

**DISCLOSURE DOCUMENT OF**  
**CWCAPITAL INVESTMENTS LLC**

A Delaware Limited Liability Company registered with the Securities and Exchange  
Commission as an Investment Adviser

7501 Wisconsin Avenue  
Suite 500 West  
Bethesda, MD 20814

Tel. 202-715-9500  
Fax. 202-715-9699

[WWW.CWCAPITAL.COM](http://WWW.CWCAPITAL.COM)

Additional information about CWCapital Investments LLC is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES AUTHORITY HAS PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DISCLOSURE DOCUMENT. REGISTRATION AS AN INVESTMENT ADVISER DOES NOT IMPLY A CERTAIN LEVEL OF SKILL OR TRAINING.**

The Date of this Disclosure Document is

March 31, 2014

The delivery of the Disclosure Document at any time does not imply that the information contained herein is correct as of any time subsequent to the date shown above.

### **Material Changes to Disclosure Document**

Following is a description of material changes (and only material changes) from the last annual update of our Disclosure Document on March 29, 2013:

- (i) As of March 21, 2013, CWCapital Investments LLC (“CWCI”) became a Delaware limited liability company. CWCI was a Massachusetts limited liability company prior to such date.
- (ii) As of June 29, 2013, Amelia T. Hoffman was appointed Chief Compliance Officer for CWCI.

## TABLE OF CONTENTS

### Part 2A – Firm Brochure

<b>Item number</b>	
<b>Item 1 – Cover Page .....</b>	<b>1</b>
<b>Item 2 – Material Changes to Disclosure Document.....</b>	<b>2</b>
<b>Item 3 – Table of Contents.....</b>	<b>3</b>
<b>Item 4 – Advisory Business.....</b>	<b>4</b>
<b>Item 5 – Fees and Compensation.....</b>	<b>5</b>
<b>Item 6 – Performance-Based Fees and Side-by-Side Management.....</b>	<b>6</b>
<b>Item 7 – Types of Clients.....</b>	<b>7</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss...</b>	<b>7</b>
<b>Item 9 – Disciplinary Information.....</b>	<b>9</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations.....</b>	<b>9</b>
<b>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>10</b>
<b>Item 12 – Brokerage Practices.....</b>	<b>11</b>
<b>Item 13 – Review of Accounts.....</b>	<b>11</b>
<b>Item 14 – Client Referrals and Other Compensation.....</b>	<b>12</b>
<b>Item 15 – Custody.....</b>	<b>13</b>
<b>Item 16 – Investment Discretion.....</b>	<b>13</b>
<b>Item 17 – Voting Client Securities – Proxy Policy.....</b>	<b>13</b>
<b>Item 18 – Financial Information .....</b>	<b>13</b>
<b>Item 19 – Requirements for State Registered Advisers .....</b>	<b>14</b>

I. Part 2A – Disclosure Items about CWCI

4. **Advisory Business.**

(A) **Operational and Organizational Information.** CWC Capital Investments LLC (“CWCI”), a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser, is one of several affiliated entities in the CW Financial Services LLC (“CWFS”) family of companies. This family of companies also includes (i) CWC Capital Asset Management LLC (“CWCAM”), a commercial real estate loan management and special servicing company, (ii) Convergent Risk Insurance Agency LLC (“CRIA”), an insurance group, (iii) CWFS Insight LLC (“CWFS Insight”), a software development and service company and (iv) CompassRock Real Estate LLC (“CompassRock”), a property management firm. Each of CWCI, CWCAM, CRIA, CWFS Insight and CompassRock is a wholly-owned subsidiary of CWFS. As stated on the cover page of this Disclosure Document, registration as an investment adviser does not imply a level of skill or training. CWCI has been in business since January 2004. The principal owner of CWCI is CWFS. CWFS is indirectly wholly owned by certain funds managed by affiliates of Fortress Investment Group LLC. Affiliates of Fortress Investment Group LLC, including FIG LLC (801-62982), are themselves registered investment advisers and have filed their own Form ADV Part 1 and 2. In order to obtain copies of such materials, please see [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

(B) **Types of Advisory Services Offered.** CWCI provides investment management services and advice related to high yield investments in commercial real estate debt instruments, including mezzanine debt, B-notes, structured bridge loans, senior and subordinate classes of commercial mortgage backed securities (CMBS), investment grade securities, REIT debt and collateralized debt obligations (CDOs).

CWCI may also offer analytic and consulting services. These services include proprietary and credit-intensive real estate analytic and due diligence services that help financial institutions and investors navigate complex real estate debt investments and portfolios.

(C) **Client Investment Guidelines and Parameters.** CWCI enters into a management (or similar) agreement with each of its advisory clients, which sets forth the specific advisory services that CWCI is obligated to provide for that client. Each management agreement is tailored to the individual needs of the particular client. As

Collateral Manager/Administrator of CDO clients, CWCI has the authority to make all investment decisions where it deems appropriate and without prior consultation with the CDO client, subject to the investment guidelines and/or restrictions contained in the relevant CDO transaction documents. As Disposition Consultant in various CDO transactions, CWCI has an advisory role with respect to providing consents to the sale of securities by the CDO Collateral Manager (typically an unrelated third party) subject to the terms of the relevant disposition consultant agreement. CWCI may also provide investment and due diligence services to prospective purchasers of commercial mortgage backed securities. If CWCI acts as a manager to non-discretionary separate account clients, the related investment management agreements will provide investment guidelines and parameters that provide the context within which CWCI renders its investment management services. All investment decisions related to these separate account clients will be subject to the approval by the relevant investor.

(D) **Wrap Fee Programs.** CWCI does not participate in wrap fee programs.

(E) **Client Assets Under Management.**

Discretionary: \$6,047,655,371 as of March 14, 2014

## 5. **Fees and Compensation.**

(A) All fees are individually negotiated and, in each case, are set forth in the related management or advisory agreement. Circumstances considered when negotiating fees may include, without limitation, customary market rates, types of services, specialized guidelines and other performance/incentive fee arrangements with the client.

Management or advisory fees for separately managed or pooled investment accounts are typically calculated based on an annual percentage of the balance of, or capital invested in, the assets under management.

In addition, CWCI may collect incentive fees based on the performance of investments. Please refer to Section 6 below for a more detailed description of the incentive fee arrangements, and related conflicts of interest.

(B) **Payment of Fees.** CWCI's fees are typically paid periodically (monthly or quarterly) as specified in the relevant investment management agreement. For certain clients, the management fees will be directly deducted from client assets. In the case of CWCI's

CDO clients, the related trustee will deduct CWCI's fees from collections on the underlying assets, and remit such fees to CWCI on the same day that distributions are made to the related investors. For other clients, CWCI will bill clients for management fees incurred.

- (C) **Additional Fees.** Clients are generally required to pay for certain expenses incurred by CWCI in connection with the performance of the advisory services, in each case as specified in the related management agreement or the related offering document. In addition, certain CDO clients are obligated to pay advancing agent fees (to CWCI, acting as advancing agent) and/or special servicing fees (to CWCAM, acting as special servicer), all of which would be in addition to any management fees to the extent applicable.
- (D) **Fees Paid in Advance.** CWCI is permitted to collect management fees from certain investors in advance and generally will refund pre-paid management fees if the advisory contract is terminated prior to the end of the applicable period.
- (E) **Compensation for the Sale of Securities or Other Investment Products.** NOT APPLICABLE.

## 6. **Performance Based Fees and Side-by-Side Management.**

With respect to certain clients, CWCI may collect incentive fees based on the performance of investments. Such fees will be structured and charged in a manner consistent with the requirements of applicable law, including the Investment Advisers Act of 1940. An incentive fee arrangement may create an incentive for CWCI to make investments that are riskier or more speculative than would be the case in the absence of an incentive fee or to favor those clients that allow CWCI to earn performance fees over clients that do not. CWCI's policies and procedures are intended to identify these and other potential conflicts and to assure that CWCI's interests are not conflicted with those of its clients or any investors or, if such interests are conflicted, that CWCI acts in the best interests of its clients.

CWCI does not represent that the amount of the incentive fees or the manner of calculating the incentive fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The incentive fees charged by CWCI may be higher or lower than the incentive fees charged by other investment advisers for the same or similar services.

## 7. **Types of Clients.**

CWCI advises domestic and foreign investment vehicles and third party separate accounts formed for the purpose of investing in real estate debt products.

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

- (A) CWCI provides advisory services with respect to investments in various forms of commercial real estate debt instruments. Each investment is selected in accordance with the restrictions and guidelines set forth in the related management agreement. With respect to investments in whole loans, B Notes, mezzanine loans or CMBS, CWCI will typically underwrite the related assets. The scope and degree of the underwriting will vary for each investment. In each case, the underwriting involves information gathered from publicly available sources or from private sources subject to the terms of a confidentiality agreement with the information provider and the use of CWCI's proprietary analytical models and other resources. CWCI uses the underwriting analysis to estimate anticipated losses on the related assets, and thereby determine the appropriate price.

Investing in securities involves significant risks, including the risk that an investor could lose some or all of any invested capital.

- (B) and (C) Substantially all of the investments managed by CWCI are in debt instruments that are backed directly or indirectly by commercial and multi-family real estate properties. The repayment of a commercial real estate loan is typically dependent upon the ability of the related property to produce cash flow through the collection of rents and other income. Even the liquidation value of a commercial property is determined, in substantial part, by the capitalization of the property's ability to produce cash flow. However, net operating income can be volatile and may be insufficient to cover debt service on the loan at any given time. The net operating incomes and property values of the properties may be adversely affected by a large number of factors. Some of these factors relate to the properties themselves, including, but not limited to:

- the age, design and construction quality of the properties;

- perceptions regarding the safety, convenience and attractiveness of the properties;
- the characteristics of the neighborhood where the property is located;
- the proximity and attractiveness of competing properties;
- the adequacy of the property's management and maintenance;
- increases in interest rates, real estate taxes and other operating expenses at the mortgaged property and in relation to competing properties;
- an increase in the capital expenditures needed to maintain the properties or make improvements;
- dependence upon a single tenant or a concentration of tenants in a particular business or industry;
- a decline in the financial condition of a major tenant;
- an increase in vacancy rates; and
- a decline in rental rates as leases are renewed or entered into with new tenants.

Certain properties are secured in whole or in part by recently constructed properties or recently acquired properties that have no prior operating history and lack historical financial figures and information.

Other risk factors are more general in nature, and include the following, without limitation:

- national, regional or local economic conditions, including plant closings, military base closings;
- industry slowdowns and unemployment rates;
- local real estate conditions, such as an oversupply of competing properties, retail space, office space or multifamily housing or hotel capacity;
- demographic factors;
- consumer confidence;
- consumer tastes and preferences;
- retroactive changes in building codes;
- changes or continued weakness in specific industry segments;
- location of certain properties in less densely populated or less affluent areas; and
- the public perception of safety for customers and clients.

The volatility of net operating income will be influenced by many of the foregoing factors, as well as factors such as:



- the length of tenant leases (including that in certain cases, all or substantially all of the tenants, or one or more sole, anchor or other major tenants, at a particular property have leases that expire or permit the tenant(s) to terminate its or their lease(s) during the term of the loan);
- the creditworthiness of tenants;
- tenant defaults;
- the rate at which vacant space or space under expiring leases is re-let;
- the property's "operating leverage" which is generally the percentage of total property expenses in relation to revenue;
- the ratio of fixed operating expenses to those that vary with revenues; and
- the level of capital expenditures required to maintain the property and to retain or replace tenants.

A decline in the real estate market or in the financial condition of a major tenant will tend to have a more immediate effect on the net operating income of properties with short-term revenue sources, such as short-term or month-to-month leases or leases with termination options, and may lead to higher rates of delinquency or defaults. In addition, underwritten or adjusted cash flows, by their nature, are speculative and are based upon certain assumptions and projections. The failure of these assumptions or projections to prove correct in whole or in part could cause the underwritten or adjusted cash flows to vary substantially from the actual net operating income of a property.

**9. Disciplinary Information.**

Neither CWCI nor any of its supervised persons has been involved in any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

**10. Other Financial Industry Activities and Affiliations.**

(A) **Registered Broker-Dealer or Registered Representative.** NOT APPLICABLE.

(B) **Registered Futures Commission Merchant; Commodity Pool Operator, Commodity Trading Advisor or Associated Person.** NOT APPLICABLE.

(C) **Other Relationships or Arrangements.**

CWCI is wholly owned by CWFS. CWFS is in turn owned by certain funds

managed by affiliates of Fortress Investment Group LLC.

**(D) Recommendation of Other Investment Advisors and Other Conflicts of Interest.** NOT APPLICABLE.

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

- (A) **Code of Ethics.** The code of ethics of CWCI (the “Code of Ethics”) is based upon the premise that all CWCI personnel have a fiduciary responsibility to render professional, continuous, and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put the clients’ interests ahead of those of CWCI; (3) observe CWCI’s personal trading policies so as to avoid “front-running”; and (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by the Chief Compliance Officer and that personnel who violate the Code of Ethics are subject to sanctions by CWCI, including termination.

A copy of the Code of Ethics is available upon request to clients and prospective clients.

**(B) Participation or Interest in Client Transactions.**

CWCI and/or its related persons may recommend to clients in certain investment vehicles it manages that they buy or sell interests in the same investment products in which it or related persons have some financial interest, including ownership. CWCI’s policies and procedures are intended to identify these and other potential conflicts and to assure that CWCI’s interests are not conflicted with those of its clients.

- (C) CWCI may recommend the purchase or sale of a security to a client in which CWCI and related persons also have a position or interest in the same security or various classes of the same security. These clients could have different rights with respect to the securities that may give rise to conflicts in the decisions made by CWCI, related persons and affiliates in the event of a default or workout situation. These situations could potentially raise or give the appearance of an unavoidable and irreconcilable division of interests and responsibilities with respect to multiple parties. CWCI’s policies and procedures are intended to identify these and other potential conflicts and to assure that CWCI’s interests are not conflicted with those of its clients or any investors or, if such interests are conflicted, that CWCI acts in the best interests of its clients.

- (D) **Purchase and Sales of Securities by Related Persons.** NOT APPLICABLE.

12. **Brokerage Practices.**

The factors that CWCI considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation are described herein. CWCI does not utilize soft dollars.

- (A) 1. To the extent CWCI executes securities transactions for a client through a broker, CWCI will seek to obtain best execution for such client by taking into account the following factors, without limitation,: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; and the broker's risk in positioning a block of securities.

2. a and b **Brokerage for Client Referrals.** NOT APPLICABLE.

3. **Directed Brokerage.** NOT APPLICABLE.

13. **Review of Accounts.**

- (A) With respect to each of CWCI's CDO clients where CWCI acts as collateral manager/administrator, CWCI's portfolio management personnel reviews the assets held by such client on a monthly basis. Such review is conducted by a vice president or senior associate in the CDO portfolio management group and entails review of the trustee report with respect to each asset held by such client or, with respect to certain loan assets, inquiry with the related servicer. With respect to each such CDO client, each month the related trustee prepares a monthly written report regarding the assets held by such CDO client. In addition with respect to certain CDO clients, each quarter the related trustee prepares a note valuation report which provides additional information regarding such assets. CWCI's portfolio management personnel confirm the information in each report before it is finalized. Finally, with respect to certain CDO clients, CWCI's portfolio management personnel prepare an independent quarterly report with additional information regarding the assets held by such CDO which is reviewed by senior management personnel and the Chief Compliance Officer before it is published. With respect to each of CWCI's fund clients, CWCI's investment management personnel prepare quarterly and annual reports which include information regarding the assets held by such fund client.

- (B) CWCI will review specific assets of a particular CDO client or fund

client upon the occurrence of a material event with respect to such asset.

- (C) The monthly and quarterly reports prepared by the third party trustees and/or CWCI for each of CWCI's CDO clients are posted to the trustee's website and are available for review by the investors in such CDO clients. The quarterly reports prepared by CWCI for each of its fund clients are distributed to the investors in such fund on a quarterly basis. In addition, realized gains/losses, interest and dividends earned are reported to clients annually. Each investor in a CWCI fund will also receive the following: (i) annual financial statements of the fund, audited by an independent certified public accounting firm, (ii) in the discretion of CWCI or an affiliate of CWCI, a periodic letter and/or report discussing the results of the accounts, (iii) copies of such investor's Schedule K-1 to the fund's tax returns, and (iv) other reports as determined by CWCI or an affiliate of CWCI in its sole discretion.

**14. Client Referrals and Other Compensation.**

- (A) **Compensation Received By CWCI for Client Referrals.** NOT APPLICABLE.
- (B) **Compensation Paid By CWCI or Related Person for Client Referrals.** NOT APPLICABLE.

**15. Custody.**

CWCI maintains client funds and securities at qualified custodians. In the event that clients receive statements or reports directly from the custodian (or administrator), such clients are urged to compare such statements to any statements that may be sent directly to client by CWCI. Regarding a certain fund client, CWCI complies with its custody obligations by providing annual audited financial statements, prepared in compliance with GAAP, to investors in such fund within 120 days after the fund's calendar year end. With respect to each of CWCI's CDO clients, each month the related trustee prepares a monthly report regarding the assets held by such CDO client. In addition, with respect to certain CDO clients, each quarter the related trustee prepares a note valuation report which provides additional information regarding such assets. CWCI's portfolio management personnel confirm the information in the report before it is finalized. In addition, with respect to certain CDO clients, CWCI's portfolio management personnel prepare an independent quarterly report with additional information regarding the assets held by such CDO.

With respect to each of CWCI's fund clients, CWCI's investment management

personnel prepare quarterly and annual reports which include information regarding the assets held by such fund client.

**16. Investment Discretion.**

CWCI exercises discretionary authority to manage securities on behalf of certain clients. In some circumstances, this authority may include exercising rights associated with such securities and may be subject to the approval of an investment committee, which includes employees of CWCI and investors in the related client.

**17. Voting Client Securities – Proxy Policy.**

In general, CWCI does not anticipate receiving proxies or having the authority to vote proxies. However, to the extent it does, CWCI will use its reasonable judgment to vote proxies in a manner it determines to be in the best interest of its clients. A record of the proxy votes cast will be made and retained by CWCI. Clients and investors can obtain information on how the proxies were voted and a detailed description of CWCI's policies and procedures regarding proxy voting by requesting such information from the Chief Compliance Officer.

**18. Financial Information.**

- (A) CWCI does not require or solicit prepayment of any fees six months or more in advance.
- (B) To the best of our knowledge, there exists no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.
- (C) CWCI has not been the subject of a bankruptcy petition at any time during the past ten years.

**19. Requirements for State Registered Advisers. NOT APPLICABLE.**