

CW Investment Advisers, LLC

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December 21, 2020

This brochure provides information about the qualifications and business practices of CW Investment Advisers, LLC. If you have any questions about the contents of this brochure, please contact us through Chi Shing (Niol) Ma at (626) 788-2382 or niol.ma@cottonwoodmgmt.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about CW Investment Advisers, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

CW Investment Advisers, LLC is an SEC registered investment adviser. This registration does not imply a specific level of expertise, skill or training. This registration does not imply a recommendation by the SEC or by any state securities authority.

This Cover Page constitutes Item 1 to the CW Investment Advisers, LLC Brochure.

Item 2. Material Changes

The Brochure is the initial Brochure on Form ADV Part 2A of CW Investment Advisers, LLC.

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Item 4. Advisory Business

CW Investment Advisers, LLC, a Delaware limited liability company ("**Adviser**", the "**Firm**", the "**firm**" or "**we**"), is an SEC registered investment adviser that offers advice on a variety of investments in real estate, including mortgage and mezzanine loans to, and equity investments in, developers and operators of commercial and residential properties. Our initial client be the Cottonwood Real Estate Founders' Fund, LP, a Delaware limited partnership and its related parallel investment vehicles (together the "**Cottonwood Fund**"), expected to be formed in Q1 2021. We may also provide advice to other pooled investment vehicles ("**Funds**") including, without limitation, Funds comprising investors participating in the U.S. Fifth Employment Based Preference Immigrant Visa Category Program (the "**EB-5 Program**"). We do not provide advice to retail investors, i.e., individual clients or high net worth individual clients. References in this brochure to a "client" or "clients" means the Cottonwood Fund and/or other Funds to which the Adviser provides investment advisory services.

- A. We do not provide investment advice to any limited partners in Cottonwood Fund or any investors in other Funds (collectively, "**Investors**"). The ultimate beneficial owner of the Adviser and Cottonwood is Hon Kit (Alex) Shing.

Cottonwood Management, LLC ("**Cottonwood**"), an affiliate of the Firm, is a real estate asset management firm based in Los Angeles. Established in 2011, Cottonwood personnel have more than 100 years of combined experience in the evaluation, financing and development management of commercial real estate, and in participating in the real estate capital markets. CW Credit Services, LLC, a Cottonwood subsidiary, provides loan administration services to Funds holding loans made under the EB-5 Program ("**EB-5 Program Funds**"). Other Cottonwood subsidiaries arrange debt and equity financings in connection with commercial real estate projects and provide administration services in connection with these transactions. Cottonwood has arranged, made or managed over \$3.9 billion of loan and equity investments.

- B. The Firm will advise the Cottonwood Fund on the origination, acquisition and sale of secured first mortgage and mezzanine loans for real estate development projects, acquisitions and refinancings (collectively, "**Loans**"), as well as equity investments in owners and developers of commercial real estate projects (collectively, "**Equity Investments**" and, together with Loans, "**Investments**"). Our investment advice relates to the evaluation of the prospects for development, value creation, financing, leasing, and operations of commercial real estate assets ("**Projects**"), as well as the amount, terms and conditions, and recoverability of Investments in the Projects. Among other things, we review and give advice with respect to the analysis of projected costs, investment structure and terms and business plans, and we monitor investment performance. The Firm's analysis methods include detailed financial analyses based on each Project, developer experience, market analyses, economic analyses, tenant analyses, market trends, valuation estimates, basic fundamentals of supply and demand, and sector type.

NOTE: THE INFORMATION AND DESCRIPTIONS CONTAINED IN THIS SECTION ARE FOR THE READER'S INFORMATIONAL PURPOSES ONLY

AND DO NOT CONSTITUTE LEGAL OR INVESTMENT ADVICE OR ANY EXPRESS OR IMPLIED PROMISES, REPRESENTATIONS OR WARRANTIES OF THE ADVISOR.

- C. The Firm's advisory services are driven primarily by the nature of Investments being evaluated, not by the individual needs of clients. Any applicable investment program or restrictions will be set forth, in the case of Cottonwood Fund, in its private placement memorandum; otherwise, in the relevant investment agreement.
- D. Adviser does not currently participate in wrap fee programs.
- E. As of December 2020, we do not manage any non-discretionary client assets, and we do not manage any client accounts on a discretionary basis. However, the investment decisions of Cottonwood Fund will be made solely by its general partner, an affiliate of Cottonwood and an affiliate of the Adviser.

Item 5. Fees and Compensation

- A. We expect to enter into an advisory agreement with Cottonwood Fund and each other client of the Adviser, pursuant to which the client will pay Adviser an investment management fee (“**Investment Management Fee**”) based upon the net asset value of assets under management or other generally accepted metrics (“**NAV**”). Our maximum percentage fee will be 2.0% per annum of the client's NAV. Investment Management Fees are charged and invoiced quarterly in advance. We do not typically charge a set-up fee.

The Investment Management Fee will be determined on an Investor-by-Investor basis and will be billed, and in the discretion of the Investor, either paid by the Investor directly or by withdrawal from the Investor’s capital accounts, in addition to funding the Investor’s commitments to the Fund.

The Investment Management Fee is calculated with respect to each Investor’s share of the Fund’s NAV at the end of the applicable calendar quarter. An Investor’s share of Investment Management Fee rate is negotiable at the discretion of the Adviser.

The Firm will receive a performance based fee (the “**Performance Fee**”) in the form of a carried interest in Cottonwood Fund equal to twenty percent 20% of the distributions attributable to Net IRR measured over each calendar year (each, a **Measurement Period**) in excess of the IRR Hurdle. “**Net IRR**” is determined on an Investor-by-Investor basis as the internal rate of return (“**IRR**”) on such Investor’s capital, net of Investment Management Fees, taking into account any distributions and/or reinvestments during the Measurement Period. The “**IRR Hurdle**” is eight percent (8%) per annum. The Performance Fee with respect to each Measurement Period shall be paid as follows:

- 50% of the Performance Fee shall be due and payable within 10 days after the NAV Per Unit is determined for the applicable Measurement Period;
 - 50% of the Performance Fee shall be due and payable on the first anniversary of the last day of the applicable Measurement Period; and is payable only if the Net IRR over the previous two (2) years (the Measurement Period plus such first anniversary) meets or exceeds the IRR Hurdle.
- B. Clients may be subject to regulatory fees, transaction costs, custodian and sub-custodian fees, professional fees, consulting fees, reasonable travel costs, and other costs and expenses, regardless of whether the Fund shall realize any profits. The client will reimburse the Firm for reasonable travel expenses incurred in carrying out its duties under the investment management agreement between the Firm and the client. Travel expenses incurred on behalf of multiple clients will be equitably allocated among the applicable clients. Each Project is subject to development management fees, property management fees, leasing commissions, sales commissions and financing origination fees payable to third parties. In negotiating fees payable to third party service providers, we make commercially reasonable efforts to minimize those costs. EB-5 Program Funds that become clients of the Firm will also pay loan administration fees to CW Credit Services, LLC, an affiliate of the Firm, and program management fees to Celona Asset Management USA,

Ltd. and to regional centers, neither of which are affiliates of the Adviser. Similarly, an affiliate of the Adviser will receive arm's-length compensation for any services (that would otherwise be provided by another third party) that it provides to a Project in which one or more clients of the Adviser have invested.

- C. In the event an Investment is repaid, or if our investment management agreement is terminated before the end of a calendar quarter, we will prorate our fee on a daily basis and refund to the client the unearned portion of our fee. Refund of our fee will typically be made within 10 business days after the settlement of the repayment of an Investment.
- D. Neither Adviser nor its supervised persons accept compensation for the sale of securities or other investment products.
- E. A client may originate a new Investment that the Adviser has arranged through brokers or agents not affiliated with Adviser.

Item 6. Performance Based Fees and Side By Side Management

As described in Item 5 above, for services to the Cottonwood Fund, the Firm will be entitled to receive Performance Fees determined on the basis of return for each Investor. Investors in the Cottonwood Fund are expected to satisfy the requirements of "qualified clients," as defined in Rule 205-3 under the Investment Advisers Act of 1940 (the "**Advisers Act**").

When an investment manager is responsible for both fixed fee accounts and performance based fee accounts, a conflict of interest can arise in allocating Investment opportunities among the client accounts from the incentive to allocate the highest returns and shortest maturity dates to the performance based fee accounts. If we determine that two or more clients should participate in a specific Project, we typically will allocate the investment first in accordance with the available capital of the clients and then on a rotational basis. However, we reserve the right to allocate on a non-rotational (e.g. pro rata or specific allocation) basis, where the circumstances justify such action.

Item 7. Types of Clients

We expect to provide advice solely to the Cottonwood Fund and may do so for other Funds engaged primarily in the business of originating and acquiring first mortgage and mezzanine Loans for, and making equity investments, directly or indirectly, in commercial real estate Projects. Unless the general partner in its sole and absolute discretion accepts a lesser amount, the minimum commitment for each Investor in the Cottonwood Fund is \$10 million.

Important Notice

This Brochure may be provided to prospective investors in an existing or prospective client of Adviser, together with the specific investment vehicle's private placement memorandum ("PPM"), organizational documents and other related documents ("Governing Documents"), in connection with the Investor's consideration of an investment. While this Brochure may include information about the investment vehicles to which Adviser provides investment advice, it does not represent a complete discussion of the features, risks or conflicts associated with the investment vehicles. More complete information is included in the PPM and other Governing Documents.

In no event should this Brochure be considered an offer of units in an investment vehicle to which Adviser provides investment advice or be relied upon in determining whether to invest in such vehicle. It is also not an offer of, or agreement to provide, advisory services directly to any Investor. Rather, this Brochure is designed only to provide information about us to comply with regulatory requirements under the Investment Advisers Act of 1940. Information in this Brochure may differ from the information provided in the PPM. If there is any conflict between the information in this Brochure and similar information in the PPM, Investors should rely on the information in the PPM with respect to their investment in such investment vehicles.

Item 8. Methods of Analysis, Investments Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies

We offer advice with respect to direct and indirect equity and debt investments in all major classes of commercial real estate.

Our analysis methods include, without limitation, detailed financial analyses based on each Project, developer experience, detailed financial analyses; market analyses, economic analyses, tenant analyses; market trends; valuation estimates; basic fundamentals of supply and demand; and sector type. We use research and other information obtained and prepared by Cottonwood and its affiliates. Our investment advice to clients includes our financial analyses and our views on income and growth potential and market pricing.

Our strategy is to have our clients' accounts fully invested in Investments at all times. We do not manage cash. We invest only in long positions for both long term and short term holding periods. We do not purchase, sell or create derivatives, or sell real estate-related securities short.

Risk of Loss

General Investment Risk. All investments in real estate, direct or indirect, equity or debt, involve substantial risk of loss (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond Adviser's control, such as: changing market sentiment; changes in industrial conditions, competition and technology; changes in inflation, exchange or interest rates; changes in domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements.

Uncertain Economic Condition. In recent years credit markets have tightened, property transaction volumes have slowed and real estate values have experienced significant downward pressures. These factors have made the valuation of real estate more difficult. Because there is significant uncertainty in the valuation of, and/or in the stability of the value of certain of the Investments, the fair values of such Investments as reflected in reports and financial statements provided to Investors may not reflect the prices that the client would obtain if such Investments were actually sold. There can be no assurance that we will be able to make Investments that will generate the targeted returns. A Fund may also be required to hold illiquid investments for several years before any disposition can be effected.

Strategy Risk. Our strategy includes the origination and acquisition of Loans secured directly or indirectly by commercial real estate. The success of the long positions established pursuant to our strategy depends in large part on our ability to accurately assess the fundamental value of the underlying Projects and their respective development terms.

An accurate assessment of fundamental value depends on a complex analysis of a number of financial factors. No assurance can be given that we will be in a position to assess the nature and magnitude of all material factors having a bearing on the value of a client's positions, or that we will accurately assess the impact of all factors of which it is aware.

Custodial Risk. Notes payable to a client, related security instruments and collateral will be held by the applicable Fund manager or general partner of the client. The general partner of Cottonwood Fund is an affiliate of the Adviser. Third parties, including property managers and banks, hold and manage real estate assets and cash and pay property operating and ownership costs and expenses. Equity interests in limited liability companies and partnerships, if any, will be held in the name of the client and are likely to be uncertificated.. Property interests, including title, will be held by third parties. Financial difficulty, fraud or misrepresentation by persons holding client assets and title to real properties and to custodian institutions could impair the rights and position of a client.

Illiquid Instrument Risk. We expect that substantially all of a client's Investments will be in the form of a construction Loan secured by a first mortgage on land, building and improvements, a mezzanine Loan secured by a pledge of unregistered equity interests in partnerships and limited liability companies, and equity Investments in developers and owners of Projects, none of which will be available for trading on organized exchanges or traded in the over the counter market.

Cyber Security Risk. With the increased use of technologies such as the Internet to conduct business, Adviser is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and can lead to the misappropriation or corruption of client, Investment and property related data. Cyber security failures or breaches by a third party service provider can cause disruptions and impact business operations and violations of applicable privacy and other laws. Electronic and digital records will be maintained in Cottonwood's computer system. Cottonwood believes that it has taken appropriate precautions designed to avoid a cyber incident. Cottonwood tests its cyber security system at least once each calendar year.

COVID-19 pandemic or any future pandemic, epidemic or outbreak of infectious disease could have material and adverse effects on clients' Investments. Investments and Projects are likely to be adversely affected by the evolving and ongoing COVID-19 global pandemic. Since initially being reported in December 2019, COVID-19 has spread around the world, including to every state in the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, the United States declared a national emergency with respect to COVID-19. The COVID-19 pandemic has severely impacted global economic activity and caused significant volatility and negative pressure in financial and real estate markets. The global impact of the pandemic continues to evolve and many countries, states and localities, including states and localities in the United States, have reacted by imposing measures to help control the spread of the virus, including instituting quarantines, "shelter-in-place" and "stay-at-home orders", travel restrictions, restrictions on businesses and school closures. As a result, the COVID-19 pandemic is negatively impacting almost every industry, including the U.S. office, hospitality, and retail real estate sectors and the businesses of Project tenants, directly or

indirectly. The COVID-19 pandemic has triggered a period of global economic slowdown or recession. The fluidity of the COVID-19 pandemic continues to preclude any prediction as to the ultimate adverse impact of the pandemic on Investments, Projects and Project sponsors' business, financial condition, results of operations or cash flows. The COVID-19 pandemic or any future pandemic, epidemic or outbreak of infectious disease affecting states or regions in which we or our tenants operate could have material and adverse effects on our business, financial condition, results of operations and cash flows

B. Specific Risks Associated with Adviser's Investment Strategy.

Due Diligence and Analytic Risks. There is generally limited publicly-available information about real properties, and we must therefore rely on our own due diligence and that of Cottonwood in evaluating Project-sponsors and Projects for Investments.

Economic Risk and Valuation. The ability of a developer to repay a Loan or to return an Equity Investment is highly dependent upon its ability to realize the value of its Project through a sale or refinancing transaction. Local and national economic factors make the valuation of real estate investments more difficult in today's market. There can be no assurance that the valuation given to any Project is indicative of the amount that an unaffiliated third party would be willing to pay for such property or the amount that a lender would be willing to loan against such property.

Investments in Debt Instruments. Based upon the applicable state law (which laws may differ substantially from state to state), investments in debt may be adversely affected by (i) the operation of state law with respect to the ability to foreclose mortgage loans or to exercise other creditors' rights provided in the underlying loan documents, (ii) lender liability with respect to the negotiation, administration, collection and/or foreclosure of mortgage loans, (iii) penalties for violations of state usury limitations and (iv) the impact of bankruptcy law.

Lack of Independent Valuation. Unless specifically requested by the client, Adviser does not obtain independent valuations or appraisals of Investments or the collateral for Loans. There can be no assurance that the book value of client Investments, if any, is indicative of their market value.

Developer Risks. Each client's assets are Investments. Debt service on mortgage loans encumbering new development Projects will be funded out of construction loan proceeds for a term provided in the Project loan agreement. Debt service on mezzanine loans to the owners of new development Projects will be funded out of loan reserves for a specified term. Developer/borrower risks include, among other things, lease up risks, the collection of rents from tenants, and control of development costs and operating costs. A developer/borrower default in performing its debt service obligations, or bankruptcy, could affect adversely cash flow from the Project and cause the client to incur a loss of all or part of its Investment as well as legal and other costs that would not likely be recouped.

Construction Risks. Construction costs for commercial facilities to be developed will be estimated for feasibility purposes and bid out for construction purposes. Construction costs are subject to fluctuation based on actual trade and supply contractor bidding. Change orders and certain unforeseen conditions may increase the cost beyond the general contractor's guaranteed maximum price.

Fixed and Variable Cost Risks. Many costs associated with a real estate investment, such as debt service and real estate taxes, are not reduced even when a property is not fully occupied or utilized, or other circumstances cause a reduction in income from the investment. These fixed costs intensify the risk of a developer or tenant default or an unanticipated delay in achieving occupancy of a newly constructed or redeveloped property. Some costs associated with a real estate investment, such as maintenance and repairs, may be subject to cost increases beyond the control of the property owner. Variable rate debt in a time of rising interest rates could also result in unanticipated costs increases.

Interest rate hedging transactions entered into directly with counterparty is subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty may become bankrupt or otherwise fail to perform its obligations due to financial difficulties resulting in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

Environmental Risks. Environmental laws often impose responsibility for investigation and cleanup of hazardous substances and materials found on real property on the owner of the property, without regard to culpability. Uncertainty as to whether properties are in compliance with environmental laws could affect adversely the value of such properties. The environmental condition of a Project could affect decisions to foreclose on the ownership of the Project in an effort to recover an Investment.

No Active Trading or Tax Planning. Adviser's client accounts are not actively managed and do not involve frequent trading. We currently manage all client accounts without regard to tax considerations.

Diversification Risk. The general partner of Cottonwood Fund will endeavor to diversify Investments by Project type, Project sponsor and geographic location, depending upon the availability of capital for investment, the sole asset of an EB-5 Program Fund will be its Loan and any proceeds and distributions related to that Loan. For all of our clients, the sole business of a developer under an Investment will be its Project. The performance of an Investment is therefore directly dependent upon the performance of the Project. Any adverse financial, operational or business circumstances of the Project, therefore, will directly and adversely impact the Fund's performance and returns to its Investors.

A Fund extending a Loan will not be an owner of real estate and will not enjoy the rights, privileges and benefits of an equity investment in the Project. Such Fund will only be entitled to exercise the rights, privileges and benefits afforded it as a secured lender under

its Loan documents. Accordingly, such Fund will not have any control over the sale, refinancing or management of a Project.

Alternate Investments Upon Early Repayment of the Loan. Regarding EB-5 Program Funds, if a portion or full repayment of principal on the Loan is made to the EB-5 Program Fund prior to second anniversary of receipt of conditional permanent residence by an investor whose commitment was used to make the Loan, the proceeds from any such repayment must be redeployed by the EB-5 Program Fund into one or more alternate investments for the purpose of maintaining such investor's commitment "at risk" as required in the EB-5 Program. The Firm will advise the EB-5 Program Fund on the redeployment of such Loan proceeds in an alternative investment.

Alternate investments will be approved by the EB-5 Program Fund managers, in their sole discretion. No alternate investments have been identified. The EB-5 Program Fund may make alternate investments that are subject to an extended duration, a reduced opportunity for return and may pose additional and greater risks than the original Loan. An alternate investment may result in a delay in the repayment of commitments to the Investors by the EB-5 Program Fund. Alternate investments are speculative and therefore may increase the duration of an EB-5 Program Fund's investment with no certainty of return and that the possibility of a partial or total loss of the EB-5 Program Fund's capital and Investors' commitment exists. Furthermore, there is no assurance that any alternate investment would satisfy EB-5 Program requirements or enable an investor to apply for or receive a visa and residency in the United States.

Additional indebtedness may substantially impair a borrower's ability to repay an Investment. Investment documents may permit a developer to incur additional debt, whether secured or unsecured, from affiliates and other third parties, at any time or from time to time in the future.

Increased levels of indebtedness and related debt service and other obligations of a developer could have important consequences, including the following: (i) impair its ability to obtain additional financing for working capital, building costs, other capital expenditures, debt service or general corporate purposes; (ii) cause it to use a substantial portion of its cash flow from operations for debt service, which would reduce funds available for other purposes (including distributions in respect of Equity Investments and service of Loans); and (iii) increase its vulnerability to economic downturns and adverse developments in its business as a result of insufficient cash flow remaining after debt service. Additionally, a substantial level of indebtedness could make it difficult for the developer to satisfy its obligations under the Investment, especially in the event of a default or event of default under, and a corresponding acceleration of, any other indebtedness. It is unlikely that a Fund will have the financial resources required to purchase a first mortgage loan in default and thereby protect its investment.

A Fund may not receive the payments due under the Loan Agreement. A borrower may incur additional indebtedness in any amounts and under any terms it determines. In connection with such additional debt, the Fund's right to repayment under the Loan documents may be subordinated to the rights of repayment of such additional lenders (such

other lenders, the "**Senior Lenders**"). Additionally, the Fund may be required to enter into an intercreditor agreement with Senior Lenders which may adversely affect the Fund's ability to exercise certain remedies upon a default under its Loan documents. For example, in the event of a default under the loan documents of a senior loan (such loan documents, the "**Senior Loan Documents**"), the control of the workout, foreclosure or disposition of the Project will be controlled by the Senior Lender rather than the Fund. Often, the holder of a mezzanine loan (secured by a pledge of the ownership interest in the property owner) must repay or refinance the senior loan to preserve its indirect interest in the property and realize on its loan. There can be no assurance that the Fund will receive all payments due under its Loan. The Financial condition of a borrower and the ability of a borrower to satisfy the covenants and obligations to the Senior Lenders could adversely affect the borrower's ability to satisfy its obligations under the Loan.

An EB-5 Program Fund's ability to exercise its rights under the Loan documents is effectively limited by the provisions of the EB-5 Program. Loan documents will contain certain rights relating to the repayment of the Loan upon the occurrence of an event of default under the Loan documents. With respect to Loans made by an EB-5 Program Fund, the Loan documents will generally prohibit the EB-5 Program Fund from accelerating the repayment of the outstanding Loan balance if such repayment would adversely affect the Immigration status of any EB-5 Program Fund Investor.

Reinvestment Risk. Cottonwood Fund is a perpetual fund. Repayments of principal and proceeds from the sale or refinancing of Projects in which Cottonwood Fund has equity interests are expected to be reinvested by the general partner into new Investments. There can be no assurance that the Adviser will be able to arrange suitable reinvestment opportunities when and as investable funds are available.

Investor Failure to Fund Commitments. If an Investor fails to fund its commitment obligations when due, the ability to complete its investment program or otherwise to continue operations may be substantially impaired. A default by one or more Investors who have made commitments could limit opportunities for investment diversification and reduce returns to the investment vehicle.

Illiquidity of Interests. Investors should be aware of the long-term nature of an investment in the Cottonwood Fund and in any EB-5 Program Fund. There is not now and may not ever be a public market for the units of limited partnership interests in any Fund ("Units"). Because the Units have not been registered under the Securities Act of 1933 ("Securities Act") or under the securities laws of any state or non-United States jurisdiction, the Units are "restricted securities" and cannot be resold in the United States except permitted under the Securities Act and applicable state securities laws, pursuant to registration thereunder or exemption from such registration. It is not presently contemplated that registration under the Securities Act or other securities laws will ever be affected. The Units may also not be sold or otherwise transferred without the consent of the Fund general partner and compliance with the various investment vehicles governing documents such as the Cottonwood Fund Limited Partnership Agreement. Accordingly, an Investor may not be able to liquidate its investment in the event of an emergency or for any other reason, and its Units may not be acceptable as collateral for loans. Limitations on the transfer of the

Units may also adversely affect the price that an Investor might be able to obtain for Units in a private sale.

No Assurance of Liquidity to Permit Redemptions. Although all Investors have the right to request redemption of their Units in the Cottonwood Fund after a lock-up period, the Cottonwood Fund (i) may not have sufficient available cash to fund the redemption of Units when redemptions are requested, or (ii) may exercise its discretion to not permit redemption of Units. There is no guarantee that cash will be available at any particular time to fund a particular redemption request, and the Cottonwood Fund is under no obligation to make such cash immediately available through the sale of assets, acceptance of new Investor commitments, borrowings or otherwise. Under the Cottonwood Fund's redemption policy as set forth in its Limited Partnership Agreement, any redemptions will be made using available redemption proceeds (i) first, to satisfy any redemption requests from a prior quarter that were not satisfied in full on a pro rata basis in proportion to the total number of Units owned by the Investors who submitted redemption requests with respect to such earlier redemption date and (ii) secondly to fund redemption requests submitted by Investors for the current redemption date on a pro rata basis on the total number of Units owned by Investors seeking redemption. Redemption ability, if any, and procedures are outlined in the governing documents of the other investment vehicles.

C. Conflicts of Interest

An investment in Cottonwood Fund involves a number of inherent or potential conflicts of interest, which prospective Investors should carefully consider before subscribing for Units. Among other things, Investors should note that the Adviser is an affiliate of the Cottonwood Fund general partner and it will receive Investment Management Fees based on the NAV of the Cottonwood Fund which, in turn, will be affected by the performance and valuation of the fund assets.

Cottonwood Fund may make Investments in Projects in which affiliates or other clients of the Firm have an economic interest. In such event, the Cottonwood Fund and other clients and affiliates of the Adviser will own diverse interests in which may create conflicts of interest, particularly with respect to the enforcement of loan obligations.

Conflicts of interest may arise in the allocation of investment opportunities between Cottonwood Fund and other clients of Adviser. If a potential Investment would be appropriate for more than one of its clients seeking reinvestment, it will be incumbent on the Adviser to allocate the potential Investment in accordance with the Firm's allocation and rotation policy which is generally based first on available cash and then following a rotation list maintained by the Chief Compliance Officer. In certain instances, a potential Investment may be shared among the Cottonwood Fund and other clients of Adviser through their investing in the same or different tranches of capital for a Project. Conflicts may arise in allocating the investment amounts and opportunities between the clients and in the enforcement of respective rights of clients in the same Project.

The Firm does not anticipate that its clients will engage in any cross transactions. In the event that a client intends to purchase an Investment from, or sell an Investment to, another client, the Firm will first verify that the Investment meets the investment strategy of the specific client and is in the best interests of that client. The transaction price will be

supported by a fair market valuation (or fairness opinion) made by an independent appraiser. Written information regarding the cross transaction will be provided to the Investors in the affected clients. Neither the Firm nor any of its affiliates will be paid broker's commissions or similar compensation from a cross transaction. However, it is possible that a cross transaction will result in incentive compensation being paid to the Adviser.

The officers and employees of the Adviser also provide services to Cottonwood, CW Credit Services, LLC, the general partner of Cottonwood Fund, and other affiliates of Cottonwood. Those persons may devote significant time in the future to the management of their other existing investments and professional activities.

No restrictions are placed upon Cottonwood or Firm management or their affiliates with respect to existing real estate investments that are not owned by the clients. Neither Cottonwood nor any of its management is prohibited from purchasing for its own account an Investment at any time that the Adviser determines that the Cottonwood Fund does not have sufficient capital and resources to make the Investment for its own account or making an equity investment in a Project to be financed in whole or in part by a Fund.

Item 9. Disciplinary Information

Neither Adviser nor any of its supervised persons has been party to a legal or disciplinary event that would be material to a client's or prospective client's evaluation of the Firm or our business integrity.

Item 10. Other Financial Industry Activities and Affiliations

- A. Neither Adviser nor any of its supervised persons are registered, or have an application pending to register, as a broker dealer or a registered representative of a broker dealer.
- B. Neither Adviser nor any of its supervised persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of any of the foregoing.
- C. Cottonwood Management, LLC ("**Cottonwood**"), an affiliate of the Adviser, is a real estate asset management firm based in Los Angeles, provides research and other information to Adviser as well as back office and administrative services to Adviser and its clients. CW Credit Services, LLC, a Cottonwood subsidiary, provides loan administration services to EB-5 Program Funds. Other Cottonwood subsidiaries arrange debt and equity financings in connection with commercial real estate projects and provide administration services in connection with these transactions. The ultimate beneficial owner of the Adviser and Cottonwood is Hon Kit (Alex) Shing.

The general partner of Cottonwood Fund is CWRE Founders' Fund GP, LLC, a Delaware limited liability company and an affiliate of Cottonwood and the Firm.

The Firm, Cottonwood, CW Credit Services, LLC and the general partner of Cottonwood Fund have common management. The potential exists for material, non-public information to pass between Cottonwood and Adviser. Procedural, physical and legal barriers have been put in place to reduce the likelihood of such an event. More information is available to clients in the Adviser's Code of Ethics.

- D. We do not recommend or select other investment advisers for Firm clients or receive compensation directly or indirectly from other investment advisers.

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

- A. We follow a Code of Ethics that is designed to comply in all material respects with Rule 204A-1 under the Advisers Act. A copy of our Code of Ethics is available to current and prospective clients and their Investors upon request.

This Code establishes rules of conduct for all of our employees and is designed to, among other things, govern personal securities trading activities in the accounts of employees. In addition, our Code of Ethics includes safeguards designed to avoid conflicts of interests that could adversely affect our clients. In addition to requiring compliance with the applicable securities laws, our Code of Ethics establishes policies and procedures designed to prevent the misuse of material, non-public information (including information regarding our clients) and identifies activities that are either expressly prohibited or that require Chief Compliance Officer approval. Matters that could give rise to an appearance of impropriety, such as gift giving and solicitation, serving on boards of directors of public companies, and political contribution payments and solicitations, also require prior approval by the Chief Compliance Officer.

The Code is based upon the principle that Adviser and its employees owe a fiduciary duty to Adviser's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of that of the Firm's clients, (ii) taking inappropriate advantage of their position with the Firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the ethical standards maintained by the principles of Adviser continue to be applied. The purpose of the Code is to preclude activities that may lead to, or give the appearance of, conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our Firm and Cottonwood continues to be a direct reflection of the conduct of each employee.

Adviser and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

- B. Hon Kit Shing, the chief executive officer of Adviser and Cottonwood, is the ultimate beneficial owner of the entire equity interests in Cottonwood and the Adviser. Officers of Adviser also own, indirectly, interests in the other operating companies, and may invest in Cottonwood Fund and in Projects financed by clients.

Neither Adviser nor any related person may recommend any transactions for a client without having disclosed his or her interest, if any, in such transaction or any party to the transaction, including, without limitation:

- any direct or indirect beneficial ownership of any economic interest in any party to the transaction;
- any contemplated transaction by such person and any other party to the transaction;
- any position as an officer, director, general partner, manager or similar position that such person holds with a party to the transaction or any affiliate of a party to the transaction; and
- Any present or proposed business relationship or transaction, between such person and any party to the transaction or any of its known affiliates.

C. We have adopted the following principles governing personal investment activities by our officers and principals:

- The interests of client accounts will at all times be placed first;
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- Our officers and principals must not take inappropriate advantage of their positions.

Item 12. Brokerage Practices

Adviser, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research related products and/or other services obtained from broker dealers or third parties on a soft dollar commission basis.

Adviser does not encourage or solicit client referrals from broker dealers.

Adviser's policy and practice is to not accept advisory clients' instructions for directing a client's brokerage transactions to a particular broker dealer.

We, from time to time, may suggest one or more real estate sales or financing brokers to Project managers in connection with proposed transactions.

Item 13. Review of Accounts

- A. The Firm will review the account(s) of each of its clients on an on-going basis for consistency with targeted performance goals, as specified in the client's advisory agreement, if applicable. The principal executive officers of the Firm that will perform these ongoing reviews are Hon Kit Shing, CEO, and Tinchuck Agnes Ng, Head of Investments.
- B. We do not review client accounts on other than a periodic basis.
- C. The Firm will provide quarterly financial statements to each of its clients regarding its account(s).

Item 14. Client Referrals and Other Compensation

- A. The Firm has no arrangements, oral or written, whereby it would compensate any persons for referrals to its services. However, the general partner of Cottonwood Fund or Cottonwood by itself, may choose to pay persons fees for referring clients to Cottonwood Fund, either as broker-dealers or finders.
- B. Neither Adviser nor any related person, directly or indirectly, compensates any person, who is not a supervised person of the firm, for client referrals.

Item 15. Custody

Adviser does not have custody of client funds or securities. Although it does not provide investment advisory services, CWRE Founders' Fund GP, LLC, as general partner of Cottonwood Fund, will have custody over the cash and Investments of that Fund. One or more affiliates of Adviser, acting as administrator of financing transactions that include Investments by clients of Adviser, may be deemed to have custody over cash of the Adviser's client(s). The members of each client will receive annually audited financial statements of the client.

Item 16. Investment Discretion

The Firm does not accept discretionary authority to manage assets on behalf of clients.

Item 17. Voting Client Securities

The Firm does not accept proxy voting authority on behalf of its clients. However, affiliates of the Firm acting in the capacity as the general partner of Cottonwood Fund, may exercise voting on behalf of that client. The following is a summary of the policies and procedures used by the Firm and its affiliates in voting proxies relating to securities held on behalf of its clients for whom it has voting authority.

In general, if the voting affiliate believes that a company's management and board have interests sufficiently aligned with those of its client, it will vote in favor of board-approved proposals.

Because of the variety and complexity of transactions that are presented to equity and debt holders (such as mergers, acquisition, sales, refinancings, adoptions of anti-takeover measures, changes to capital structures and executive compensation plans, among others), and the variety of industries, companies and market cycles involved, it is extremely difficult to foresee exactly what actions would be in the best interests of the Firm's clients in all circumstances. Moreover, voting on such proposals involves considerations unique to each transaction. Accordingly, the voting affiliate will take a case-by-case approach to voting on proposals presenting these transactions.

Alternatively, a particular client may direct the Firm to vote in a particular solicitation for its account or to deliver any proxies to such client for direct voting. In such cases, the Firm would document such client's direction.

In reference to conflicts of interest, the Firm has established procedures to help it resolve conflicts of interest that might arise when voting proxies for its clients. These procedures provide that the Firm's Chief Compliance Officer will examine conflicts of interests of which the Firm is aware and seek to resolve such conflicts in the best interests of its clients, irrespective of any such conflict.

The Firm's clients may obtain a copy of the Firm's policies and procedures regarding proxy voting, as well as their accountant's voting record, upon request.

Item 18. Financial Information

Adviser does not foresee any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients and has not been the subject of a bankruptcy. Thus, no financial statements of the Firm accompany this Brochure.