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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 Andrew Kingston at (626) 788-2305, ext. 113 or LegalNotices@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 (this “Brochure”).

ITEM 2. *MATERIAL CHANGES*

This Brochure is the 2022 annual amendment on Form ADV Part 2A of CW Investment Advisers, LLC (the “**Adviser**”, “**we**”, “**us**”, and similar terms) and includes information concerning our current investment advisory activities. This Brochure has been amended since the initial version filed in January 2021 to update, among others, the amount of assets under management, certain descriptions in the Adviser’s advisory business, fees and compensation, risk factors, conflicts of interest, brokerage practices, investment discretion, and proxy voting sections. We encourage all recipients of this Brochure to read it carefully in its entirety.

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ITEM 4. *ADVISORY BUSINESS*

A. Overview of Adviser

The Adviser 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, Cottonwood Real Estate Founders Fund, LP, a Delaware limited partnership, and its related parallel investment vehicles (together, “**Cottonwood Fund**”), accepted its first limited partners and made its first investment in May 2021. We do not provide investment advice to retail investors (i.e., individual clients or high net worth individual clients) or to limited partners in Cottonwood Fund or any investors in other Clients (collectively, “**Investors**”). References in this Brochure to a “**Client**” or “**Clients**” means Cottonwood Fund and/or any other pooled investment vehicles, public and private REITs, real estate funds, and institutional investors to which the Adviser provides investment advisory and/or management services.

Cottonwood Management, LLC (“**Cottonwood**”), an affiliate of the Adviser, is a real estate investment management firm based in Los Angeles. Established in 2012, Cottonwood personnel are experienced in the evaluation, financing, development, and management of commercial real estate, and in participating in the real estate capital markets. A Cottonwood subsidiary provides loan administration services to pooled investment vehicles that are not Clients of the Adviser. 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 (“**Cottonwood Fund GP**”), an affiliate of Cottonwood and the Adviser.

B. Description of Advisory Services

The Adviser serves as investment adviser to each Client pursuant to an investment management agreement entered into between the Adviser and each Client (“**Advisory Agreement**”).

The Adviser advises its Clients on the origination, acquisition, participation and sale of secured first mortgage and mezzanine loans for real estate development projects, acquisitions and refinancings (collectively, “**Debt Investments**”), as well as equity investments in owners and developers of commercial real estate projects (collectively, “**Equity Investments**” and, together with Debt Investments, “**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 manage and

monitor Investment performance. The Adviser's analysis methods include detailed financial analyses based on each Project, developer experience, market analyses, economic analyses, tenant analyses, market trends, valuation estimates, 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 ADVISER.

The Adviser's advisory services are driven primarily by the nature of Investments being evaluated, not by the individual needs of Clients. We focus primarily on investing in properties in what we believe are (i) key gateway and primary growth markets with strong economic and demographic fundamentals and (ii) asset classes in which we have substantial sector knowledge and/or in-house operating capabilities, such as large-scale mixed-use development, residential property development and management. Investments may be in the form of Debt Investments and Equity Investments, as well as investments in publicly traded real estate securities on select occasions in connection with the acquisition of an asset or portfolio of assets owned by a public company. The Adviser's strategy is styled to exploit what the Adviser believes to be capital stack pricing inefficiencies and near-term market conditions in targeted gateway and growth markets in a risk-adjusted manner.

C. Wrap Fee Program

The Adviser does not currently participate in wrap fee programs.

D. Assets Under Management

As of March 14, 2022, we have \$172,000,000 of assets under management on a discretionary basis. We do not currently manage any assets on a non-discretionary basis.

ITEM 5. FEES AND COMPENSATION

A. Investment Management Fees

The Adviser charges each Client an investment management fee at a rate of up to two percent (2.0%) per annum (which varies by Client) of the Client's net asset value of assets under management ("NAV") or other generally accepted metrics pursuant to the applicable Advisory Agreement. In certain cases, the portion of the investment management fee allocable to an Investor in a Client is offset by or will be waived or reduced for a certain period for certain Investors (including, but not limited to, Investors participating in early closings).

The investment management fee is calculated with respect to each Investor's share of the Client's NAV at the end of the applicable calendar quarter. Investment management fees are charged and invoiced quarterly in arrears and paid by the Client, as agent for and on behalf of each Investor. Each Investor's obligation to pay the investment management fee is an obligation separate and distinct from, and in addition to funding the Investor's commitments to the Client.

B. Other Fees Payable to the Adviser and its Affiliates

The Client will also pay the Adviser (i) an origination fee with respect to Debt Investments originated by the Client in an amount not to exceed one percent (1%) of the maximum loan amount, (ii) an acquisition fee with respect to existing Debt Investments acquired from third parties in an amount not to exceed one percent (1%) of the gross purchase price of such Investment, and (iii) an acquisition fee with respect to Equity Investments in an amount not to exceed one percent (1%) of the gross purchase price of such Investment.

Clients may be subject to regulatory fees, transaction costs, custodian and sub-custodian fees, professional fees, consulting fees, insurance premiums, deductibles and retainage, interest and other loan and financing fees, reasonable travel costs, and other costs and expenses incurred in connection with the investigation, research, diligence, evaluation, acquisition, financing, ownership, monitoring, managing, operating and disposing of Projects, regardless of whether the Client shall realize any profits. Each Client will also reimburse the Adviser for a proportionate share of any fees and costs of any third-party service providers including, without limitation, fees and costs payable to a compliance consultant retained to assist the Adviser with its regulatory compliance obligations. The Client will reimburse the Adviser for reasonable travel expenses incurred in carrying out its duties under the applicable Advisory Agreement between the Adviser 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, sale 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. Subject to the private placement memorandum (the "PPM"), organizational documents and other related documents (collectively, the "**Governing Documents**") of the applicable Client, 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. We do not typically charge a set-up fee.

In certain cases, a co-investment vehicle, a parallel vehicle or other similar vehicle established to facilitate the investment by Investors to invest alongside the Client (“**Co-Investor**”) may be formed in connection with the consummation of a transaction or portfolio. The Investors in the Co-Investor will typically bear all expenses related to the organization, formation and operation of the Co-Investor. The Adviser and its affiliates have discretion to (x) receive performance-based compensation, management fees or similar fees from Co-Investors and their respective Investors, and (y) collect customary fees in connection with actual or contemplated Investments that are the subject to co-investment arrangements.

Generally, each of the Client and the Co-Investor will bear its pro rata portion of expenses incurred in the making the Investment. If a proposed transaction is not consummated, whether or not the Co-Investor was formed, the full amount of any expenses relating to such proposed but not consummated transaction (including any expenses relating to the organization of Co-Investor, termination fees, extraordinary expenses such as litigation costs and judgments and other expenses) will be borne by the Client. Similarly, Co-Investors will not be allocated any share of break-up or termination fees paid or received in connection with such an unconsummated transaction.

In the event an Investment is repaid, or if the applicable Advisory 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 ten (10) business days after the settlement of the repayment of an Investment.

Neither the Adviser nor its supervised persons accept compensation for the sale of securities or other investment products.

A Client may originate a new Investment that the Adviser has arranged through brokers or agents not affiliated with the Adviser.

ITEM 6. **PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT**

In addition to the investment management fees and other fees described in Item 5 above, for services to the Client, the Adviser will be entitled to receive a performance fee, determined on an Investor-by-Investor basis, equal to twenty percent (20%) of the amount by which the Investor's Net Return Amount for the applicable calendar year (each calendar year, a "**Measurement Period**") exceeds the Performance Fee Hurdle Amount.

"**Net Return Amount**" in a Measurement Period is an amount equal to (x) the actual increase or decrease, as the case may be, in the Investor's NAV over the Measurement Period, *plus* (y) the aggregate amount of distributions (net of any investment management fees) received by such Investor that are not reinvested in the Client pursuant to the Client's distribution reinvestment plan (if any).

"**Performance Fee Hurdle Amount**" for a Measurement Period is an amount equal to (i) the aggregate amount of distributions (net of any investment management fees) received by such Investor that are not reinvested in the Client pursuant to the Client's distribution reinvestment plan (if any), *plus* (ii) an amount equal to the hypothetical increase or decrease in such Investor's NAV over the Measurement Period necessary for such Investor to earn a seven percent (7%) Net IRR over such Measurement Period, taking into account the actual capital contributions made by and distributions described in clause (i) above received by such Investor during such Measurement Period. "**Net IRR**" means, with respect to an Investor, the internal rate of return ("**IRR**") on such Investor's Units, net of investment management fees, taking into account any distributions and/or reinvestments during the Measurement Period.

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 ten (10) days after the NAV Per Unit is determined for the applicable Measurement Period; and
- 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 a seven percent (7%) IRR.

The Adviser may elect to forego all or any portion of the performance fee and instead receive from the Client an interest in the profits of such Client intended to qualify as a "profits interest" within the meaning of Revenue Procedure 93-27 and any additional or successor authorities.

Investors 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 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 clients engaged primarily in the business of originating and acquiring Debt Investments, and making Equity Investments, directly or indirectly, in commercial real estate Projects.

Important Notice

This Brochure may be provided to prospective investors in an existing or prospective Client of the Adviser, together with the specific Client's Governing Documents, in connection with the Investor's consideration of an investment. While this Brochure may include information about the investment vehicles to which the 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 the 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 Advisers Act. 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 Investments 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 intend to 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. We may cause a Client to sell participation interests in loans originated or acquired by the Client, and to sell loans or tranches of mortgage or mezzanine loans originated or acquired by a Client based upon what we believe is in the best interest of the Client.

Whether we cause a Client to make its investments in debt, equity or a combination of debt and equity will be based on the asset class, and the stage of development or operations. The Adviser intends to use financing at both the Client and underlying Investment levels to enhance the returns on the Investment. The Adviser's aim is to make quarterly distributions to Investors and towards that end, it will evaluate the use of various forms of credit facilities, including subscription credit and asset/portfolio-based financing. The Adviser will use commercially reasonable efforts to manage a Client's leverage such that the maximum amount of Client-level leverage does not exceed such Client's investment program. Other leverage restrictions will apply at the level of underlying real estate in which a Client makes Investments. A Client may incur intercompany indebtedness from time to time, which may be between or among a Client and its direct or indirect subsidiaries or affiliates. A Client may also cross collateralize certain Investments. A Client may not meet its stated investment strategy and goals, and the Adviser has the right, without the consent of Investors but subject to the approval of the Client's advisory committee, to vary from its strategy and policies or update the investment program if it determines such a change is in the best interest of such Client.

B. *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 the Adviser's control, such as: changing market sentiment, competition and tenant preferences; 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.

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.

Potential Downturns. An extraordinary prior market downturn, which began in mid-2008, resulted in tightened credit markets, a dramatic slow-down in property transaction volumes and significant downward pressures on real estate values. These factors made the valuation of real estate investments more difficult. If a similar downturn were to occur in the future, it would cause significant uncertainty in the valuation of, or in the stability of the value of, certain of a Client's possible Investments, fair values of such Investments as reflected in such Client's results of operations may not reflect the prices that such Client would obtain if such Investments were actually sold. As a result, there can be no assurance that any Client will be able to make real estate investments that will generate the returns such Client is targeting. A Client may also be required to hold illiquid Investments for several years before any disposition can be effected.

Custodial Risk. Notes payable to a Client, related security instruments and collateral will be held by the applicable manager or general partner of the Client or its designee. 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.

Cyber Security Risk. With the increased use of technologies such as the Internet to conduct business, the 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.

Health Emergencies and Market Disruption. The occurrence of widespread health emergencies could have a material adverse effect on a Client. The recent outbreak of COVID-19, which has been identified as a “pandemic”, has resulted in decreased economic activity and on-going health concerns, which have adversely affected the broader global economy. Federal, state and local governments have taken a variety of actions in efforts to lessen the effects of the pandemic on individuals. Federal and global actions designed to reduce the adverse impact on the U.S. and other economies have been taken and others may be forthcoming. At this time, the extent to which COVID-19 and resulting consequences may impact a Client and its properties and investment opportunities, and the duration of such impact, are uncertain. However, health emergencies such as COVID-19 or related significant public health and safety events, such as quarantine measures, travel restrictions, business closures and stay-at-home orders, could have a material adverse effect on a Client’s property revenue, expenses and operations, liquidity and redemptions, acquisitions, financing and dispositions of assets, cash distributions, and property and portfolio values and prospects. At this time, the Adviser cannot determine whether any of the Investments permitted under a Client’s investment program will be more adversely affected than other investment types, in the near term or over an extended period of time.

Russia-Ukraine Conflict. The Russian Federation invaded Ukraine on February 24, 2022 (the “**Russia-Ukraine Conflict**”). Geopolitical tensions have risen significantly in response, and the U.S., the United Kingdom, European Union member states, and other countries have imposed economic sanctions on the Russian Federation, parts of Ukraine, as well as various designated parties. As further military conflicts and economic sanctions continue to evolve, it has become increasingly difficult to predict the impact of these events or how long they will last. Depending on direction and timing, the Russian-Ukraine Conflict may significantly exacerbate the normal risks associated with a Client and result on adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iv) demand for Investments; (v) available credit in certain markets; (vi) import and export activity from certain markets; and (vii) laws, regulations, treaties, pacts, accords, and governmental policies. Economic and military sanctions related to the Russian Ukraine Conflict, or other conflicts, have the potential to gravely impact markets, global supply and demand, import/export policies, and the availability of labor in certain markets. There is no guarantee that such sanctions and economic actions will abate or that more restrictive measures will not be put in place in the near term. Moreover, it is expected that the Russian-Ukraine Conflict could spark further sanctions and/or military conflicts which will impact other regions. The foregoing could seriously impact a Client’s operations and its ability to realize its investment objectives in a timely manner.

Regulatory Environment. The regulatory environment for private funds and other financial entities is evolving. Changes in law or regulations may adversely affect the value of instruments held (directly or indirectly) by a Client that is a pooled investment vehicle, may affect the ability of such Client to pursue its investment strategies, or may restrict or prevent the Adviser from continuing to perform services for such Client in the manner currently contemplated. The SEC, as well as other regulators, self-regulatory organizations and exchanges, have taken various extraordinary actions and may take additional actions

in the future. For example, on February 9, 2022, the SEC proposed rules for certain private fund advisers under the Advisers Act, including new (i) prohibitions on certain conflicted activities (including the charging of certain fees and expenses), (ii) prohibitions on preferential treatment relating to investment information and increased transparency on certain types of preferential treatment, (iii) requirements to issue quarterly statements to investors on performance, fees and expenses, and adviser and related person compensation, (iv) enhanced annual audit requirements, and (v) requirements relating to adviser-led secondary transactions. If adopted, these rules would prohibit private fund adviser activities that had previously been addressed through disclosure and significantly expand the information disclosed to Investors and the SEC. The effect of any future regulatory changes on the Adviser and its affiliates could be substantial.

Reliance on Key Persons. The ability of the Adviser to attend to Clients' Investments currently depends on the management team of Cottonwood. There can be no assurance that the Adviser will be able to successfully implement the strategies that a Client intends to pursue. There can be no assurance that the Adviser's decisions in this regard will result in a profit for any Client. Further, there can be no assurance that the members of the management team will remain affiliated with Cottonwood throughout the term of any Client or otherwise be able to continue to carry on their current duties throughout such term. The loss of the services of one or more of these individuals, and the inability to recruit and hire replacement or additional key personnel as needed could have a material adverse effect on Clients. Furthermore, although investment professionals employed by Cottonwood will commit a significant amount of their business efforts to the Adviser, they will not be required to devote all of their business time to the Adviser's affairs.

Lack of Control by Investors. Investors will not have an opportunity to evaluate the Investments made by the Client or the terms of any particular Investment. Investors should expect to rely solely on the ability of the Adviser to make appropriate Investments for the Client and to appropriately manage and dispose of the Investments.

Unspecified Investments. Investors will only be able to evaluate the Client's existing Investments at the time they make their investment in the Client and will be unable to evaluate the Client's future Investments, including (i) the terms of the acquisition of Investments by the Client, (ii) the type or location of the Investments or (iii) other relevant economic and financial data affecting the Investments. An Investor who acquires its Units later may have more information available concerning specific Investments than earlier Investors.

Competition for Investments. The activity of identifying, completing, and realizing attractive acquisitions of core real estate, real estate assets and related Debt Investments is highly competitive. The Adviser will compete for these opportunities with many other real estate investors, including public and private REITs, other real estate funds, and institutional investors. These competitors may have more experience, more resources and may be willing to accept more risk than the Client being represented in the Investment by the Adviser. This competition may increase prices, reduce returns, and eliminate investment opportunities. There can be no assurance that the Adviser will be able to locate and acquire investments that satisfy a Client's investment objectives.

Co-Investments. Investors co-investing with a Client will not be clients of the Adviser and should not rely upon any advice that the Adviser renders to such Client as individual advice to the co-investing Investor.

Limited Removal Rights. Investors will have no ability to remove or replace the Adviser except (i) through the removal of the general partner or manager of the applicable Client, in which case the Adviser may be terminated, or (ii) in certain situations such as for gross negligence, fraud, willful misconduct, bankruptcy, or material breach of the Advisory Agreement.

C. Specific Risks Associated with the 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, the 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 a Client's 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.

Climate Change. Clients may make investments associated with assets that are located in, or have operations in, areas that are subject to climate change. Any Investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on a Client's business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, Clients may be vulnerable to the following: risks of property damage to the Investments; indirect financial and operational impacts from disruptions to the operations of the Investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for Investments in areas subject to severe weather; decreased net migration to areas in which Investments are located, resulting in lower than expected demand for both Investments and the products and services of the Investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which a Client's business depends; decreased consumer demand for consumer products or services

resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an Equity Investment due to changing conditions not previously anticipated at the time of such Investment; and economic distributions arising from the foregoing.

No Active Trading or Tax Planning. The 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 Risks. As the Adviser makes its initial investments on behalf of a Client, the Client will not be diversified due to holding a limited number of investments in what may be only one or two sectors. It is also possible that in the future, such Client may become less diversified if it only holds a limited number of investments. In addition, Investments may be made in a limited number of sectors, which may increase the magnitude of the risks associated with such sectors (discussed in greater detail below). Further, the geographic diversification of a Client's Investments may be limited due to the anticipated concentration of investments in target markets. Accordingly, there can be no assurances concerning the diversification of a Client's assets. A limited degree of diversification increases risk because, as a consequence, the aggregate return of a Client may be substantially adversely affected by the unfavorable performance of a single Investment or in a specific market.

A Client 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 Client will only be entitled to exercise the rights, privileges and benefits afforded it as a secured lender under its loan documents. Accordingly, such Client will not have any control over the sale, refinancing or management of a Project.

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 Client will have the financial resources required to purchase a first mortgage loan in default and thereby protect its investment.

A Client 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 Client's right to repayment under the loan documents may be subordinated to the rights of repayment of senior lenders. Additionally, the Client may be required to enter into an intercreditor agreement with senior lenders which may adversely affect such Client'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, the control of the workout, foreclosure or disposition of the Project will be controlled by the senior lender rather than the Client. 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 Client 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 Client's loan.

Reinvestment Risk. Clients are perpetual funds. Repayments of principal and proceeds from the sale or refinancing of Projects in which a Client has equity interests are expected to be reinvested by the Adviser 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.

Risk of Nonperformance. Investments acquired directly or indirectly by the Client may be nonperforming at the time of their acquisition or following their acquisition for a wide variety of reasons. Such nonperforming investments may require a substantial amount of workout negotiations or restructuring, which may entail for Debt Investments, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. However, 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. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control.

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 Unregistered Interests of Clients. Investors should be aware of the long-term nature of an investment in units of equity interests in any Client ("**Units**") not registered under the U.S. Securities Act of 1933 ("**Securities Act**") or under the securities laws of any state or non-United States jurisdiction. Such Units are "restricted securities" and cannot be resold in the United States except as permitted under the Securities Act and applicable state securities laws, pursuant to registration thereunder or exemption from such registration. There is not now, and may not ever be, a public market for such Units. The Units may also not be sold or otherwise transferred without the consent of the Client's general partner or manager, as applicable, and compliance with the Client's various

Governing Documents. 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 a Client after any applicable lock-up period, such Client (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 such Client is under no obligation to make such cash immediately available through the sale of assets, acceptance of new Investor commitments, borrowings or otherwise. Redemption ability, if any, and procedures are outlined in the Governing Documents of the other investment vehicles. Under Cottonwood Fund's redemption policy as set forth in its Governing Documents, 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.

Lack of Liquidity of Investments. A Client's real estate Investments will generally be highly illiquid compared to other asset classes. Given the nature of real estate investments, the Client may be unable to realize its investment objectives by sale or other disposition at attractive prices within any given period of time or may otherwise be unable to complete any exit strategy for its Investments. In some cases, the Client may be prohibited by contract from selling Investments for a period of time, or there may be contractual rights or obligations that may otherwise significantly affect price and/or liquidity. In addition, it is expected that Equity Investments will in certain cases not be sold until a number of years after they are made. The types of Investments held by a Client may be such that they require a substantial length of time to liquidate. In the event a loan repayment or other funding obligation arises at a time in which a Client does not have sufficient cash assets to cover such payment, such Client may have to liquidate certain Investments at less than their expected returns to satisfy the obligations thereby resulting in lower realized proceeds to such Client than might otherwise be the case. The ability of the Client to sell or refinance its assets will directly affect its ability to redeem Units when requested.

The number of potential purchasers and sellers, if any, for Debt Investments is often very limited. This factor may have the effect of limiting the availability of these Investments for purchase by a Client and may also limit the ability of a Client to adjust its investing strategy in response to adverse changes in the performance of Investments or changes in economic or market trends. As a result of a Client's illiquid investments, there may be little or no near-term cash flow available to the Investors. Consequently, dispositions of such Investments may require a lengthy time period or may result in distributions in kind to the Investors. Additionally, the realizable value of a highly illiquid investment may be less than its intrinsic value.

Joint Venture Risks. Instead of acquiring Investments directly, the Adviser may have a Client acquire such Investments through partnerships, joint ventures, corporations, companies, or other entities. Such investments may involve risks not present in wholly-owned investments, including, for example, the possibility that a co-venturer or partner of the Client might commit fraud, become bankrupt, or may have economic or business interests or goals which are inconsistent with those of such Client, or that such partner or co-venturer may be in a position to take action contrary to the instructions or the requests of the Client or contrary to the Client's policies or objectives or otherwise have certain rights with respect to the Investments which may limit the Client's ability to protect its position and make decisions with respect to its Investments. In addition, in certain circumstances, a Client may rely upon the joint venture partner for operational experience, which reliance may ultimately not be justified. Furthermore, if such co-venturer or partner defaults on its funding obligations, it may be difficult for the Client to make up the shortfall from other sources. Any default by such co-venturer or partner could have an adverse effect on the Client, its assets, and the interests of its Investors. In addition, the Client may be liable for actions of its co-venturers or partners. While the Adviser will attempt to limit the liability of a Client by reviewing qualifications and previous experience of co-venturers or partners, such action may not be sufficient to protect the Client from liability or loss.

Leverage Risks. The Adviser intends to use commercially reasonable efforts to manage a Client's leverage such that debt financing in respect of such Client's portfolio within such Client's leverage limitations. In addition, the Adviser intends to use commercially reasonable efforts to comply with certain leverage restrictions at the level of the underlying real estate in which the Client invests. The degree of leverage could have important consequences to Investors, including limiting the ability of the Client to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general corporate purposes and making the Client more vulnerable to a downturn in business or the economy generally.

Bank Risk. As a result of the prior economic slowdown and financial market disruptions, certain financial institutions became insolvent or were served with cease-and-desist orders or other administrative actions by Federal bank regulators, such as the FDIC or Office of Thrift Supervision, due to a lack of required capital. Should a financial institution lender that is financing a Project become insolvent, enter into receivership or otherwise become unable to fulfill its respective financial obligations to such Project, such Project could suffer from significant delays and additional expenses, be required to seek additional financing (which could prove more difficult in the economic environment at such time), and be unable to obtain favorable terms if it does acquire such financing, all of which could adversely impact the Client's Investment in such Project.

Preferred Equity. A Client may invest in preferred equity interests in entities and properties whose capital structures have significant leverage ranking ahead of such Client's investments. While the Adviser anticipates that the Client's Investments will usually benefit from the same or similar financial and other covenants as those enjoyed by the leverage ranking ahead of the Client's Investments, some or all of such terms may not be part of particular Investments. While the Client would expect to receive priority distributions ahead of common equity, the Client's preferred equity interest would be

subordinated to any debt issued by the entity or encumbering the property. Accordingly, a Client holding a preferred equity interest may not be able to receive its anticipated return in the event of a default on indebtedness encumbering a property, particularly in light of the priority of creditors over the Client's preferred equity interest. Moreover, while the Client may benefit from an agreement with the senior lender that is equivalent to an intercreditor agreement, it may nonetheless be restricted in the exercise of its rights in respect of its preferred equity investments, which are subordinate to any debt of the issuer. Accordingly, the Client may not be able to take the steps necessary to protect such investments in a timely manner or at all, and there can be no assurance that the rate of return objectives of the Client or any particular investment will be achieved. To protect its original investment and to gain greater control over the underlying assets, the Client may need to elect to purchase the interest of a senior creditor or take an equity interest in the underlying assets, which may require additional investment by the Client.

Equity and Debt Investments. Pursuant to the Adviser's investment strategy, a Client may purchase Equity Investments or Debt Investments with a view towards potentially acquiring the subject property. In the event that the Client is not able to complete the desired property acquisition, it may need to liquidate such Investment. There can be no assurance that it will be able to liquidate such Investments in an orderly fashion or without incurring a loss.

Risk of Uninsured Losses. While the Adviser intends to require that all Clients' properties, or the properties collateralizing Clients' Debt Investments, carry customary comprehensive liability and casualty insurance, certain disaster insurance (such as earthquake insurance) may not be available or may be available only at prohibitive cost. In addition, losses may exceed insurance policy limits, and policies may contain exclusions with respect to various types of losses or other matters. Consequently, all or a portion of a Client's properties (or properties collateralizing the Client's Debt Investments) may not be covered by disaster insurance, and insurance may not cover all losses.

ITEM 9. *DISCIPLINARY INFORMATION*

Neither the 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 Adviser or our business integrity.

ITEM 10. *OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS*

Neither the 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.

Neither the 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.

Cottonwood provides research and other information to the Adviser as well as back office and administrative services to the Adviser and its Clients. CW Credit Services, LLC, a Cottonwood subsidiary, provides loan administration services to certain pooled investment vehicles holding loans made under the U.S. Fifth Employment Based Preference Immigrant Visa Category Program, but these vehicles are not Clients of the Adviser. 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 Adviser, Cottonwood, CW Credit Services, LLC and Cottonwood Fund GP have common management. The potential exists for material, non-public information to pass between Cottonwood and the 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, as further described in Item 11 below.

We do not recommend or select other investment advisers for 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. *Code of Ethics*

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 the Adviser and its employees owe a fiduciary duty to the 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 Adviser's Clients, (ii) taking inappropriate advantage of their position with the Adviser 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 the 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 the Adviser and Cottonwood continues to be a direct reflection of the conduct of each employee.

The 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.

Hon Kit Shing, the chief executive officer of the Adviser and Cottonwood, is the ultimate beneficial owner of the entire equity interests in Cottonwood and the Adviser and holds a

beneficial interest in Cottonwood Fund. Officers of the Adviser also own, indirectly, interests in the other operating companies, and may invest in Cottonwood Fund and in Projects financed by Clients.

Neither the 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:

- i. any direct or indirect beneficial ownership of any economic interest in any party to the transaction;
- ii. any contemplated transaction by such person and any other party to the transaction;
- iii. 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
- iv. any present or proposed business relationship or transaction, between such person and any party to the transaction or any of its known affiliates.

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

- i. The interests of Client accounts will at all times be placed first;
- ii. 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
- iii. Our officers and principals must not take inappropriate advantage of their positions.

B. Participation or Interest in Client Transactions

Prior to subscribing for interest in a Client, prospective Investors receive information relating to potential conflicts of interest between the activities of such Client and the business activities of Cottonwood and its affiliates, if any. Certain of the material conflicts of interest encountered by a Client are discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Client. Other conflicts may be disclosed throughout this Brochure and as such, this Brochure should be read in its entirety for other conflicts. For a more comprehensive disclosure of potential conflicts of interest associated with investing in a Client, current and prospective Investors should refer to the applicable PPM and other Governing Documents.

As general partners, limited partners, members or managing members of the general partners of Cottonwood Fund or of other entities established for the purpose of investment in Cottonwood Fund or co-investment alongside Cottonwood Fund, the Adviser and its

related persons will have indirect beneficial interests in the investments owned by Cottonwood Fund or such other entities and, in such cases, certain personnel will share in the profits and losses generated by their Investments.

The Adviser and/or certain related persons of the Adviser may on occasion directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Clients in connection with “warehousing” or Investment transactions, provided that the sale is consistent with the Adviser’s fiduciary obligations to the Client. Such transactions will be fully disclosed and the written consent of the appropriate Client (which, in certain circumstances, may be provided by an Advisory Committee or Board of Directors) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act to the extent that such transactions constitute “principal transactions” under Section 206(3) of the Advisers Act.

Moreover, the Adviser may on occasion cause a Client to engage in “cross transactions” via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Client, provided that the transfer is consistent with the Adviser’s fiduciary obligations to each Client participating in the cross transaction.

While the Adviser endeavors at all times to act in the best interests of its Clients, such transactions described above create a potential conflict of interest. For further discussion about potential conflicts of interest, please see the below ‘Conflicts of Interest’ section.

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 such Units. Among other things, Investors should note that the Adviser is an affiliate of Cottonwood Fund GP, and it will receive investment management fees based on the NAV of Cottonwood Fund which, in turn, will be affected by the performance and valuation of the fund assets.

Diverse Economic Interests. A Client may make Investments in Projects in which affiliates or other Clients of the Adviser have an economic interest. In such event, such Client 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.

Allocation of Investment Opportunities. Conflicts of interest may arise in the allocation of investment opportunities between a Client and other Clients of the 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 Adviser’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 a Client and other Clients of the 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.

Allocation of Co-Investment Opportunities. The Adviser or the respective general partner of a Client may offer co-investment opportunities with respect to none, some or all of a Client's Investments. In the event that any such co-investment opportunity is offered, such opportunities will be offered pursuant to the terms of the applicable Governing Documents. With respect to certain Clients, certain of the Investors may have priority rights (but not obligations) to participate in co-investment opportunities, subject to the terms and conditions of the applicable Governing Documents. If the Adviser and/or an affiliate determines that a Client should commit to invest less than the amount offered to the Client with respect to an Investment opportunity or should decline an Investment opportunity, the Adviser and/or an affiliate may present to any person (including affiliates of the Adviser or some or all of the Investors, as determined by the Adviser and/or an affiliate in its sole discretion) all or any portion of such Investment opportunity remaining after taking into account the Investment, if any, by the Client. In addition, the Adviser and/or an affiliate may determine in its sole discretion to make available to any such person the right to co-invest in a particular Investment by purchasing an interest in such Investment from the Client or its affiliate after the Client or such affiliate has acquired the Investment.

The decision to allocate a particular Investment between a Client and other affiliates of the Adviser may involve conflicts of interest. Clients may also give co-investment opportunities to certain Investors, including Investors with which Cottonwood has significant relationships and not to other Investors, which could present conflicts of interest. Further potential conflicts of interest could arise after a Client and other affiliates have made their respective Investments, including where the Investment objectives, expected exit timing or financial resources of the co-investing entities differ substantially from those of the Client.

Co-investment transactions could create conflicts of interest to the extent the Adviser or its Affiliates are simultaneously representing the interests of more than one co-investing party. As discussed above under Item 5, Fees and Expenses, in connection with a co-investment, the Adviser and/or an affiliate will determine, in their discretion, the appropriate allocation of investment-related expenses incurred in respect of unconsummated Investments among Clients, vehicles and accounts participating or that would have participated in such Investments, as applicable, which may result in a Client bearing more or less of these expenses than other participants or potential participants in the relevant Investments. The Adviser and/or a co-investing party are expected to absorb certain expenses borne in connection with consummation of such co-investments, which may include costs associated with the establishment and operation of the Co-Investor or negotiations of joint venture agreements on behalf of the Co-Investors. However, the Adviser will not absorb similar expenses or costs incurred by a Client in connection with the portion of these co-investments being made by such Client and such expenses and costs will be treated as expenses of such Client.

In addition, in order to consummate a transaction or facilitate the consummation of an Investment, the Adviser may cause a Client to fund some or all of the cost of consummating such Investment with a view to selling down a portion of such Investment to such Co-Investors or other persons at a later time. Such Client may or may not receive compensation for such activities. If the Adviser is unable to find Co-Investors or if a

Co-Investor breaches its covenant to purchase the Investment from such Client, such Client will have an allocation to an Investment that is larger than originally anticipated. In addition, such Client may bear the risk that any or all of the excess portion of such Investment could only be sold on unattractive terms. Such Client may also bear the entire portion of any breakup fees, costs or expenses or, if the excess portion of such Investment has not been sold, it may also bear the entire portion of any other fees, costs and expenses related to such Investment, hold a larger than expected Investment or realize lower than expected returns from such Investment. The Adviser endeavors to address such risks by requiring such Investments to be in the best interests of such Client, regardless of whether any sell-down of such Investments ultimately occurs.

The interests of a Client and those of a Co-Investor may conflict in certain specific situations such as a change of investment strategy or exit strategy or level of leverage. The Adviser and its affiliates may take decisions, make recommendations and/or act in a way which is not in the best interest of such a Co-Investor.

Cross-Transactions. In certain limited cases, the Adviser may cause a Client to purchase investments from another Client, or it may cause a Client to sell investments to another Client. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Client may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Client by selling underperforming assets to another Client in order, for example, to earn fees. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals will (i) from time to time, have significant investments, or intentions to invest, in the Client that is selling and/or purchasing such an Investment, or (ii) otherwise have a direct or indirect interest in the Investment (such as through certain other participations in the investment). The Adviser and/or its affiliates receive investment management fees or other fees in connection with their management of the relevant Clients involved in such a transaction, and generally are entitled to share in the investment profits of the relevant Clients. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the Governing Documents of the relevant Clients. To the extent such matters are not addressed in the Governing Documents, the Adviser's Chief Compliance Officer will be responsible for confirming that the Adviser (i) considers its respective duties to each Client, (ii) determines whether the purchase or sale, price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required or appropriate approvals of the transaction's terms and conditions.

Principal Transactions. Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the investment adviser's clients, on the other hand. In general, if an investment adviser or an affiliate proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must disclose all material terms of the proposed transaction to the client and obtain the client's informed consent to the transaction. In connection with the Adviser's management of its Clients, the Adviser and/or an affiliate may in the future engage in principal transactions, and shall comply with the requirements of the Advisers Act as they relate to principal transactions, including

ensuring that the disclosures required by Section 206 of the Advisers Act are made to the applicable Client(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Business Relationships of the Adviser and/or its Affiliates. The Adviser, its affiliates and their personnel have long-term relationships with a significant number of capital partners, property managers, developers, service providers, financial institutions and advisors. In determining whether a Client should invest in a particular transaction and which service providers to use, if any, the Adviser will consider these relationships in its management of the Client. There may be certain transactions that will not be undertaken on behalf of a Client in view of such relationships. The officers and employees of the Adviser also provide services to Cottonwood 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 the Adviser or its affiliates with respect to existing real estate investments that are not owned by a Client. 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 no Client has sufficient capital and resources to make the Investment for its own account.

Other Potential Conflicts. The Adviser, its affiliates, and their personnel may engage common third-party service providers for Clients on either a long-term basis or in connection with a specific Investment. Such third-party service providers include, without limitation, investment bankers, real estate brokers, leasing brokers, outside legal counsel, accountants, custodians and auditors. In the event of a significant dispute or divergence of interest between Clients, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and/or its affiliates, and in litigation and other circumstances separate representation may be required.

A Client can permit certain affiliated transactions between such Client and the Adviser and/or its affiliates, which can present conflicts of interest between such Client and such persons. Affiliated transactions may be authorized under a Client's Governing Documents or by a Client's authorized advisory committee or in any other permissible manner, which is intended to mitigate such conflicts, together with any applicable pricing standard such as market rates, arms-length transactions or other standards. Affiliated transactions will, from time to time, include services and transactions, including services provided by the Adviser and/or its affiliates as to which the applicable Client could have retained an independent third party on similar terms.

ITEM 12. *BROKERAGE PRACTICES*

A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

As our Clients invest principally in real estate assets, we are rarely required to select or recommend broker-dealers for Client securities transactions. In circumstances where securities brokers or dealers are required, we will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, research and other services that will help us in providing investment management services to Clients. We may therefore use the broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

B. Research and Other Soft Dollar Benefits

As discussed above, we may select a broker based partly upon brokerage or research services such broker may provide to the Adviser and its Clients. However, we will not utilize research, research related products and other services obtained from broker-dealers or third parties that are contingent on directing brokerage or other business to the broker-dealer or third party, or otherwise on a soft dollar commission basis.

The term "soft dollars" refers to the use of brokerage commissions, concessions, spreads, markups, and mark-downs to pay for goods and services other than brokerage itself.

The Adviser, as a matter of policy and practice, prohibits any arrangements or commitments to obtain research, research related products and other services from broker-dealer or other third parties on a soft dollar commission basis.

C. Brokerage for Client Referrals

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

D. Directed Brokerage

The Adviser's policy and practice is to not accept Client 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.

E. Principal and Agency Cross Transactions

The Adviser has adopted policies and procedures that generally prohibit principal and agency cross transactions except in compliance with Section 206(3) of the Advisers Act.

ITEM 13. *REVIEW OF ACCOUNTS*

The Adviser 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 officer of the Adviser that will perform these ongoing reviews is Hon Kit Shing, CEO.

We do not review Client accounts on other than a periodic basis.

The Adviser will provide quarterly financial statements to each of its Clients regarding its account(s).

ITEM 14. *CLIENT REFERRALS AND OTHER COMPENSATION*

The Adviser has no arrangements, oral or written, whereby it would compensate any persons for referrals to its services. However, Cottonwood Fund GP or Cottonwood by itself, may choose to pay persons fees for referring prospective Investors to Cottonwood Fund, either as broker-dealers or finders.

Neither the 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*

The Adviser does not have custody of Client funds or securities. Although it does not provide investment advisory services, Cottonwood Fund GP will have custody over the cash and Investments of Cottonwood Fund. One or more affiliates of the Adviser, acting as administrator of financing transactions that include Investments by Clients of the Adviser, may be deemed to have custody over cash of such Client(s). Investors should carefully review the quarterly reports and annual audited financial statements of the Client.

ITEM 16. *INVESTMENT DISCRETION*

The Adviser enters into Advisory Agreements with each Client, pursuant to which the Adviser is granted discretionary investment authority, subject to the terms and conditions set forth in such Advisory Agreement; the Client's investment guidelines, objectives, and limitations; and other provisions and terms set forth in the Client's Governing Documents.

ITEM 17. *VOTING CLIENT SECURITIES*

The Adviser does not accept proxy voting authority on behalf of its Clients. However, Cottonwood Fund GP, as an affiliate of the Adviser, may exercise voting on behalf of Cottonwood Fund. The following is a summary of the policies and procedures used by the Adviser and its affiliates in voting proxies relating to securities held on behalf of its Clients for whom it has voting authority.

The Adviser's policy and practice is to promptly deliver proxies it may receive to the general partner or manager of the Client for voting. The management of the general partner or manager will determine how the Client should vote the proxy in accordance with such Client's voting guidelines, complete the proxy, vote the proxy in a timely and appropriate manner, and confirm to the Adviser once the proxy has been voted. The Adviser will monitor corporate actions, disclose any potential conflicts of interest, and maintain relevant and required records.

Investors may obtain a copy of the Adviser's policies and procedures regarding proxy voting, as well as information about the voting of proxies for such Client, upon request.

ITEM 18. *FINANCIAL INFORMATION*

The Adviser is not aware of 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 Adviser accompany this Brochure.