

**Item 1 – Cover Page**

**New City Investments LLC  
2029 Century Park East, 4<sup>th</sup> Floor  
Los Angeles, CA 90067**

Date of Disclosure Brochure: Aug, 2014

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This disclosure brochure provides information about the qualifications and business practices of New City Investments LLC (also referred to as we, us and New City Investments LLC throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Yannan Wang by telephone at 310-971-9618 or email at [ywang@newcityinvest.com](mailto:ywang@newcityinvest.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about New City Investments LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for New City Investments LLC or our firm's CRD number 171887.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

New City Investments is a newly registered investment adviser, and this disclosure brochure dated August 2014 is the first disclosure brochure prepared by our firm. In the future, this item will discuss only specific material changes that are made to the disclosure brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of this disclosure brochure.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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#### **Item 4 – Advisory Business**

New City Investments LLC is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a corporation formed under the laws of California, US.

- Yannan Wang is the Owner and Managing Partner of New City Investments LLC. Yannan Wang owns 100.00% of New City Investments LLC.
- Min Wang is a Managing Director of New City Investments LLC, and is not a shareholder in the company.
- New City Investments LLC filed its initial application to become registered as an investment adviser in August 2014.

#### **Introduction**

The investment advisory services of New City Investments LLC are provided to you through an investment adviser representative of New City Investments LLC (referred to as your investment adviser representative throughout this brochure).

#### **Description of Advisory Services**

The following are descriptions of the primary advisory services of New City Investments LLC. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and New City Investments LLC before we can provide you the services described below.

**EB-5 Project Structuring for U.S. Company & Due Diligence Report Service** - New City Investments LLC assists U.S. companies and EB-5 Regional Centers in structuring EB-5 Projects and developing marketing documents.

On behalf of potential EB-5 Immigrant Investors, New City Investments LLC conducts due diligence of the a project and company’s EB-5 Program and issues reports regarding the viability and compliance of such project or company.

**Asset Management Service for EB-5 Immigrant Investor** – New City Investments LLC offers asset management services to foreign nationals who have immigrated to the United States under the Immigrant Investor Program (“EB-5 Program”), which involves New City Investments LLC providing these EB-5 Immigrant Investors with continuous and ongoing supervision over the investments made with U.S. companies by the EB-5 Immigrant Investors under the EB-5 Program. New City Investments LLC does not execute the initial purchase of or investment in the EB-5 investment on behalf of the foreign national while located in a foreign country.

The EB-5 Immigrant Investor must appoint our firm as the investment adviser of record on the specified EB-5 investments kept in book entry form by the issuer/transfer agent and any separate account in the name of the individual EB-5 Immigrant Investor held at a qualified custodian for the EB-5 investments (collectively, the “Account”). The Account consists only of EB-5 investments. If the EB-5 investment is transferrable (without the issuer or transfer agent’s permission) and kept in certificate form, it will be held in separate account(s) by qualified custodian(s) under the EB-5 Immigrant Investor’s name; the qualified custodian(s) will maintain physical custody of the EB-5 investments of the Account. If the EB-5 investment is a private placement, restricted/non-transferrable (without the issuer or transfer agent’s permission) and recorded only on issuer/transfer agent’s books, then it will not be held in a separate account with a qualified custodian and instead be kept under the individual EB-5 Immigrant

Investor's name in book entry form with the issuer or transfer agent. Regardless of whether the EB-5 investment is held at a qualified custodian or in book entry through the issuer/transfer agent, the EB-5 Immigrant Investor will retain all rights of ownership of the Account.

The Account is managed by us based on the EB-5 Immigrant Investor's immigration status/requirements, financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from the EB-5 Immigrant Investor to determine his or her immigration status, financial situation and investment objectives. The EB-5 Immigrant Investor will be responsible for notifying us of any updates regarding his or her immigration status, financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact him or her at least annually to discuss any changes or updates regarding your immigration status, financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with the EB-5 Immigration Investor relative to the status of his or her Account. The EB-5 Immigrant Investor will have the ability to impose reasonable restrictions (with the confines of the EB-5 Program) on the management of his or her accounts, including the ability to instruct us not to purchase certain securities.

It is important that the EB-5 Immigrant Investor understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to the EB-5 Immigrant Investor or actions taken for the EB-5 Immigrant Investor. We are not obligated to buy, sell or recommend to the EB-5 Immigrant Investor any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for the Account and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

**EB-5 Regional Center Ongoing Monitoring Service** – New City Investments LLC offers ongoing monitoring services to EB-5 Regional Centers, which are public and private entities in the U.S. designated by the U.S. Citizenship and Immigration Services to promote economic growth, improved regional productivity, job creation and increased domestic capital investment under the EB-5 Program. EB-5 requirements for an immigrant investor under the EB-5 Regional Center Program are essentially the same as the standard EB-5 program. (The Regional Center designation does not mean that the regional center's capital investment projects are backed or guaranteed by the government.) Under this service, New City Investments LLC provides the EB-5 Regional Center with continuous and ongoing monitoring of the underlying companies where EB-5 investments were made by EB-5 Immigrant Investors through the EB-5 Regional Centers Program and providing advice and reports to the EB-5 Regional Center when requested. These services do not involve implementing any transaction on behalf of the EB-5 Regional Center; the EB-5 Regional Center will have the sole responsibility for determining whether to implement New City Investments LLC's recommendations. These services do not include direct advice or management by New City Investments LLC to EB-5 Investors under this service.

It is important that the EB-5 Regional Center understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to the

EB-5 Regional Center. We are not obligated to buy, sell or recommend to the EB-5 Regional Center any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

### **Specialization**

New City Investments LLC specializes in working with U.S. Companies, EB-5 Programs, EB-5 Regional Centers, and EB-5 Immigrant Investors after immigrating to the U.S.

### **Limits Advice to Certain Types of Investments**

New City Investments LLC provides investment advice on the following types of investments:

- Securities Properly Exempted from Registration

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

New City Investments LLC's advisory services are always provided based on the client's individual needs. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment specialization, philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by New City Investments LLC**

New City Investments LLC has \$147 million assets under management to report as of the date of this Brochure.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and New City Investments LLC.

### **Fees for EB-5 Project Structuring for U.S. Companies & Due Diligence Report Services**

New City Investments LLC provides consulting services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for the services under this arrangement. There is a range in the amount of the fixed fee charged by New City Investments LLC for consulting services. The minimum fixed fee for consulting services will be \$7,000, and maximum fixed fee for consulting services will be generally no more than \$500,000. The amount of the

fixed fee for your engagement is specified in your consulting agreement with New City Investments LLC. As specified in the client agreement, a portion of the fixed fee will be paid in advance at the commencement of the engagement and the remaining portion of the fixed fee will be immediately due upon completion of the EB-5 consultation, marketing materials and due diligence reports. Under no circumstances will charge New City Investments LLC charge more than twelve hundred dollars (\$1,200) six months or more in advance.

The one-time consulting services will terminate upon completion of the consultation, marketing material and due diligence reports under the investment advisory agreement or either party providing the other party with written notice.

If you terminate the services after entering into an agreement with New City Investments LLC, you will be responsible for immediate payment of any work performed by New City Investments LLC prior to the receipt by New City Investments LLC of your notice of termination. For consulting services performed by New City Investments LLC under a fixed fee arrangement, you will pay New City Investments LLC a pro-rated fixed fee equivalent to the percentage of work completed by New City Investments LLC as determined by New City Investments LLC. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by New City Investments LLC to you.

You may pay the investment advisory fees owed for the services by submitting a check to New City Investments LLC.

You should notify New City Investments LLC within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

To the extent that you personally engage such an outside professional (such as an attorney, independent investment adviser, broker-dealer or accountant), you will be responsible for the payment of the fees for the services of such an outside professional, and New City Investments LLC will not be required to reimburse Client for such payments. Fees for the services of an outside professional (i.e. attorney, independent investment adviser, broker-dealer or accountant) will be in addition to and separate from the fees charged by New City Investments LLC, and you will be responsible for the payment of the fees for the services of such an outside professional. In no event will the services of an outside professional be engaged without your express approval.

All fees paid to New City Investments LLC for these services are separate and distinct from the commissions charged by a broker-dealer or asset management or monitoring fees charged by an investment adviser to implement such recommendations.

It should be noted that lower fees for comparable services may be available from other sources.

#### **Fees for Asset Management Services for EB-5 Immigrant Investors**

Fees charged for our asset management services for EB-5 Immigrant Investors are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the Account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

The asset management services continue in effect until terminated by either party. Either party may terminate the services by providing the other party providing with written notice of termination effective sixty (60) days after the other party receives such notice. When fees are billed in arrears, New City Investments LLC will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

Fees charged for our asset management services are negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account, and the total amount of assets under management for the client.

The annual fee for asset management services will typically be 1.00%. There is a minimum account size of \$500,000.

New City Investments LLC believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the EB-5 investment issuer or EB-5 Regional Center level. Please refer to the EB-5 investment issuer's private placement memorandum for additional details.

You will pay our firm upon receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for our services will be due immediately upon receipt of the billing notice.

#### **Fees for EB-5 Regional Center Ongoing Monitoring Service**

Fees charged for our EB-5 Regional Center ongoing monitoring service are charged based on a percentage of assets under review/monitoring, billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the Account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If ongoing monitoring services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

The asset management services continue in effect until terminated by either party. Either party may terminate the services by providing the other party providing with written notice of termination effective sixty (60) days after the other party receives such notice. When fees are billed in arrears, New City Investments LLC will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

Fees charged for our ongoing monitoring services are negotiable based on the type of client, the complexity of the client's situation, the composition of the client's account, and the total amount of assets under management for the client.

The annual fee for asset management services will typically be 1.00%. There is a minimum account size of \$500,000.

New City Investments LLC believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In



addition to our compensation, you may also incur charges imposed at the EB-5 investment issuer or EB-5 Regional Center level. Please refer to the EB-5 investment issuer's private placement memorandum for additional details.

You will pay our firm upon receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for our services will be due immediately upon receipt of the billing notice.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

#### **Item 7 – Types of Clients**

New City Investments LLC generally provides investment advice to the following types of clients:

- Individuals who have immigrated to U.S. through EB-5 Program;
- U.S. companies seeking EB-5 Immigrant Investors; and
- EB-5 Regional Centers.

You are required to execute a written agreement with New City Investments LLC specifying the particular advisory services in order to establish a client arrangement with New City Investments LLC.

#### **Minimum Investment Amounts Required**

New City Investments LLC requires a minimum of \$500,000 in order to open an account.

For asset management and monitoring services, the minimum annual fee is one percent (1%) of assets. For EB-5 project structuring and due diligence report services, the minimum fixed fee generally charged is \$7,000.

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

##### **Methods of Analysis**

New City Investments LLC uses the following methods of analysis in formulating investment advice:

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

There are risks involved in using any analysis method.

To conduct analysis, New City Investments LLC gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Strategies**

New City Investments LLC uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

### **Primarily Recommend One Type of Security for EB-5 Program Purposes**

New City Investments LLC primarily recommends securities exempted from registration under Regulation S of the Securities Act of 1933 for EB-5 Program purposes. Some of the risks involved with only recommending this type of security include the underlying commercial enterprise invested in by the EB-5 Immigrant Investor may not meet the requirements of creating jobs within the time allotted or the jobs will not be acceptable to the U.S. Citizenship & Immigration services for purposes of the EB-5 visa. There are risks as to whether the principal invested will be returned to the EB-5 Immigrant Investor at the end of the term. Additionally, the EB-5 Immigrant Investor faces many other risks such as or relating to management, safety, performance returns, exit strategy of illiquid investment and escrow.

The EB-5 Regional Center designation does not mean that the regional center's capital investment projects are backed or guaranteed by the government. Further, there are no guarantees that an EB-5 Immigrant Investor may ultimately be granted unconditional permanent resident status through an EB-5 investment. For example, if it is determined that the Immigrant Investor's money is not truly at risk or that insufficient jobs were created through the EB-5 investment, then the EB-5 Immigrant Investor's petition may be denied. EB-5 Immigrant Investors should exercise due diligence when making an EB-5 investment.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

#### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

New City Investments LLC is **not** and does **not** have a related person that is an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity

New City Investments LLC

trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

New City Investments LLC is affiliated with New City Capital LLC, which is currently undergoing a FINRA application to become a broker-dealer that engages solely in private placement offerings. It is the intention of New City Capital LLC to only offer private placement securities through Regulation S offerings, to facilitate EB-5 capital raises.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

New City Investments LLC has established a Code of Ethics that will apply to all of its associated persons. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. New City Investments LLC has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. New City Investments LLC has the responsibility to make sure that the interests of all clients are placed ahead of New City Investments LLC's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. New City Investments LLC will conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This section is intended to provide clients with a summary of New City Investments LLC's Code of Ethics. Clients may receive a complete copy of the Code of Ethics upon request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

New City Investments LLC or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of New City Investments LLC that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. New City Investments LLC and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.

- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of New City Investments LLC.

Any associated person not observing our policies is subject to sanctions up to and including termination.

## **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the recommendations of New City Investments LLC. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts for EB-5 Immigrant Investors and monitored EB-5 investments for EB-5 Regional Centers are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Yannan Wang and/or Min (Lili) Wang, with reviews performed in accordance with your investment goals and objectives.

Our EB-5 Project structuring for U.S. company & due diligence report service terminate upon delivery of the agreed upon consulting and materials and do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian or EB-5 issuer if not held by a qualified custodian. Additionally, New City Investments LLC may provide position or performance reports to you quarterly.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

#### **Item 14 – Client Referrals and Other Compensation**

New City Investments LLC does not directly or indirectly compensate any person for client referrals. *Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

We may from time to time receive expense reimbursement for travel and/or marketing expenses from companies issuing EB-5 investment or EB-5 Regional Centers. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by EB-5 investment issuer or Regional Center. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas or recommendations, the reimbursements are typically made by those EB-5 investment issuers or EB-5 Regional Centers for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

#### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented. According to this definition, New City Investments LLC does **not** have custody of client funds or securities.

#### **Item 16 – Investment Discretion**

When providing asset management services for EB-5 Immigrant Investors, New City Investments LLC maintains trading authorization over your Account and can provide management services on a **non-discretionary** basis. This means we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in the Account. You may also place reasonable limitations on the discretionary power granted to New City Investments LLC so long as the limitations are specifically set forth or included as an attachment to the client agreement.

## **Item 17 – Voting Client Securities**

### **Proxy Voting**

For asset management and monitoring services, clients are given the option to vote proxies themselves or have firm vote proxies.

For clients that have elected New City Investments LLC to vote proxies, New City Investments LLC follows a Proxy Voting Policies and Procedures (“Proxy Voting Policies”) which provide that proxies on securities will be voted by New City Investments LLC for the exclusive benefit and in the best economic interest of clients as determined by New City Investments LLC in good faith. Such voting responsibilities will be exercised in a manner that is consistent with the general anti-fraud provisions of the Investment Advisers Act of 1940, as amended, as well as fiduciary duties of New City Investments LLC under federal and state law to act in the best interest of clients.

On certain routine proposals (for example, those which do not change the structures, bylaws or operations of a company), New City Investments LLC will generally vote in the manner recommended by management. Non-routine proposals, (such as those affecting corporate governance, compensation and other corporate events) and shareholder proposals, will generally be reviewed on a case-by-case basis. New City Investments LLC will generally vote proxies in accordance with these recommendations, but reserves the right to exercise its own judgment on a case-by-case basis. If New City Investments LLC determines that voting a particular proxy would create a material conflict of interest between its interests or the interests of any of its affiliated parties, New City Investments LLC will fully disclose the conflict of interest to you.

A client may obtain a copy of the complete proxy voting policies and procedures of New City Investments LLC upon request. A client may also obtain information from New City Investments LLC about how New City Investments LLC voted any proxies on the client’s behalf.

A client may elect to retain proxy voting responsibilities by notifying New City Investments LLC in writing of that election.

## **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. New City Investments LLC does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, New City Investments LLC has not been the subject of a bankruptcy petition at any time.

## **Customer Privacy Policy Notice**

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to nonaffiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. New City Investments LLC does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law.

New City Investments LLC is committed to safeguarding the confidential information of its clients. New City Investments LLC holds all personal information provided by clients in the strictest confidence and it is the objective of New City Investments LLC to protect the privacy of all clients. Except as permitted or required by law, New City Investments LLC does not share confidential information about clients with nonaffiliated parties. In the event that there were to be a change in this policy, New City Investments LLC will provide clients with written notice and clients will be provided an opportunity to direct New City Investments LLC as to whether such disclosure is permissible.

To conduct regular business, New City Investments LLC may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to New City Investments LLC
- Information about the client's transactions implemented by New City Investments LLC or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service, and provide related services for client accounts, it is necessary for New City Investments LLC to provide access to customer information within the firm and to nonaffiliated companies with whom New City Investments LLC has entered into agreements with. To provide the utmost service, New City Investments LLC may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on New City Investments LLC's behalf.

- Information New City Investments LLC receives from the client on applications (name, social security number, address, assets, etc.)
- Information about the client's transactions with New City Investments LLC or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services transaction with New City Investments LLC

Since New City Investments LLC shares nonpublic information solely to service client accounts, New City Investments LLC does not disclose any nonpublic personal information about New City Investments LLC's customers or former customers to anyone, except as permitted by law. However, New City Investments LLC may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas. In the event that New City Investments LLC has a change to its customer privacy policy that would allow it to disclose non-public information not covered under applicable law, New City Investments LLC will allow its clients the opportunity to opt out of such disclosure.