

Form ADV Part 2A

Last Updated: March 28, 2023

CWS Capital Partners, LLC

CRD Number: 166871

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This brochure provides information about the qualifications and business practices of CWS Capital Partners, LLC ("CWSCP"). If you have any questions about the contents of this brochure, please contact us at (800) 466-0020 and/or via email at mruggles@cwscapital.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 CWSCP also is available on the SEC's website at www.adviserinfo.sec.gov.

Although CWSCP may use the term "registered investment adviser" or use the term "registered" through this Form ADV Part 2A, the use of these terms is not intended to imply a certain level of skill or training.

Item 2. Material Changes since Last Update

Annual Update

The Material Changes section of this brochure will be updated annually and/or when material changes occur since the previous release of CWSCP's Brochure. A summary of changes is necessary to inform clients of any substantive changes to CWSCP's policies, practices, or conflicts of interests so that they can determine whether to review the brochure in its entirety or to contact CWSCP with questions about the changes.

The following material changes are included in this amended brochure:

1. Item 4:

Update of CWSC's assets under management and number of accounts as of December 31, 2022.

Addition of SAF XIV QI, LLC and SAF XIV QPF, LLC Funds

2. ADV Brochure Supplement:

Addition of Justin Leahy, –Investment Management

Full Brochure Available

Clients who would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (800) 466-0020 or by fax at (949) 640-4931 or website at www.cwscapital.com.

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Item 4. Advisory Business

Originally established in 1998 providing advice to select real estate related limited partnerships and private real estate funds, CWS Capital Partners, LLC ("CWSCP") was formed as a limited liability company (LLC) and was initially approved as a state registered investment adviser in 2015 and later transitioned to an SEC registered investment adviser in 2016 based on an increase in assets under management. CWSCP advises real estate related limited partnerships and private real estate funds mainly formed as Delaware limited liability companies in which their managing members are affiliated entities of the principals of CWS. CWSCP identifies the investment opportunities, structures the financing, and advises the managing members on various operational strategies to maximize value for the owners. The primary business of the LLCs is buying, operating, and developing high quality multi-family properties located in the United States with preferred locations of Atlanta, Austin, Dallas/Ft. Worth, Charlotte, Denver, Houston, Phoenix, Raleigh, San Antonio, and Nashville.

Principal Owners

For the purpose of this section, CWSCP lists its principal owners as any person or entity directly owning 25% or more of CWSCP as disclosed on Schedule A of Part 1A as of date of the last update filing. CWSCP's direct owners are as follows:

- Steven Sherwood Trust is a direct owner of CWSCP with approx. 41.488020% ownership.
 - Steven Sherwood Trust is controlled by Steven Sherwood as 100% owner
- Sherwood Family LLC is a direct owner of CWSCP with approx. 29.57008% ownership.
 - Sherwood Family LLC is controlled by Zachary Sherwood Irrevocable Trust because it owns approx. 26% of its interests.
 - Sherwood Family LLC is controlled by Zachary Sherwood S. Trust because it owns approx. 74% of its interests

Name: Steven J. Sherwood
Date of Birth: 1948
Education: Texas Tech University; M.S. Mechanical Engineering (1973)
Texas Tech University; B.S. Mechanical Engineering (1971)
Background: CWS Capital Partners, LLC, Investment Adviser Representative (01/1998-Present)
Clayton, Williams & Sherwood Investments, President/Owner (08/1979-Present)
CWS Apartment Homes, LLC, CEO/Member (03/1999-Present)
CWS Management, LLC, Managing Member (06/1999-12/2006)
Clayton, Williams & Sherwood, Inc., President (08/1979-03/1999)

CWSCP is not a publicly held company and no part of CWSCP is owned by an individual or company through any subsidiaries or "intermediate subsidiaries."

Types of Advisory Services Offered

Investment Advisory Services

CWSCP advises private real estate funds mainly formed as Delaware Limited Liability Companies in which their Managing Members are affiliated entities of the principals of CWS.

More specifically, the private placement of limited liability company interests ("Interests") primarily includes but are not limited to CWS SAF I through XIV QI LLC, and SAF XIV QPF LLC, which are Delaware limited liability companies, d/b/a

CWS Strategic Apartment Funds I through XIV QI and XIV QPF, LLC (known each as the “Fund” or the “Company” or “Funds” or “Companies” collectively). SAF Associates through XIV Associates, LLC, which are Delaware limited liability companies (“CWS” or the “Managing Members”), will each serve as the Managing Member of each corresponding Fund(s). Purchasers of Interests will become members of the Company (the “Class A Members” and together with the Managing Member and the Class B Members (as defined herein), the “Members”).

If, and when, any investor(s) in a Fund are referred to CWS by third party money managers, CWS will verify those advisers will be properly registered where the investors reside.

Strategic Apartment Funds, Managing Members and Ownership Breakdown

CWS SAF I - SAF Associates (Managing Member) (Steven Sherwood Trust 48.509148%, Sherwood Family LLC 26.2713272%, Carmell Family Trust 10.737426%, Joseph H. Sherwood Trust 3.724627%, Engels Management Trust 10.737426 %, Michael Brittingham .01%, Justin Leahy .01%)

CWS SAF II- SAF II Associates (Managing Member) – same ownership breakdown as SAF Associates

CWS SAF III- SAF III Associates (Managing Member) same ownership breakdown as SAF Associates

CWS SAF IV- SAF IV Associates (Managing Member) – same ownership breakdown as SAF Associates.

CWS SAF V- SAF V Associates (Managing Member) – same ownership breakdown as SAF Associates.

CWS SAF VI - SAF VI Associates (Managing Member) – same ownership breakdown as SAF Associates.

CWS SAF VII - SAF VII Associates (Managing Member) – same ownership breakdown as SAF Associates.

CWS SAF VIII QI- SAF VIII Associates (Managing Member) – same ownership breakdown as SAF Associates.

CWS SAF VIII QPF - SAF VIII Associates (Managing Member) – same ownership breakdown as SAF Associates.

CWS SAF IX QI and CWS SAF IX QPF: SAF IX Associates (Managing Member) – (Steven Sherwood Trust 36.592948%, Sherwood Family LLC 34.457672%, Carmell Family Trust 10.160588%, Joseph H. Sherwood Trust 3.618203%, Engels Management Trust 10.160588%, Michael Brittingham 5.0%, Justin Leahy .01%).

CWS SAF X QI and CWS SAF X QPF: SAF X Associates (Managing Member) – (Steven Sherwood Trust 35.442080%, Sherwood Family LLC 33.37208%, Carmell Family Trust 9.840767, Joseph H. Sherwood Trust 3.504305%, Engels Management Trust 9.840767, Michael Brittingham 5.0%, Justin Leahy 3.0%).

CWS SAF XI QI and CWS SAF XI QPF: SAF XI Associates (Managing Member) – (Steven Sherwood Trust 36.592948%, Sherwood Family LLC 34.457672%, Carmell Family Trust 10.160588%, Joseph H. Sherwood Trust 3.618203%, Engels Management Trust 10.160588%, Michael Brittingham 5.0%, Justin Leahy .01%).

CWS SAF XII QI and CWS SAF XII QPF: - SAF XII Associates (Managing Member) – (Steven

Sherwood Trust 35.965968%, Sherwood Family LLC 33.865370%, Carmell Family Trust 9.986229%, Joseph Sherwood Trust 3.556104%, Engels Management Trust 9.986229%, Michael Brittingham 5.0%, Justin Leahy 1.6401%).

CWS SAF XIII QI and CWS SAF XIII QPF: SAF XIII Associates (Managing Member) – (Steven Sherwood Trust 34.6716%, Sherwood Family LLC 32.6466%, Carmell Family Trust 9.626838%, Joseph Sherwood Trust 3.428125%, Engels Management Trust 9.626838%, Michael Brittingham 5.0%, Justin Leahy 5.0%).

CWS SAF XIV QI and CWS SAF XIV QPF – SAF XIV Associates (Managing Member) – Same ownership as SAF XIII Associates.

Consultation Services

CWSCP does not offer general consulting services on an hourly basis.

Financial Planning Services

CWSCP does not offer Clients comprehensive or segmented (limited) financial planning services, investment plans, and/or financial planning consultations.

Termination of Account

Currently the only Clients of CWS Capital Partners are private real estate funds.

Wrap Fee Program

CWSCP does not participate in a wrap fee program at this time.

Assets under Management

As of December 31, 2021, the amount of Client assets under advisement is follows:

Discretionary: \$ 464,600,000.00 (21 Accounts)

Non-discretionary: \$00.00 (Not Applicable)

CWSCP's method for computing the amount of "Client assets under advisement" is the same method for computing "assets under management." The amount as disclosed above is rounded to the nearest **\$100,000.00**. The date of the calculation above is not more than ninety (90) days before the date CWSCP last updated its Brochure.

Item 5. Fees and Compensation

Investment Advisory Fees

CWSCP does not charge retail investors any direct investment fees, asset-based or otherwise. Indirect non-advisory fees earned are through affiliated companies (the SAF Associates Managing Member and CWS Apartment Homes, LLC ("CAH")). CAH does not receive any advisory related fees or income. CWSCP or affiliates that act as a Managing Member and through CAH will be entitled to receive reimbursement for expenses, and an asset management fee ranging from 1 to 2%, accounting fees, disposition fees, mortgage brokerage fees, and development, construction, and administration fees. CWSCP earns an advisory related performance fee through the promote structure with the SAF funds, while CWS Apartment Homes earns a real estate management related fee that is completely separate and unrelated to advisory fees or services.

Any referral fee agreement for soliciting or promoting activities to an outside solicitor will be paid by CWS Apartment Homes through CWS Investments on behalf of CWSCP to Solicitors (Promoters) with an expense sharing agreement.

Investment opportunities offered by CWSCP are through an affiliated entity, CWS Investments (CWSI). CWSI is a FINRA member broker-dealer and a California state registered investment adviser (the "promoter"). CWS Investments has an expense sharing agreement with CWS Apartment Homes. The fees earned via this expense sharing agreement average 1% to 3% of capital raised by CWS Investments. In 2022 total fees equaled approximately \$1,500,000.00. CWS Apartment Homes is the affiliate of CWS Capital Partners focused on the day-to-day operations of multifamily properties, some of which the private real estate funds may have equity interests in. The principals of CWS Capital Partners may earn performance fees through their participation in the Managing Member of the private real estate funds that CWSI acts a solicitor for.

Investment Management Fees

There are no investment management fees charged to Clients.

Financial Planning Fees

There are no financial planning fees charged to Clients.

Hourly Consulting Fees

There are no hourly consulting fees charged to Clients.

Termination of contract

If CWS provides advisory services to a retail client, and that client lives in Illinois, the following paragraph will apply:

In Illinois, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

Item 6. Performance-Based Fees and Side-By-Side Management

Neither CWSCP or any of its supervised persons accepts performance-based fees other than those stated in each SAF Fund document – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle). Therefore, there are no conflicts of interest that CWSCP or its supervised persons may face by managing these accounts at the same time, to include any incentive to favor accounts for which CWSCP or its supervised persons receive a performance-based fee.

Additionally, the Funds' Managing Member will not charge performance fees to any retail buyer of the Funds that it cannot verify as qualified; in lieu of the performance fee, the Managing Member will charge the non-qualified investors within any Fund a fixed 1% advisory fee.

CWSCP and its supervised persons do not charge a minimum fee based on the amount of assets under management. No hourly or flat fees are charged to clients at this time.

Item 7. Types of Clients

CWSCP is a registered investment adviser firm that provides investment advisory services to private real estate funds and other investment entities invested in by individuals (other than *high net worth individuals*), *high net worth individuals*, charitable organizations, corporations or other businesses, and

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other investment advisers (collectively referred to as “Client” or “Clients”).

Requirement for Opening Accounts (Minimum Investment Amount)

CWSCP does not impose a minimum investment amount for its advisory client accounts at this time. However, certain minimum investment amounts may be imposed at the Funds’ respective level. For example, the minimum total capital commitment for each investor in the Funds is \$150,000 (QI) and \$500,000 (QPF) respectively. The Managing Member of the Funds may accept investments of less than this minimum investment amount in its discretion.

In the event that CWSCP imposes minimum investment amounts, accounts below these minimums may be negotiable and accepted on an individual basis at CWSCP’s discretion. However, CWSCP may from time to time establish, modify and waive account or investment minimums for different investment products and/or services. Also please see Fees and Compensation above for further details on investment minimums.

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

Methods of Analysis

CWSCP’s investment analysis methods may include charting, fundamental analysis, technical analysis, and the use of cyclical analysis and monitoring of investment cycles and trends. Fundamental analysis includes but is not limited to analyzing company (or multi-family property) financial statements and health, its management and competitive advantages, and its competitors and markets, the overall state of the economy, interest rates, production and overall earnings. Technical analysis includes forecasting the direction of prices through the study of past market data, primarily price and volume.

Material risks associated with fundamental and/or technical analysis may be that the value of a company (or current market price of a property) is not necessarily reflective of or otherwise directly correlated to such factors when determining value.

As with most investment products, because investment portfolios include securities, investing in securities involves risk of loss that investors in the funds should be prepared to bear.

Use of Significant Investment Strategy

CWSCP does not employ a frequent trading strategy for Clients.

CWSCP may recommend a particular type of security, such as limited partnership securities or limited liability company securities, as part of its overall investment advisory services.

Material Risks

The material risks associated with these strategies are:

Risks associated with the Structure, Management and Concentration of the Funds

Although the Principals of CWS have considerable experience in identifying and managing investment real estate, each newly created Fund itself has no operating history and will be heavily dependent upon CWS to oversee its activities and implement its strategy. The Funds have not identified any of the specific respective investments they intend to make.

Prospective investors will not have the opportunity to review or approve future investments before deciding to invest in any of the Funds. While the Principals of CWS believe that they will be able to identify additional investments that meet the Fund’s investment criteria, there is no assurance that the Funds will be successful in identifying or securing such investments or that such investments will be made at favorable terms. Prospective investors should recognize that their interest in any of the Funds is a long term, illiquid asset with significant restrictions on transfers and no public market.

The Funds intend only to participate in a limited number of investments and, as a consequence, the

aggregate return of each of the Funds may be substantially adversely affected by the unfavorable performance of even a single investment. In addition, the Funds intend to concentrate investments within certain metros as described below, which could adversely affect the Funds if business conditions underlying such areas and sectors were to deteriorate further or not recover as anticipated. The inability of the Managing Member to satisfactorily achieve diversification in any of the Funds' investments could adversely affect the performance and results of the Fund.

The real estate market in which each of the Funds will be engaged is highly competitive. The Managing Member's business of identifying, negotiating, acquiring, entitling, developing, constructing, monitoring, managing, and selling properties is highly competitive, and involves a high degree of uncertainty. The Funds will encounter competition from other persons and entities with similar investment objectives. These competitors are likely to include other investment partnerships, small business investment companies, large industrial and financial companies investing directly or through affiliates, foreign investors of various types and individuals. The Managing Member's competitors may have greater financial and other resources and may have better access to suitable investment opportunities. In such a competitive landscape, there can be no assurance that the Funds will be able to locate suitable investment opportunities, acquire them at appropriate prices, achieve its targeted rate of return, or fully invest its committed capital.

Risks associated with the Fund's Investment Strategy

The Funds intend to focus their investments in Atlanta, Austin, Dallas/Ft. Worth, Charlotte, Denver, Houston, Phoenix, Raleigh, San Antonio, and Nashville ("Existing CWS Market Areas"). This concentration of investments in a limited geographic area will make the Funds highly susceptible to adverse developments affecting any of these regions. The Funds may make a significant portion of its investments in underperforming or non-performing assets which by their nature may not have adequate income to cover operating expenses or associated debt service. The return on any of the Funds' investments in these types of assets will be heavily dependent on the Managing Member's ability to improve their operating performance and there can be no assurance that the Managing Member will be successful in doing so.

In addition to the Existing Market Areas identified above, the Funds have established and intend to continue to establish and grow their market presence in such Existing Market Areas as well as in any new market areas. The Funds' Managers expect that the long-term strength and vitality of the market will drive positive future demand for apartment communities in which each of the Funds invests, however, this cannot be assured. If business conditions underlying the areas and sectors comprising the market were to deteriorate or not grow as anticipated, the Fund's investment in the assets located in either or both the Existing Market Areas and/or the new market areas could be adversely affected.

General Economic Risks

Investment in the Funds will be subject to the risks incident to the local economic condition of the target areas and other areas in which each of the Funds invests, as well as the condition of the general U.S. economy, which includes fluctuation in interest rates, increased inflation and the availability of credit or other financing mechanisms to fund real estate projects.

Recessionary Risks

A number of variables that may impact the industry and could induce a recession include: variant strains of COVID-19 that are vaccine resistant, changes in interest rates, supply imbalances, development impacts caused by tariffs and labor markets, and local economic impacts discussed in more detail below. These conditions moving against the funds' positions and strategy could make it very difficult for the Funds to achieve their respective financial objectives within the time frame contemplated by the Principals.

Real Estate Investment Risks

Investments in real estate are subject to various risks and conditions, some of which are beyond the Fund's control. These include the risks normally associated with changes in general national economic or local market conditions and social conditions; the supply and demand for apartment units in a particular location; the financial resources of tenants and changes in their financial condition; inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise or to re-lease apartment units upon termination of a lease; reductions in market rents; changes in zoning, building, entitlement, environmental, rent control and other applicable laws and property taxes; changes in interest rates, borrowing costs and availability of financing; availability and cost of labor and materials; inability to obtain insurance or having inadequate insurance to cover losses and the need periodically to renovate, repair and re-let space and pay the costs associated therewith; acts of God, civil unrest, climate change, strikes, terrorist acts or acts of war that may result in uninsurable loss or a drop in value. Real estate values can be seriously affected by interest rate levels, the availability of financing, and by such regulatory or governmentally imposed factors as a change in zoning, an increase in real estate taxes, the imposition of height ordinance limitations, the institution of a building moratorium, the requirement that buildings be accessible to disabled persons, the requirement for environmental impact studies, the potential costs of remediation of environmental contamination or damage and the imposition of special fees to alleviate traffic congestion or to provide for housing. Investments may be acquired at a time when not all zoning and land use entitlements have been obtained that are necessary to complete the planned development. Investment in the Funds will be subject to these and other risks incident to the development, ownership and operation of residential real estate.

Risks associated with Leverage

Entities whose equity ownership interests that will be purchased by the Funds will utilize leverage when acquiring properties to increase the funds available for investment and to increase the rate of return on its investment, but the use of leverage also increases risk. If the rate of return on an investment is lower than the interest cost of financing that investment, then the leveraged return would be lower than if no leverage were utilized. The use of debt also increases the risk that an asset's income does not cover its fixed obligations. The Funds have not secured financing for future investments, and there is no assurance that such financing will be available, or that if available, it will be at terms favorable to any of the Funds.

Failure to secure financing on favorable terms will adversely impact each Fund's ability to achieve its strategic and return objectives. The Funds will also be exposed to interest rate risk. If interest rates increase, any of the Fund's borrowing costs will also increase and its ability to secure future financing or to refinance existing debt may be adversely affected. As a protection against rising interest rates, the Funds may enter into financial agreements such as interest rate swaps, caps, collars, or other hedging contracts. Such hedges may increase the overall cost of borrowing and may expose the Funds to capital losses.

In addition to other borrowings the Funds may engage in, the Managing Member(s) may cause the Company to obtain a line of credit with a lender secured by the obligations of the Members to contribute capital to the Fund. The Funds' Agreement provides that Members shall cooperate with the Managing Member and the lender as may be reasonably required to effectuate a security interest in a Member's obligation to make Capital Contributions, which security interest may be assigned by the Funds to the lender advancing such credit. Such cooperation may include, without limitation, furnishing the lender with consents, acknowledgements, estoppel certificates, legal opinions and financial statements with respect to such Member and entering into estoppel, security and other agreements directly with such lender.

Reliance on Key Personnel

The Funds will depend on the services of Steven J. Sherwood, Gary Carmell and Michael E. Engels, Mike Brittingham, and Justin Leahy, as well as certain key consultants, advisors or other individuals that may be retained in the future. The loss of services of any of these individuals could have a material adverse effect on the Fund's business and financial condition.

Lack of Control over the Funds and the Properties

The investors will have little or no influence over decisions relating to the management of the Fund. In circumstances where any of the Funds are co-investing with third party entities, the Funds, in turn, may have little or no influence over decisions relating to the management of certain of its investment properties and investments.

No Market for Interests in the Fund; Restrictions on Transfer

Interests in the Funds have not been registered under the Securities Act and therefore cannot be sold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from such registration is available. In connection with this offering, investors will be required to represent that they are acquiring an interest for their own account, for investment purposes only, and not with a current view toward the resale or other distribution thereof as a whole or in part and that they agree that they will not transfer, sell or otherwise dispose of their interests in any manner that will violate the securities laws of any jurisdiction. The Funds do not contemplate registering the Interests under the Securities Act or other applicable securities laws. There is currently no public market for Interests, and it is highly unlikely that one will develop. Moreover, pursuant to the Funds' Agreement, Members will not be permitted to transfer or assign their Interests without the consent of the Managing Member.

Performance of the Funds and the Properties

No assurances can be given that any of the Funds' investment companies or the assets acquired will perform as expected or that the Funds will be able to meet its anticipated performance levels.

Contingent Liabilities; Recall of Distributions

In connection with the disposition of an investment or otherwise, the Funds may be required to make representations about the business and financial affairs of a property or investment, and to indemnify the purchasers if those representations ultimately prove to be inaccurate. The Managing Member will establish reserves as appropriate to provide for such contingent liabilities, but no assurance can be given that these will be sufficient.

Lack of Liquidity; Limited Distributions

Investments made by the Funds, to a large degree, will have limited liquidity and may not produce cash flow in the amounts or in the time periods anticipated. Each Fund's exit strategy with respect to one or more investments can be affected adversely by numerous factors, many of which may be unforeseen or unexpected at the time the investment is made. Moreover, the limited liquidity of investments may adversely affect each Fund's ability to implement its exit strategies in the face of unexpected developments. In addition, practical limitations may restrict the ability of any of the Funds to sell or distribute its interests in an investment property. Sales may also be limited by real estate market conditions, geopolitical conditions, investor sentiment, lending environment, etc., which may be unfavorable for sales of property interests. The lack of liquidity of each Fund's investments may preclude or delay any disposition of such investments or reduce the proceeds that might otherwise be realized from any such disposition. An investment in the Funds should not be made with the expectation of receiving regular cash flow.

Risks of Tax Consequences

Investors of the Funds will be subject to the risks associated with tax treatment of investment partnerships which can be complicated. Prospective investors are strongly encouraged to consult with their own tax advisor regarding the tax treatment of their investment in the Funds before becoming Members.

Risk of Real Estate Development

An investment in a Real Estate Development is subject to additional risks not apparent in other real estate investments. In general, any real estate development is subject to three separate phases of risk. These are risks involved during the pre-construction period, risks involved during the construction period and risks involved during the post-construction period. The occurrence of these risks in any of the three phases can lead to an unsuccessful project even if the other phases proceed smoothly. For example, even if the building entitlements are timely obtained and the construction is completed on schedule and within budget, the inability to timely sell or lease-up the Real Estate Development could lead to a loss of the investment.

As the aforementioned risks are not an exhaustive list of all risks involved in investing with the CWS funds or private funds in general, investors are encouraged to review all applicable risks associated with the CWS Funds to determine if such an investment is appropriate based on the Client's circumstances.

Item 9. Disciplinary Information

Disclosure Events

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the CWSCP' advisory business or the integrity of its management, except the following disciplinary-related matter and relevant information:

CWSCP began providing investment advice in 2010 to a private fund (Strategic Apartment Fund). At the time it believed it met the then current exemptions afforded by the State of California. It continued to sponsor new private funds (SAF II thru SAF V).

In late 2012 the language of the codes was changed by the commissioner by an emergency regulation order. To meet the exemption CWSCP was required to obtain and deliver audited financial statements for the funds, file Form ADV, and pay a \$125.00 fee. It did not complete those requirements by the deadlines. CWSCP filed its Form ADV with the California Department of Business Oversight (DBO), paid the fee, and began the registration process in early 2013. It has since met the requirements.

In February of 2015 CWSCP entered into a settlement with the DBO regarding the matter and obtained its advisory certificate. As part of the settlement, CWS Capital Partners agreed to pay an administrative penalty of \$34,140.00. A desist and refrain order was issued by the DBO that, aside from the administrative penalty, ordered CWSCP to refrain from acting as an investment advisor until the firm received its investment advisor certificate.

Item 10. Other Financial Industry Activities and Affiliations

Broker/Dealer Affiliation

The private funds managed by CWSCP are offered through an affiliated entity, CWS Investments (CWSI). CWSI is a FINRA member broker-dealer and a California state registered investment adviser (the "promoter"). Select investment adviser representatives of CWSCP are also licensed securities salespersons and registered principals with CWS Investments (CWSI), as a state registered investment adviser firm and a FINRA member broker-dealer. As such, CWSCP investment adviser representatives who are also registered representatives with CWSI may assist the broker dealer with raising capital for the funds. This could present a potential conflict of interest as certain registered representatives of CWSCP could participate in the promote structure of the fund thereby incentivizing them to recommend the fund offering and maximize the size of the fund. However, the Client is under no obligation to purchase products that CWSCP or CWSI may recommend, or to purchase products through CWSCP or CWSI.

Neither CWSCP nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

On occasion, CWSCP and its management persons may own securities products that it/they also recommends to Clients which may present a potential conflict of interest. However, as a preventative measure, all Client transactions will be given priority over any such transaction relating to any personal accounts of any affiliated persons of CWSCP. In addition to this measure, all of the aforementioned management persons of CWSCP will act in accordance with applicable securities laws and conduct their business to ensure overall compliance with Insider Trading rules and the Securities Fraud Enforcement Act of 1988.

CWS Investments has an expense sharing agreement with CWS Apartment Homes. The fees earned via this expense sharing agreement average 1% to 3% of capital raised by CWS Investments. In 2022 total fees equaled approximately \$1,500,000.00. CWS Apartment Homes is the affiliate of CWS Capital Partners focused on the day-to-day operations of multifamily properties, some of which the private real estate funds may have equity interests in. The principals of CWS Capital Partners may earn performance fees through their participation in the Managing Member of the private real estate funds that CWSI acts a solicitor for.

Fund Related Conflicts of Interest

CWSCP may recommend or select other investment advisers for its clients and may receive indirect compensation as a result of such a recommendation or selection by CWSCP that may create a conflict of interest. Indirect compensation shall be in the form of reimbursement in that all expenses of CWSCP are reimbursed by the Managing Member, or CWS Capital Partners LLC or its affiliate, CWS Apartment Homes LLC ("CAH").

However, it is important to note that CWSCP does not charge any direct investment fees, asset-based or otherwise to retail investors. Indirect non-advisory fees earned are through an affiliated company, CAH. CAH does not receive any advisory related fees or income. CWSCP or affiliates of its owners may also act as a Managing Member and through CAH will be entitled to receive reimbursement for expenses, and an annual real estate management fee that may range from 2% to 3% of total property revenues for leasing and maintaining the individual properties. The Managing Member or affiliates may also earn an asset management fee of 1% to 2%, property management fee, accounting fees, disposition fees, mortgage brokerage fees, and development, construction, and administration fees. More specifically related to advisory fees and conflicts, CWSCP earns an advisory related fee; the "promote" from managing the funds while CWS Apartment Homes earns a real estate management related fee that is completely separate and unrelated to advisory fees or services. Any referral fee for soliciting will be paid by CAH through CWSI on behalf of CWSCP to Solicitors through the use of an expense sharing agreement.

Investment opportunities offered by CWSCP are through an affiliated entity, CWSI. Both the Funds and CWSI may be under the common control of Steven J. Sherwood. CWSI is a Registered Broker Dealer, member FINRA, SIPC. CAH and/or other affiliated entities controlled by the Principals of CWS will be entitled to property management, mortgage brokerage, acquisition, disposition, accounting and construction administration fees from projects in which the Funds has interests. The Funds and/or each wholly- or partially-owned Subsidiary of the Funds that owns an interest in a real estate project shall enter into a Property Management Agreement, with CAH or its affiliates as property manager for a % of total property revenues (with a minimum dollar amount for Real Estate Development Projects as determined by the Managing Member). The property manager will also be reimbursed for its allocated share of office, accounting, management and administrative expenses applicable to the property manager's home office overhead. CAH or its affiliates will also be entitled to construction and supervision fees at market rates for construction and major rehabilitation projects with respect to properties in which each of the Funds has interests.

Additionally, from time to time, affiliates of the Managing Member may also receive from the Company, Subsidiaries and third party or related party investors related to projects in which the Funds invests: (i) an acquisition fee in the amount of 1% of the purchase price of the asset, (ii) an accounting fee for each property, and (iii) a disposition fee not to exceed 2% of the sales price, (iv) in connection with any new loans, loan assumptions and re-financings, a mortgage brokerage fee, which

together with any other mortgage brokerage fees payable to third parties, will not exceed the aggregate sum of 1¼% of the loan amount, and (v) development and construction administration fees at market rates for construction projects, major rehabilitation projects and other Real Estate Developments. The Managing Member or its affiliates may also receive fees from the Funds or any Subsidiary for other services rendered. The Managing Member has the authority to determine, in its discretion, the amount and rate of these fees in accordance with its internal policies and procedures; provided, however, that such fees payable by the Company or its Subsidiaries shall not exceed reasonable, arm's-length fees that would be payable to an unrelated party on a market basis. In certain cases, the Managing Member may in its sole discretion agree to reduce all or any portion of the fees described above or the Promote Interest with respect solely to particular Investors. Such reduction in the fees described above or the Promote Interest may be structured as a direct payment of such reduction to the applicable Investors and will be treated as taxable income to such applicable Investors.

CWS, CAH and the Principals, and/or their affiliates, are also the sole or partial owner, manager, managing member, general partner, asset manager and/or property manager for several other entities (collectively, the "Management Related Entities"), which may directly or indirectly also own investment real estate in the target areas as well as other parts of the United States of America and Canada. Some of the Management Related Entities continue to be active in acquiring properties and making investments.

CWS, CAH and the Principals have ongoing obligations to and interests in the Related Management Entities and the Principals may devote some or a substantial portion of their business time and attention to the Related Management Entities. In addition, the investment goals and objectives of the Funds and the Related Management Entities overlap to some degree. The Managing Member and the Principals generally intend to allocate their time and investment and acquisition (and disposition) opportunities among the Funds and the Related Management Entities in good faith, consistent with their internal policies and practices as they are in place from time to time, and in a manner that is reasonable and appropriate given the purposes and investment focuses of the respective entities, however, the Managing Member and the Principals have the authority to offer and allocate such time and opportunities among the Funds and the Related Management Entities in their sole discretion. The Funds and Subsidiaries shall not have any right to participate or invest in any opportunity, project, or investment that the Management Related Entities currently own or in the future may participate or invest in.

In certain instances, CAH or its affiliates may pay a real estate management related fee to advisors or fund managers for referring Investors to the Fund. The real estate management related fee is completely separate and unrelated to advisory fees or services. The recipient of any such fee may therefore recommend this offering over other similar offerings which do not offer any such fees, thus creating a potential conflict of interest. Any referral fee for soliciting will be paid through CWSI by CAH on behalf of CWSCP to Solicitors through the use of an expense sharing agreement.

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

Code of Ethics

CWSCP's Code of Ethics is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940. The Code of Ethics is based upon the principle that CWSCP and its employees owe a fiduciary duty to 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 clients, (ii) taking inappropriate advantage of their position with the firm, and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The purpose of CWSCP's Code of Ethics is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct. As such, CWSCP and its employees are prohibited from engaging in fraudulent, deceptive, or manipulative conduct. CWSCP and its employees have an affirmative duty of utmost good faith to act solely in the best interest of its clients.

CWSCP has adopted the following Code of Ethics in accordance with SEC rule 204A-1:

- **Fiduciary Responsibility-** CWSCP and its staff shall exercise the highest standard of care in protecting and promoting the interests of its Clients and will provide a written disclosure containing any conflicts of interest that may compromise their impartiality or independence. As fiduciary, CWSCP shall not accept any referral fees or compensation that is contingent upon the purchase or sale of any financial product.
- **Integrity-** All professional services shall be rendered with the highest level of integrity.
- **Objectivity-** CWSCP and its staff shall provide advice that is objective and in the best interest of the Client and without conflicts of interest.
- **Competence-** CWSCP and its staff shall maintain the necessary knowledge and skills to provide our clients with competent advice and services.
- **Fairness-** All professional services shall be performed by CWSCP and its staff in a manner that is fair and reasonable to its Clients.
- **Confidentiality-** CWSCP and its staff shall maintain and safeguard all confidential client information in accordance with applicable laws.
- **Diligence-** CWSCP and its staff shall ensure the accuracy and completeness of records, information, and data collected, used and managed, and will take necessary steps to correct any discrepancies.
- **Regulatory Compliance-** CWSCP and its staff shall comply fully with appropriate laws and internal regulations.

CWSCP will provide a complete copy of its Code of Ethics to any Client or prospective client upon request.

Participation/Interest in Client Transactions

CWSCP or any of its related persons do not buy securities for itself/themselves directly from advisory clients or sell securities it/they own directly to advisory clients (principal transactions). Through the "Right of First Refusal", outlined in the Funds' documents, the Managing Member of each of the Funds may redeem investor interests upon the investor's request, and then a principal may purchase those interests for their own account. CWSCP or any of its related persons may buy or sell for itself / themselves securities (other than shares of mutual funds) that it / they also recommend to advisory clients. As a result, certain preventative measures may be implemented such as all Client transactions will be conducted and implemented before any such transaction relating to any personal accounts of any affiliated persons of CWSCP. In addition to this measure, all of the aforementioned advisory representatives of CWSCP will act in accordance with applicable securities laws and conduct their business to ensure overall compliance with Insider Trading rules and the Securities Fraud Enforcement Act of 1988.

CWSCP does not recommend securities (or other investment products) to advisory clients in which it or any related person has some other proprietary (ownership) interest.

Item 12. Brokerage Practices

Research and Other Soft Dollar Benefits

Regarding research and other soft dollar benefits, CWSCP does not receive research (both proprietary and non-proprietary) or other products or services other than execution services from a broker/dealer or a third party in connection with client securities transactions (otherwise known as "soft dollar benefits").

Brokerage for Client Referrals

Regarding brokerage for Client referrals, CWSCP does not select or recommend broker-dealers. However, CWSCP or a related person may receive client referrals from a broker-dealer or third party. Please see Item 14 below on Direct/Indirect Compensation for Client Referrals.

Directed Brokerage

CWSCP does not have market access or engage in advisory services related to publicly traded securities within the CWS Funds. Therefore, regarding directed brokerage arrangements, CWSCP does not routinely recommend, request, or require that Clients direct CWSCP to execute transactions through a specified broker-dealer. All fund offerings of CWS private funds are through an affiliated broker dealer CWSI.

Aggregation of Client Orders

Because of CWSCP's specific advisory business, it does not aggregate trades for client accounts.

Item 13. Review of Accounts

Accounts are reviewed on a quarterly basis through the quarterly reporting to fund investors process. Overall investment management, market prospects and individual property prospects are considered in the review process. Triggering factors that may affect an account review could be any material change in a client's account such as a change property financials, industry/company outlook related to the geography of a property, as well as other economic factors. All account reviews are conducted by the managing members of the fund (the principals of CWSCP). All retail fund clients are encouraged to conduct an annual review of their financial objectives, account performance as well other relevant factors.

The nature and frequency of reports are determined by client (CWS fund) need and the services offered. However, fund investors are provided with transaction confirmation notices and regular quarterly summary account statements sent directly from CWSCP as the product sponsor and / or fund administrator.

Item 14. Client Referrals and Other Compensation

Receipt of Economic Benefit (non-client)

CWSCP does not receive an economic benefit for providing investment advice or other advisory services from someone who is not a client.

Direct/Indirect Compensation for Client Referrals

If a client is introduced to CWSCP by either an unaffiliated or an affiliated solicitor, CWSCP may pay that solicitor compensation by entering a "referral agreement". Any referral arrangement entered by CWS for referrals of investors to our private real estate funds are either a "testimonial" or an "endorsement" and they are in accordance with Rule 206(4) -1 under the Advisers Act (the new SEC Marketing Rule). Through the referral agreement, a solicitor or "promoter" will receive compensation in the form of a percentage of the total equity invested by the investor referred. The details of the referral arrangement and a description of the compensation paid to the solicitor will be disclosed to each referred client through disclosures. Other, non-affiliated Investment Advisors may refer investors to CWS and elect that CWS rebates its asset management fee back to the referring advisor.

Please note that a solicitor for CWS who receives compensation for a testimonial or endorsement is inherently conflicted as the solicitor will only receive compensation upon the investor becoming an investor in the fund.

Acting as Solicitor or “Promoter”

CWSCP currently does not act as a solicitor. However, in the future, it may act as a solicitor for other registered investment advisers. In the event that CWSCP acts as a solicitor (“Promoter”), it may receive a referral fee or other form of compensation in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940. Therefore, CWSCP may have an incentive to select or recommend other investment advisers based on its interest in receiving a referral fee or other form of compensation, rather than on its clients’ interest. However, the current procedures are that the Client will under no circumstances be charged an additional fee for such arrangement.

Compensation arrangements will vary with each solicitor arrangement. If the Client is introduced to other investment advisers by CWSCP, at the time of the solicitation, CWSCP will disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of CWSCP’s written disclosure statement from CWSCP to the Client disclosing the terms and conditions of the arrangement between CWSCP as the solicitor (“Promoter”), and other investment advisers as the selected investment adviser including the compensation to be received by CWSCP as the solicitor.

Item 15. Custody

CWSCP does not maintain direct custody of client funds and/or securities. CWSCP does have indirect custody and control of client funds as follows: the operating capital of each Strategic Apartment Fund as well as property operating accounts are held at a third-party commercial bank. Client funds to purchase interests in the Strategic Apartment Funds are held in a securities escrow account at a third-party commercial bank. Securities are issued in book entry form with CWSCP as product sponsor. Clients will receive quarterly account statements directly from CWS Capital Partners as Product Sponsor and fund administrator and should carefully review those statements for accuracy. In the event that Clients also receive account statements from a third-party custodian, CWSCP strongly encourages each Client to compare the account statements they receive from the qualified custodian with those received from CWSCP. The Funds undergo annual financial audits as a result of CWSCP’s indirect custody of client funds.

Item 16. Investment Discretion

The Managing Members of the Funds affiliated with CWSCP have discretionary authority of the private real estate funds. CWSCP does not have discretionary authority to manage securities accounts on behalf of any retail client accounts.

Item 17. Financial Information

Pre-Payment of Fees

CWSCP does not provide financial planning services, and therefore does not require or solicit prepayment of more than \$500 in fees per *client*, six months or more in advance.

Material Impact of Discretionary Authority

CWSCP does exercise indirect discretionary authority over Client funds held in securities escrow, partnership bank accounts, and property operating accounts. CWSCP does not anticipate any financial condition that may be reasonably likely to impair its ability to meet contractual commitments to Clients at this time.

Custody Disclosure

CWSCP does not have direct custody of Client funds or securities. Please see Custody section above for further details.

Bankruptcy Disclosure

CWSCP has not been the subject of a bankruptcy petition at any time during the past ten years.

Privacy Policy

Privacy Policy Notice

Your privacy is important to us. Your personal information is kept secure. Under federal and state law, you have a right to know what information is being collected about you and how that information will be used. CWSCP collects nonpublic personal information about you from the following sources:

- Information CWSCP receives from you on applications or other forms.
- Information about your transactions with CWSCP; and
- Information that you specifically have had your other professional advisors forward to CWSCP.

CWSCP does not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as directed by you:

- Under law, the information CWSCP collects is provided to companies that perform support services on our behalf as necessary to effect, administer, or process a transaction, or for maintaining and servicing your account;
- As directed by you, CWSCP will be working with your other professional advisors and CWSCP will provide information in our possession that is reasonably requested by the other advisors.

CWSCP does not give or sell information about you or your accounts to any other company, individual or group. CWSCP restricts access to nonpublic personal information about you to those employees who need to know that information to provide services to you. CWSCP maintains physical, administrative, and technical procedural safeguards to protect your nonpublic personal information. You do not need to call or do anything as a result of this notice. It is meant to inform you of how CWSCP safeguards your nonpublic personal information.

Form ADV Part 2B: Brochure Supplement

Last Updated: March 28, 2023

Principals :

Gary C. Carmell

Steven J. Sherwood

Michael Brittingham

Justin Leahy

Michael Engels

Mark Ruggles

CWS Capital Partners, LLC

CRD Number: 166871

14 Corporate Plaza, Suite 210

Newport Beach, CA 92660

Tel (800) 466-0020

Fax (949) 640-4931

This brochure supplement provides information about the Supervised Persons listed above that supplement CWSCP's brochure. You should have received a copy of that brochure. Please contact Mark Ruggles at (800) 466-0020 and/or via email at mruggles@cwscapital.com if you did not receive CWSCP's brochure or if you have any questions about the contents of this supplement.

Additional information about CWSCP is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Education Background and Business Experience

CWSCP requires certain licensing standards as well as a certain level of business experience for giving investment advice to clients. For example, all advisers must be professionals with relevant industry experience in order to adequately demonstrate a certain level of expertise in securities management and analysis. CWSCP requires that all investment adviser representatives maintain the minimum licensing qualifications in accordance with all federal, state, and self-regulatory organization (SRO) rules and regulations.

Name: Steven J. Sherwood
Date of Birth: 1948
Education: Texas Tech University; M.S. Mechanical Engineering (1973) Texas Tech University; B.S. Mechanical Engineering (1971)
Background: CWS Capital Partners, LLC, Investment Adviser Representative (01/1998- Present)
CWS Investments, President/Owner (08/1979- Present)
CWS Apartment Homes, LLC, CEO/Member (03/1999-Present)
CWS Management, LLC, Managing Member (06/1999- 12/2006)
Clayton, Williams & Sherwood, Inc., President (08/1979-03/1999)

Name: Gary C. Carmell
Date of Birth: 1965
Education: University of Southern California, M.B.A; (1994)
University of California, Los Angeles; B.A. Political Science (1987) Background:
CWS Investments, Vice President (01/1987-Present)
CWS Capital Partners, LLC, President (01/1988-Present)
Designation(s): Chartered Financial Analyst (CFA)

Name: Michael J. Brittingham
Date of Birth: 1984
Education: University of Southern California, B.S. Business Administration (2006)
Background: CWS Investments, Investment Adviser Representative (09/2014-Present)
CWS Capital Partners, Principal - Investments (03/2007-Present)

Name: Justin Leahy
Date of Birth: 1981
Education: University of Texas at Austin
Background: Clayton, Williams & Sherwood Investments dba CWS Investments, (08/2021-Present)
CWS Capital Partners, LLC, Registered Investment Advisors (06/2022 to Present)
RPM Investments, Principal, Investments (08/2019 to 05/2021)
Ladera Capital Partners, Principal, Head of Investments (06/2018 to 07/2019)
CWS Capital Partners, LLC, Principal, Investments (05/2011 to 06/2018)

Name: Michael E. Engels
Date of Birth: 1966
Education: Harvard Business School, MBA (1997)
Princeton University, Bachelor of Arts Classics with Honors (1988)
Background: Clayton, Williams & Sherwood Investments dba CWS Investments, (10/2001-Present)
CWS Capital Partners, LLC, Registered Investment Advisors (2/22 to Present)
CWS Capital Partners, LLC, Principal – Investment Management (10/2001-Present)

Name: Mark R. Ruggles
Date of Birth: 1974
Education: University of Southern California, B.S. Business Administration (2001)
Mt. San Antonio College, A.S. Accounting (1999)

Background: CWS Capital Partners, COO and CCO (03/2017 – Present)
CWS Investments, COO & CCO (09/2012-Present)
B.B. Graham & Company, CCO(08/2008-09/2012)
Shopoff Securities, Inc. Senior Compliance Officer (04/2008-8/2008)
Independent Financial Marketing Group, Operations Coordinator (08/2007- 04/2008)
DFC Investor Services, Compliance Officer (05/2006-07/2007)

Use of Professional Designations

Chartered Financial Analyst (CFA). The Chartered Financial Analyst (CFA) designation is a mark of distinction that is globally recognized by employers, investment professionals, and investors as the definitive standard by which to measure serious investment professionals.

Since it was first introduced in 1963, the Chartered Financial Analyst® designation, or CFA charter, has become one of the most respected and recognized investment credential in the world. To earn the CFA charter, you must have four years of qualified investment work experience; you must become a member of CFA Institute (the global association of investment professionals that administers the CFA charter), pledging to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis; you must apply for membership to a local CFA member society; and you must complete the CFA Program.

The CFA Program is a globally recognized, graduate level curriculum that provides you with a strong foundation of the real-world investment analysis and portfolio management skills and practical knowledge you need in today's investment industry. It also emphasizes the highest ethical and professional standards. The Program is organized into three levels, each culminating in a six-hour exam. CFA Program candidates report dedicating in excess of 300 hours of study per level. Completing the entire Program is a significant challenge that takes most candidates between two and five years. For more information, please visit www.cfainstitutue.org.

Item 3. Disciplinary Information

Criminal or Civil Action

There are no disclosure events involving a criminal or civil action in a domestic, foreign, or military court of competent jurisdiction in which CWSCP or its supervisory personnel are currently involved.

Administrative Proceeding (SEC/Federal/State)

There are no disclosure events involving an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which CWSCP or its supervisory personnel are currently involved.

Use of BrokerCheck

If this supplement is delivered electronically, and any supervised person under the firm has a disciplinary history, the details of any disclosure may be found on either the Financial Industry Regulatory Authority's (FINRA) BrokerCheck system (www.finra.org/brokercheck) or the IAPD (www.adviserinfo.sec.gov).

There is no other *proceeding* in which a professional attainment, designation, or license of any of the supervised persons as part of this Brochure Supplement was revoked or suspended because of a violation of rules relating to professional conduct, nor were there any incidents where any of the supervised persons as part of this Brochure Supplement resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding.

Item 4. Other Business Activities

Mr. Sherwood is the CEO of CWS Capital Partners and CWS Apartment Homes, these entities, and/or their affiliates, are also the sole or partial owner, manager, managing member, general partner, asset manager and/or property manager for several other entities (collectively, the "Management Related Entities"), which directly or indirectly may also own investment real estate in the target areas as well as other parts of the United States of America and Canada. Some of the Management Related Entities continue to be active in acquiring properties and making investments. CWS, CWS Apartment Homes and the Principals have ongoing obligations to and interests in the Related Management Entities and the Principals may devote some or a substantial portion of their business time and attention to the Related Management Entities. In addition, the investment goals and objectives of the Funds and the Related Management Entities overlap to some degree. The Managing Member and the Principals generally intend to allocate their time and investment and acquisition (and disposition) opportunities among the Funds and the Related Management Entities in good faith, consistent with their internal policies and practices as they are in place from time to time, and in a manner that is reasonable and appropriate given the purposes and investment focuses of the respective entities, however, the Managing Member and the Principals have the authority to offer and allocate such time and opportunities among the Funds and the Related Management Entities in their sole discretion. The Funds and Subsidiaries shall not have any right to participate or invest in any opportunity, project or investment that the Management Related Entities currently own or in the future may participate or invest in.

Mr. Carmell is the President of CWS Capital Partners and CWS Apartment Homes, these entities, and/or their affiliates, are also the sole or partial owner, manager, managing member, general partner, asset manager and/or property manager for several other entities (collectively, the "Management Related Entities"), which directly or indirectly may also own investment real estate in the target areas as well as other parts of the United States of America and Canada. Some of the Management Related Entities continue to be active in acquiring properties and making investments. CWS, CWS Apartment Homes and the Principals have ongoing obligations to and interests in the Related Management Entities and the Principals may devote some or a substantial portion of their business time and attention to the Related Management Entities. In addition, the investment goals and objectives of the Funds and the Related Management Entities overlap to some degree. The Managing Member and the Principals generally intend to allocate their time and the investment acquisition (and disposition) opportunities among the Funds and the Related Management Entities in good faith, consistent with their internal policies and practices as they are in place from time to time, and in a manner that is reasonable and appropriate given the purposes and investment focuses of the respective entities, however, the Managing Member and the Principals have the authority to offer and allocate such time and opportunities among the Funds and the Related Management Entities in their sole discretion. The Funds and Subsidiaries shall not have any right to participate or invest in any opportunity, project, or investment that the Management Related Entities currently own or in the future may participate or invest in.

Mr. Engels is the Chief Investment Officer of CWS Capital Partners and CWS Apartment Homes, these entities, and/or their affiliates, are also the sole or partial owner, manager, managing member, general partner, asset manager and/or property manager for several other entities (collectively, the "Management Related Entities"), which directly or indirectly may also own investment real estate in the target areas as well as other parts of the United States of America and Canada. Some of the Management Related Entities continue to be active in acquiring properties and making investments. CWS, CWS Apartment Homes and the Principals have ongoing obligations to and interests in the Related Management Entities and the Principals may devote some or a substantial portion of their business time and attention to the Related Management Entities. In addition, the investment goals and objectives of the Funds and the Related Management Entities overlap to some degree. The Managing Member and the Principals generally intend to allocate their time and the investment acquisition (and disposition) opportunities among the Funds and the Related Management Entities in good faith, consistent with their internal policies and practices as they are in place from time to time, and in a manner that is reasonable and appropriate given the purposes and investment focuses of the respective entities, however, the Managing Member and the Principals have the authority to offer and allocate such time and opportunities among the Funds and the Related Management Entities in their sole discretion. The Funds and Subsidiaries shall not have any right to participate or invest in any opportunity, project, or investment that the Management Related Entities currently own or in the future may participate or invest in.

Mr. Brittingham is a Principal, Director of Investments of CWS Capital Partners and CWS Apartment Homes, these entities, and/or their affiliates, are also the sole or partial owner, manager, managing member, general partner, asset manager and/or property manager for several other entities (collectively, the "Management Related Entities"), which directly or indirectly may also own investment real estate in the target areas as well as other parts of the United States of America and Canada. Some of the Management Related Entities continue to be active in acquiring properties and making investments. CWS, CWS Apartment Homes and the Principals have ongoing obligations to and interests in the Related Management Entities and the Principals may devote some or a substantial portion of their business time and attention to the Related Management Entities. In addition, the investment goals and objectives of the Funds and the Related Management Entities overlap to some degree. The Managing Member and the Principals generally intend to allocate their time and the investment acquisition (and disposition) opportunities among the Funds and the Related Management Entities in good faith, consistent with their internal policies and practices as they are in place from time to time, and in a manner that is reasonable and appropriate given the purposes and investment focuses of the respective entities, however, the Managing Member and the Principals have the authority to offer and allocate such time and opportunities among the Funds and the Related Management Entities in their sole discretion. The Funds and Subsidiaries shall not have any right to participate or invest in any opportunity, project, or investment that the Management Related Entities currently own or in the future may participate or invest in.

Mr. Leahy is a Principal, Director of Investments of CWS Capital Partners and CWS Apartment Homes, these entities, and/or their affiliates, are also the sole or partial owner, manager, managing member, general partner, asset manager and/or property manager for several other entities (collectively, the "Management Related Entities"), which directly or indirectly may also own investment real estate in the target areas as well as other parts of the United States of America and Canada. Some of the Management Related Entities continue to be active in acquiring properties and making investments. CWS, CWS Apartment Homes and the Principals have ongoing obligations to and interests in the Related Management Entities and the Principals may devote some or a substantial portion of their business time and attention to the Related Management Entities. In addition, the investment goals and objectives of the Funds and the Related Management Entities overlap to some degree. The Managing Member and the Principals generally intend to allocate their time and the investment acquisition (and disposition) opportunities among the Funds and the Related Management Entities in good faith, consistent with their internal policies and practices as they are in place from time to time, and in a manner that is reasonable and appropriate given the purposes and investment focuses of the respective entities, however, the Managing Member and the Principals have the authority to offer and allocate such time and opportunities among the Funds and the Related Management Entities in their sole discretion. The Funds and Subsidiaries shall not have any right to participate or invest in any opportunity, project, or investment that the Management Related Entities currently own or in the future may participate or invest in.

Mr. Ruggles is the CCO and COO of Investments and is licensed with and employed by both CWS Capital Partners and CWS Investments. Time and services are allocated equally among both entities. Mr. Ruggles does not receive securities sales related commission, incentives, or fees, nor does he earn investment advisory related fees. Mr. Ruggles may own or be awarded equity ownership interests in investments managed by CWS. In CWS' opinion there are no conflicts of interest for CWS Capital Partners' clients.

Item 5. Additional Compensation

None of the supervised persons listed above as part of this Brochure Supplement receive any "economic benefit" as that term is defined (e.g., sales awards and other prizes) from a non-client for providing advisory services.

Item 6. Supervision

Mark Ruggles is the designated Chief Compliance Officer (CCO) of CWSCP responsible for providing supervisory oversight of CWSCP's advisory business. Mr. Ruggles' contact information is (800) 466-0020. All supervision is performed on a regular and continuous basis where all transactional activity is reviewed and approved by Mr. Ruggles as well as a review of ongoing management of CWSCP's advisory business.