

CGI Investment Management LLC

Part 2A of Form ADV

The Brochure

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This Brochure provides information about the qualifications and business practices of CGI Investment Management LLC (“CGI”). If you have any questions about the contents of this brochure, please contact us at 786-581-4800 or investor@cgimg.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about CGI is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

As this is CGI's initial Form ADV filing, there are no material changes to report. In the future, this Item will indicate any material changes from prior versions of CGI's Part 2A filing.

Item 3: Table of Contents

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation	5
Item 6: Performance Based Fees and Side-by-Side Management.....	7
Item 7: Types of Clients	7
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9: Disciplinary Information.....	15
Item 10: Other Financial Industry Activities and Affiliations.....	15
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading....	15
Item 12: Brokerage Practices.....	16
Item 13: Review of Accounts	17
Item 14: Client Referrals and Other Compensation	17
Item 15: Custody	17
Item 16: Investment Discretion	18
Item 17: Voting Client Securities	18
Item 18: Financial Information.....	18

Item 4: Advisory Business

CGI Investment Management LLC (“CGI” or the “Firm”), a Delaware limited liability company, is a vertically integrated real estate investment firm principally owned by Raoul Thomas. CGI is a subsidiary of CGI Merchant Group, LLC, a Delaware limited liability company, which was founded by Mr. Thomas in 2006 and has extensive experience investing in and managing commercial real estate and other properties.

CGI currently provides investment advisory services to two Clients:

- CGI Fund I, LP (“CGI Fund I”), a Delaware limited partnership formed for the purpose of investing in real estate and real estate-related investments and seeks to provide investors with long-term capital appreciation through a value-add strategy targeting discounted real estate assets, with a primary focus on assets in Florida, and a secondary focus on assets located in the Southeast region of the United States.
- CGI Hospitality Opportunity Fund I, LP (“CGI Hospitality Opportunity Fund I”), a Delaware limited partnership formed to principally pursue an opportunistic strategy targeting discounted hospitality assets and converting them to Conscious Certified HotelsSM (“CCHSM”). The Fund seeks to provide investors long-term capital appreciation through an opportunistic investment strategy. CCHSM is a hotel service-mark, owned by CGI Hotels IP LLC (“IPCo”), an affiliate of CGI, designed to be licensed and used by hotels owned by the Fund and third-party owned hotels within the hotel categories of lifestyle, luxury, resort, and select service.

The Funds are each referred to individually as a ‘Client’ and collectively as the “Clients.”

As of December 31, 2020, CGI managed approximately \$325,000,000 in assets on a discretionary basis on behalf of two Clients.

Item 5: Fees and Compensation

In general, CGI receives a management fee and a carried interest in connection with advisory services. Investors in a Fund also bear certain expenses. Summary information is provided below regarding applicable fees and expenses which are detailed more extensively in each Fund's Governing Documents.

Management Fees

The Funds will pay Management Fees regardless of the Funds' performance. The Funds will pay an annual management fee payable quarterly in advance on a calendar year basis. Management Fees will be prorated for any period of less than a full fiscal quarter. The Management Fee will be allocable to and determined in respect of the capital accounts of the Limited Partners subject to the Management Fee.

CGI Fund I - Management Fee

During the Commitment Period, the Management Fee will be 2.0% per annum (0.50% quarterly) of the Fund's aggregate Capital Commitments. Following the Commitment Period, the Management Fee will be 1.5% per annum (0.375% quarterly) of the aggregate unreturned capital contributions to the Fund, plus any amounts reserved for follow-on investments.

CGI Hospitality Opportunity Fund I – Management Fee

During the Commitment Period, the Management Fee will equal to 2.0% per annum (0.50% quarterly) of the Fund's aggregate Capital Commitments attributable to the Limited Partners bearing the Management Fee. Following the termination of the Commitment Period, the Management Fee will equal to 1.5% per annum (0.375% quarterly) of the Invested Capital attributable to the Limited Partners bearing the Management Fee.

CGI Fund I - Transaction Fees; Management Fee Offset

In the event the General Partner, the Manager or any of their affiliates receive transaction fees, origination fees, commitment fees, disposition fees, investment banking fees, breakup fees, or similar consideration (whether payable in cash or in-kind) which are received in connection with the closing (or failure to close) of a Real Estate Investment or a prospective but unconsummated investment for the Fund, including but not limited to broken deal fees, topped bid fees and cancellation fees, monitoring fees and directors' fees ("Transaction Fees"), an amount equal to 50% of the dollar amount of such Transaction Fees shall be applied on a dollar-for-dollar basis to reduce (but not below zero) the dollar amount of Management Fee to be paid by the Fund on the date of, or in the periods following, payment of such fees.

Additional Fees

The Manager or one of its affiliates may receive acquisition fees, property management fees, leasing fees, construction fees, development fees, operational fees, administrative fees, asset management fees, financing fees, refinancing fees, or other similar fees, from the Fund's Real Estate Investments (or holding companies which own such investments), to the extent permitted under the Partnership Agreement or otherwise approved by the Advisory Committee ("Additional Fees"), but specifically excluding Transaction Fees. These Additional Fees will not offset the Management Fee.

Fees, Costs, and Expenses

Each Fund's Management Fees are not inclusive of all the fees and expenses that Investors may bear.

CGI Fund I – Organizational and Fund Operating Expenses

The Fund will pay all organizational expenses incurred in connection with the formation and organization of the Fund, Feeder Funds, and Parallel Funds. Each Limited Partner will be solely responsible for the expenses of its own counsel, and other advisers and any out-of-pocket expenses incurred in connection with the organization of, its admission to, or the maintenance of its Interest in, the Fund.

Until the Management Fee paid to the Manager is sufficient to cover the annualized operating budget of the General Partner and the Manager, the Fund shall be responsible for payment of all of the General Partner's and Manager's normal and recurring routine operating expenses, such as compensation of its professional staff and the cost of office space, office equipment, communications, utilities and other such normal overhead expenses. Thereafter, the General Partner and the Manager shall be responsible for the payment of its own normal and recurring routine operating expenses. The Fund will be responsible for all other expenses related to the business and operation of the Fund.

CGI Hospitality Opportunity Fund I – Organizational and Fund Operating Expenses

The Fund shall bear its share of the legal and other organizational expenses incurred in the formation of the Fund, non-investment specific subsidiaries formed at the time of admission of Limited Partners, Feeder Funds, the General Partner, and any Parallel Funds, as well as all offering expenses of the Fund and any Parallel Funds, including expenses of placement agents and all expenses related to the negotiations with Limited Partners, the Financing Source and the Strategic Partners. Any such organizational and offering expenses in excess of 2% of the aggregate capital commitments to the Fund and Parallel Funds (in each case as determined as of the Final Closing Date) shall be borne by the Manager and not by the Fund. Each Limited Partner will be solely responsible for the expenses of its own counsel and other advisers and any out-of-pocket expenses incurred in connection with the organization of, its admission to, or the maintenance of its Interest in, the Fund.

The Fund will be responsible for all expenses related to the business and operation of the Fund as described in the Governing Documents. Until the Fund has raised \$100,000,000 in Capital Commitments, the Fund will bear its pro rata share of the General Partner and the Manager's operating expenses, not to exceed an amount equal to \$750,000 per annum. Thereafter, the General Partner and the Manager shall be responsible for the payment of their respective operating expenses.

Item 6: Performance Based Fees and Side-by-Side Management

CGI does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to CGI.

Item 7: Types of Clients

CGI provides investment advisory services to its Clients, as described in *Item 4: Advisory Business*. The Investor base consists of highly sophisticated participants that includes high net worth individuals and institutional investors.

The Funds will offer interests only to certain Investors who meet qualification requirements under applicable securities laws. Details concerning applicable Investor suitability criteria are set forth in the respective Governing Documents and subscription materials, which are furnished to each Investor. Admission to the Funds is not open to the general public.

The minimum capital commitment required of an Investor in CGI Fund I is typically \$1 million subject to reduction at the discretion of the General Partner. The minimum capital commitment required of an Investor in CGI Hospitality Opportunity Fund I is \$10 million subject to reduction at the discretion of the General Partner.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

CGI's Funds have an investment focus on real estate and real estate-related investments as described below and within each Fund's Governing Documents.

CGI Fund I invests in real estate and real estate-related investments, and seeks to provide long-term capital appreciation through a value-add strategy targeting discounted real estate assets, with a primary focus on assets in Florida, and a secondary focus on assets located in the Southeast region of the United States. Investments will primarily be in office properties, mixed-use office and shared workspace properties through acquisitions and joint ventures.

CGI Hospitality Opportunity Fund I invests in hospitality real estate and seeks to provide investors with attractive returns through yield and long-term capital appreciation, using an opportunistic investment strategy. The CGI Hospitality Opportunity Fund I expects to acquire a target of 20 hotels and align them to Conscious Certified HotelsSM values and brand, other real-estate and real-estate-related assets. Investments will be made primarily in gateway urban markets and secondary markets across the United States. Additionally, investments may also be made in Canada and other countries, as well as target resort markets on a case-by-case basis.

Associated Risks

All investing involves a risk of loss and the investment strategies offered by CGI could lose money over short or even long periods. An investment in the Funds should be deemed to be a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds.

No guarantee or representation is made that a Fund will achieve its investment objective or that Clients or Investors will receive a return of their capital.

The descriptions contained below provide a brief overview of the material risks related to CGI's investment strategies; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that will arise in connection with the management and operations of the Funds. All Investors should review the risks listed in the Governing Documents prior to investing.

Risks Common to both CGI Fund I and CGI Hospitality Opportunity Fund I

The Fund is dependent on the Manager and its key personnel for its success, and the Fund may not find a suitable replacement for the Manager if the Management Agreement is terminated or if key personnel leave the employment of the Manager or otherwise become unavailable to the Fund.

The Fund is dependent on the Manager for its day-to-day management, as the Fund and the General Partner do not have any independent officers or any employees. The Manager has significant discretion as to the implementation of the Fund's asset acquisition and operating policies and strategies. Accordingly, the General Partner believes that the Fund's success will depend to a significant extent upon the efforts, experience, diligence, skill, and network of business contacts of the executive officers and key personnel of the Manager. The executive officers and key personnel of the Manager will evaluate, negotiate, structure, close, and monitor the Fund's asset acquisitions, and its success will depend on their continued service. The departure of any of the executive officers or key personnel of the Manager could have a material adverse effect on the Fund's performance.

In addition, there is no assurance that the Manager will remain the Manager or that the Fund will continue to have access to the Manager's principals and professionals. If the Management Agreement is terminated and no suitable replacement is found, the Fund may not be able to execute its business plan or investment strategy.

The rights of Limited Partners may be limited by exculpation and indemnification provisions in the Fund Documents.

Certain exculpation provisions contained in the Governing Documents may limit the rights of action otherwise available to Limited Partners against the General Partner, the Manager, their respective affiliates, and certain other persons (each, an "Indemnified Party") absent such limitations. The Fund is responsible for indemnifying each Indemnified Party for any losses or damage incurred by the Fund except for damages that are finally found by a court of competent jurisdiction to have resulted primarily from the gross negligence, actual fraud, or intentional misconduct of, or material breach of the Partnership Agreement or the Management Agreement or knowing material violation of law by, the person seeking indemnification. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of these provisions. It also should be noted that the cost of litigation against an Indemnified Party for enforcement of its fiduciary obligations may be prohibitively high and that

any judgment obtained may not be collectible since there is no assurance the Indemnified Party has or will have sufficient capital or net worth to satisfy the judgment.

If the Fund is required to indemnify an Indemnified Party, liabilities arising from such indemnification obligations may be material. Any such indemnification obligations would be payable out of the Capital Commitments and/or distributions previously made to Limited Partners. In general, a Limited Partner may be required to return distributions previously received under certain circumstances. The Fund may seek indemnity proceeds before it seeks recovery from other sources, including insurance proceeds.

The Fund may change its investment strategy without Limited Partner consent, which may result in the Fund making investments that entail more risk than its current investments.

The Fund has conflicts of interest with the General Partner, the Manager, and their affiliates that could be resolved in a manner adverse to the Fund.

There are inherent and potential as well as actual conflicts of interest among the Fund, the General Partner, the Manager, CGI, and their respective members, principals, officers, directors, and employees, the General Partner's, Manager's and their respective affiliates', as well as the Manager's other advisory clients. There can be no assurance that such conflicts or other conflicts of interest with the potential for adverse effects on the Fund and Limited Partners will not arise.

The Fund may make direct loans or invest in a variety of real estate-related debt instruments which are subject to various risks.

The Fund may make direct loans or invest in a variety of real estate-related debt instruments. Any direct loans or debt investments made by the Fund, or interests in performing and non-performing loans acquired by the Fund, are subject to, among others, the risks of borrower default (including the loss of principal and nonpayment of interest), illiquidity, lack of control, mismanagement or decline of value of the collateral, contested foreclosures, bankruptcy of the debtor, and the imposition of common law or statutory restrictions on the Fund's exercise of contractual remedies for defaults of such investments. If any of the above occurs, the Fund's ability to make distributions could be delayed or otherwise adversely affected. Moreover, borrowers may claim that the Fund interfered with the borrower's business, acted in bad faith in exercising its rights with respect to a borrower's property, or otherwise acted in a manner giving rise to a claim for lender liability. As a lender, the Fund also may be required to obtain licenses in certain jurisdictions and may be subject to penalties if such lending activities violate certain regulations or laws.

Real estate loans acquired by the Fund may be nonperforming for a wide variety of reasons, and may require a substantial amount of workout negotiations and restructuring, which may entail, among other things, a reduction in the interest rate and a write-down of the principal of such loan. Even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. It is possible that the General Partner may find it necessary or desirable to foreclose on collateral securing one or more real estate loans originated or purchased by the Fund. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims, and

defenses against the holder of a real estate loan, including lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure process. In some jurisdictions, foreclosure actions can take several years or more to conclude, and borrowers may file for bankruptcy protection at any time, staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the underlying collateral and may disrupt ongoing leasing and management of the underlying collateral.

The Fund may acquire properties with only limited representations and warranties from the sellers.

The Fund may acquire properties with only limited representations and warranties from the sellers regarding the condition of the properties, the presence of building defects, natural hazards, nuisances or hazardous substances, or other matters affecting the use or ownership of the properties. As a result, if defects in a property or other matters adversely affecting the property are discovered, the Fund may not be able to pursue a claim for damages against the original sellers of the property. The extent of damages that the Fund may incur as a result of such matters cannot be predicted, but potentially could result in a significant adverse effect on the value of the Fund's assets.

Risks Related to CGI Fund I

Limited Partner investments are long-term and illiquid.

The General Partner does not anticipate that a public trading market will ever develop for the Fund's Interests. Prospective investors should consider an investment in the Fund as a long-term, illiquid investment of indefinite duration. Subject to the provisions in the Partnership Agreement, Limited Partners may not sell, transfer, exchange, assign, pledge, hypothecate or otherwise dispose of their Interests (or any portion thereof) in the Fund without the written consent of the General Partner, which may be granted or withheld in the General Partner's sole discretion, and Limited Partners may not withdraw from the Fund without the consent of the General Partner. Accordingly, investors may not be able to liquidate their investments prior to the end of the Fund's term. In addition, the suitability standards applied to investors upon the purchase of their Interests also may be applied to persons to whom an investor wishes to transfer its Interests. In addition, significant credit, tax and regulatory restrictions apply with respect to potential transfers of Interests. Limited Partners will not be able to withdraw their capital account balances, and it is anticipated that there will not be an active secondary market for the Interests. Prospective investors should not invest unless they are prepared to retain their Interest in the Fund until its liquidation in due course.

Investment analyses by the General Partner may frequently be required to be undertaken on an expedited basis and thus may be limited.

Investment analyses may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities and information available at the time of making an investment recommendation may be limited or incomplete. In addition, the Manager expects to rely upon independent consultants in connection with its evaluation of proposed investment

properties, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to the Fund's right of recourse against them in the event errors or omissions do occur.

The Fund's Real Estate Investments may require renovation in order to meet the investment objectives of the projects.

The Fund may invest in assets that are non-compliant with certain laws, rules or regulations with the expectation that the Fund will complete necessary improvements and renovations after acquisition to bring them in compliance with such laws, rules or regulations. Renovation activities add additional time between the acquisition of a project and the realization of the project's objectives. Any delay in completing the renovation of a project may result in increased interest and construction costs and the potential loss of previously identified purchasers or tenants. In addition, renovation activities involve the risk that construction may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations under construction contracts, defects in plans and specifications or other factors.

Any delays encountered by the Fund in the selection, acquisition, renovation and enhancement of real properties could adversely affect investor returns. The Fund may not be able to obtain permits, complete the work or obtain third-party or governmental approvals necessary to realize desired returns on portfolio investments.

The Fund expects to invest in office properties, which subjects the Fund to particular risks.

The Fund expects to invest in office properties. There are a large number of risk factors associated with investments in office properties, including the impact of recession on the local market and the building's tenants; the quality of an office building's tenants; an economic decline in the business operated by the tenants; the physical attributes of the building in relation to competing buildings (e.g., age, condition, design, appearance, location, access to transportation and ability to offer certain amenities, such as sophisticated building systems and/or business wiring requirements); the physical attributes of the building with respect to the technological needs of the tenants, including the adaptability of the building to changes in the technological needs of the tenants; the diversity of an office building's tenants (or reliance on a single or dominant tenant); the availability of sublease space; the desirability of the area as a business location; the strength, nature and unemployment rates of the local economy, including labor costs and quality, tax environment and quality of life for employees; and an adverse change in population, patterns of telecommuting or sharing of office space and employment growth (which creates demand for office space). To the extent any of such risk factors are heightened or the conditions associated with such risk factors deteriorate in the continuing economic crisis, the Fund's investments in office properties may incur losses.

The Fund expects to invest in retail properties, which subjects the Fund to particular risks.

The Fund expects to invest in retail properties. The value and successful operation of a retail property is sensitive to a number of risk factors, including, but not limited to: changes in consumer spending patterns, local competitive conditions (such as the supply of retail space or the existence

or construction of new competitive shopping centers or shopping malls, including, for example, competition between regional malls and local shopping centers and changing consumer preferences for upscale outlet malls, big-box discount stores and price clubs); the bankruptcy or distress of tenants; the availability of sublease space; alternative forms of retailing (such as direct mail, video shopping networks and internet web sites, which reduce the need for retail space by retail companies); the safety, convenience and attractiveness of the property to tenants and their customers or clients; the public perception of the safety of customers at shopping malls and shopping centers; the need to make major repairs or improvements to satisfy the needs of major tenants; traffic patterns and access to major thoroughfares; and unemployment rates in the local economy.

Risks Related to CGI Hospitality Opportunity Fund I

The Fund has no operating history. If the Fund is unable to implement its business strategy or operate its business as currently expected, its operating results may be adversely affected, and the Fund may not be able to make distributions in the future.

Although the Manager has extensive experience negotiating the acquisition of investments and tested business practices, the Fund has no operating history upon which potential investors may evaluate the Fund's performance. Businesses such as the Fund's, which are starting up or in their initial stages of development, present substantial business and financial risks and may suffer significant losses. While the Manager has a management team whose members are experienced in the real estate industry, their prior experience and relationships in the real estate industry may not be successfully transferred to the Manager and/or Fund.

The Fund may change its investment strategy without Limited Partner consent, which may result in the Fund making investments that entail more risk than its current investments.

The Fund's investment strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets in which it invests and its ability to finance such assets on a short or long-term basis. Investment opportunities that present unattractive risk-return profiles relative to other available investment opportunities under particular market conditions may become relatively attractive under changed market conditions, and changes in market conditions may therefore result in changes in the investments the Fund targets. Decisions to make investments in new asset categories present risks that may be difficult for the Fund to adequately assess. Investors should be aware that in the event of a change in the Fund's investment strategy, the Fund would be exposed to different levels of risk, and the Fund's performance may be different, than if the General Partner followed the investment strategy described in the Fund's offering documents.

The lodging industry and other market conditions may affect the Fund's investments.

The lodging industry is subject to changes in the travel patterns of business and leisure travelers, both of which are affected by numerous factors, including the strength of the economy as well as certain other factors, including the current pandemic and the related uncertainties. Changes in travel patterns of both business and leisure travelers may create difficulties for the industry over the long-term and adversely affect the value of the Investments. The results of operations of the Fund's

investments may be affected and can change based on a number of factors, including the following risks affecting the lodging industry:

- changes in the international, national, regional and local economic climate and markets
- changes in business and leisure travel patterns
- the effect of terrorist attacks and terror alerts in the United States, as well as other geopolitical disturbances
- supply growth in the market where the hotel is located, which may adversely affect demand at the hotel
- the attractiveness of the hotel to consumers relative to competing hotels
- the performance of the managers of the hotel
- outbreaks of disease or pandemics
- changes in room rates and increases in operating costs due to inflation and other factors
- unionization of the labor force at the hotel

Additionally, the markets in which the Fund operates are affected by a number of factors that are largely beyond its control, but can nonetheless have a potentially significant, negative impact on the Fund. These factors include, among other things:

- markets and economies generally
- interest rates and credit spreads
- fluctuations in cap rates
- the availability of credit, including the price, terms, and conditions under which it can be obtained
- the quality, pricing, and availability of suitable investments and credit losses with respect to the Fund's investments
- the ability to obtain accurate market-based valuations
- loan values relative to the value of the underlying investments
- default rates on commercial mortgages and the amount of the related losses
- the actual and perceived state of the real estate markets, market for dividend-paying stocks and public capital markets generally
- unemployment rates and inflation
- the attractiveness of other types of investments relative to investments in real estate in the hotel industry

Changes in these factors are difficult to predict, and a change in one factor can affect other factors. The risks associated with the Fund's Investments will be more acute during periods of economic slowdown or recession, especially if these periods are accompanied by declining real estate values or sustained unemployment.

Investment analyses by the General Partner may frequently be required to be undertaken on an expedited basis and thus may be limited.

Investment analyses may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available at the time of making an investment recommendation may be limited, and the Manager may not have access to detailed information regarding the investment property, such as physical characteristics, environmental matters, zoning regulations or other local conditions that may affect an investment property. The Manager also may not have access to all available information to fully determine the origination, credit appraisal, and underwriting practices utilized with respect to the Fund's investments or the manner in which the Fund's investments have been serviced and/or operated. In addition, the Manager expects to rely upon independent consultants in connection with its evaluation of proposed investment properties, and no assurance can be given as to the accuracy or completeness of the information provided by such independent consultants or to the Fund's right of recourse against them if errors or omissions do occur.

The Fund's investments may require renovation in order to meet the investment objectives of the projects.

The Fund may invest in assets that are non-compliant with certain laws, rules, or regulations with the expectation that the Fund will complete necessary improvements and renovations after acquisition to bring them in compliance with such laws, rules, or regulations. Renovation activities add additional time between the acquisition of a project and the realization of the project's objectives. Renovations also may require significant capital expenditures in order to remain competitive in the marketplace, maintain brand standards or as set forth above, to comply with applicable laws or regulations. Because of this additional time requirement, a well-conceived project may, as a result of changes in the real estate market, economic and other conditions before the completion of renovation activities, become an economically unattractive investment. Any delay in completing the renovation of a project may result in increased interest and construction costs and the potential loss of previously identified purchasers or tenants. In addition, renovation activities involve the risk that construction may not be completed within budget or on schedule because of cost overruns, work stoppages, shortages of building materials, the inability of contractors to perform their obligations under construction contracts, defects in plans and specifications or other factors.

Any delays encountered by the Fund in the selection, acquisition, renovation, and enhancement of real properties could adversely affect investor returns. The Fund may not be able to obtain permits, complete the work, or obtain third-party or governmental approvals necessary to realize desired returns on portfolio investments.

The Fund Expects to Incur Unrelated Business Taxable Income (“UBTI”) and Effectively Connected Income (“ECI”).

Tax-exempt Limited Partners should be aware that the Fund’s activities are expected to generate UBTI. The Fund also expects to generate income treated as ECI, which would cause or increase U.S. tax return filing and payment obligations for (and potentially additional withholding on) Non-U.S. Partners. In addition, other income generated by the Fund and allocable to Non-U.S. Partners may be subject to U.S. withholding tax at a 30% or higher rate, and disposition of a Fund interest by such Limited Partners may be subject to U.S. federal income tax withholding and/or substantive payment obligations at rates of up to 44.7%. A direct investment in the Fund may not be suitable for investors who are tax exempt or not U.S. Persons.

In order to mitigate certain of the foregoing tax consequences, the General Partner expects to establish one or more Parallel Funds, and may form Feeder Funds that will accept investors, be taxable as corporations, and invest into or alongside the Fund, as applicable. Each prospective investor should consult its own tax advisors concerning the consequences and suitability of an investment in the Fund through a Feeder Fund in light of their particular circumstances.

Item 9: Disciplinary Information

There are no applicable legal or disciplinary events relating to CGI or its employees.

Item 10: Other Financial Industry Activities and Affiliations

CGI has vertically integrated operations. CGI’s primary business purpose is to provide investment advisory services to the Clients. As previously mentioned in *Item 4: Advisory Business*, CGI is a subsidiary of CGI Merchant Group, LLC, a Delaware limited liability company, which was founded by Mr. Thomas in 2006 and has extensive experience investing in and managing commercial real estate and other properties.

CGI is affiliated with the General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to CGI’s registration in accordance with SEC guidance. These entities operate as a single advisory business together with CGI and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

CGI has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act.

The Rule requires CGI to adopt a Code of Ethics that sets forth a standard of business conduct and compliance with federal securities laws by our employees. Our Code of Ethics contains policies and procedures that require the following: (1) pre-clearance before purchasing any securities in

initial public offerings or private placements; (2) periodic reporting of employees' personal securities transactions and holdings; and (3) prompt internal reporting of any violations of the Code of Ethics.

CGI will provide a copy of the Code of Ethics to Clients, Investors or prospective Investors, upon request. Please contact CGI at the phone number on the cover page of this Brochure should you have any questions concerning our Code of Ethics or wish to obtain a copy.

CGI and its affiliated entities will have an investment or economic interest in each Fund, and are entitled to carried interest from the Funds. CGI and/or its employees have in the past and will in the future invest in the Funds by agreeing to commit a certain percentage of the respective Fund's total capital commitments or a certain amount as described in the Governing Documents.

Co-Investment Opportunities

The General Partner may, in its discretion, make available co-investment opportunities to strategic investors, lenders, and/or one or more Limited Partners. A co-investment by Limited Partners would be made in a new vehicle with the General Partner or its affiliates, pursuant to Governing Documents that contain such terms as the General Partner may, from time to time, determine. The General Partner of CGI Hospitality Opportunity Fund I may, and currently expects to, enter into an agreement with one or more Limited Partners providing those Limited Partners (but not all Limited Partners) with priority access to certain co-investment opportunities.

Item 12: Brokerage Practices

CGI does not currently have a contractual relationship with or utilize the services of any securities broker-dealers in conjunction with the real-estate transactions in which it engages on behalf of the Clients. In the event that CGI does effect a securities transaction through a broker-dealer, CGI will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers.

Use of Real Estate Brokers

CGI generally engages a real estate broker in connection with the disposition of a real estate asset held on behalf of the Clients. CGI selects the brokerage company and the particular real estate broker that it believes will best represent the interest of the Clients.

CGI receives real estate market data research from real estate brokers, and may also use the services of those real estate brokers to buy or sell real estate investments for the Funds. CGI generally obtains market research from real estate brokers that is available to other market participants, and does not select real estate brokers for Client transactions based on the research provided.

CGI does not typically aggregate the purchase or sale of securities for the Clients since each Client holds distinctive investments.

Item 13: Review of Accounts

CGI's investment professionals, as well as those individuals responsible for the asset management and ongoing operations of the investments, provide ongoing oversight and supervision of investments held by the Clients. At least annually, CGI's investment professionals review updated business plans and discuss significant operations and assumptions related to such business plans. CGI's investment professionals periodically review the investments held by the Clients to ensure compliance with the applicable investment guidelines and restrictions. In the case of the Funds, an Investment Committee must approve any acquisitions and any dispositions of Fund investments as specified in the Fund operating agreements.

Investors in the Funds receive audited financial statements on an annual basis. On a quarterly basis, Investors also receive unaudited financial statements. When applicable, CGI provides certain other reports and analyses to Investors and prospective Investors upon request.

Item 14: Client Referrals and Other Compensation

Registered investment advisers are required to disclose all material facts regarding any compensation or other benefits received, directly or indirectly, for Client referrals.

CGI does not receive any economic benefit from a person who is not a Client for providing investment advice or other advisory services to CGI's Clients. CGI does not directly or indirectly compensate any person who is not a supervised person for Client referrals, although CGI has engaged certain marketers who will receive compensation for the referral of qualifying prospective Investors to the Funds.

A placement agent has been engaged to render services to the CGI Hospitality Opportunity Fund. The Fund will bear the fees of such placement agent. Placement agents that solicit investors on behalf of the Fund are subject to a conflict of interest because they will be compensated in connection with their solicitation activities.

Employee Discounts

Employees may obtain discounted or fully comped rates while staying at properties (i.e., hotels or resorts) owned by the Funds, while traveling for business or personal reasons.

Item 15: Custody

Due to CGI's ability to withdraw Client funds or securities, CGI is deemed to have custody of the Funds' assets for purposes of Rule 206(4)-2 under the Adviser's Act. To provide meaningful protection to Investors, each Fund is subject to an annual financial statement audit by an independent public account registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles, and are distributed to each Limited Partner within 120 days of the Fund's fiscal year end.

Item 16: Investment Discretion

CGI has discretionary authority to manage investments on behalf of each Fund. As a general policy, CGI does not allow investors to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, CGI has entered, and expects to enter, into Side Letters with certain Limited Partners whereby the terms applicable to such Limited Partner's investment in a Fund are altered or varied, with the effect that not all of a Fund's Investors will invest on the same terms and some investors may be expected to enjoy more favorable terms than others. CGI assumes this authority pursuant to the terms of the Governing Documents.

Item 17: Voting Client Securities

The Advisers Act requires investment advisers that have proxy voting authority to: (i) adopt policies and procedures for voting proxies in the best interest of the client; (ii) describe the procedures to clients; and (iii) inform clients how they may obtain information about how the adviser has actually voted their proxies.

CGI invests on behalf of the Clients solely in real estate and real estate-related assets. The Firm generally does not hold publicly-traded securities which possess voting rights on behalf of the Clients. To the extent applicable, CGI will submit votes in what the Firm determines to be the best financial interest of the Clients. To the extent that a conflict of interest arises in the proxy voting process, CGI will consult with the CCO and/or the Advisory Board on how to proceed as applicable. Investors cannot direct the votes of CGI, but may request information regarding votes submitted by CGI in the past on behalf of the Clients or a copy of CGI's proxy voting policies by sending a written request to the address on the first page of this document.

Item 18: Financial Information

CGI has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage Client accounts.