail assets, including the most recent negative impact related to the COVID-19 pandemic.

Additionally, as the following table illustrates, the special distribution of \$1.00 per unit will reduce investors' remaining investment in the Trust. Therefore, after the \$1.00 special distribution, the NAV as of July 15, 2020 will be \$4.58.

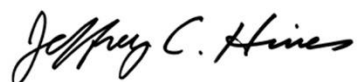
\$ 5.58	NAV per unit as of June 30, 2020
— \$ 1.00	Special distribution payable on July 31, 2020
<u>\$ 4.58</u>	NAV per unit as of July 15, 2020

PATH FORWARD

We remain committed to completing the sale of the remaining assets and distributing the sales proceeds in the most efficient manner possible to maximize value for our investors. We are still actively in discussions with potential buyers for certain assets and will continue to move those processes forward and would expect to make additional distributions upon the completion of those sales.

We appreciate your continued confidence in Hines to manage your investment. If you have any questions about your investment in HGR Liquidating Trust, please contact your financial professional or call Hines Investor Relations at 888.220.6121.

Sincerely,



Jeffrey C. Hines
Chairman of the Board

¹Please see our Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 15, 2020, for more information regarding the determination of our NAV.

²The amount of regular operating distributions received by each investor depends on when the investment was made and will be lower for those who invested after inception. Special distributions include liquidating distributions and other special distributions that are deemed a return of invested capital and reduce the investors' remaining investment in the company.

Forward-Looking Statements

Statements in this communication, including, without limitation, intentions, beliefs or expectations relating to the timing of the Trust's completion of the liquidation and the payment of additional distributions, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements are based on current expectations and assumptions with respect to, among other things, the ability of the Trust to effectively market and sell its remaining assets at desirable prices, future economic, competitive and market conditions and future business decisions that may prove to be incorrect or inaccurate. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although the Trust believes these statements are based on reasonable assumptions, actual outcomes may differ materially from what is expressed in such forward-looking statements. Important factors that could cause actual results to differ materially include the risks associated with potential buyers of the Trust's properties determining to postpone or abandon the acquisition, the tenants at the Trust's properties continuing to be able to pay rent in a timely manner, changes in the severity of the public health and economic impact of COVID-19, and other risks described in the "Risk Factors" section of HGR's Annual Report on Form 10-K, as updated from time to time by the Trust's filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on any forward-looking statements and the Trust undertakes no duty to update any forward-looking statements.