



Is An Account Relationship With CWSI Right For You?

I. Introduction

CWS Investments (“CWSI”) is a broker-dealer registered with the Securities and Exchange Commission as well as a Registered Investment Adviser registered with the state of California. CWSI is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

II. What investment services and advice can you provide me?

CWS limits its services to offering (as underwriter and broker dealer) real estate investment products sponsored by our affiliate CWS Capital Partners, (“CWSCP”), providing investment advice related to these products, and providing customer service and support after your initial investment. CWSI differs from other more “traditional” broker dealer firms because we: 1) do not offer account monitoring and discretionary investment services; and 2) do not offer investors the ability to trade or invest in publicly traded stocks, debt securities, financial derivatives, or many other commonly traded financial products. To invest in CWS private real estate offerings, you must meet certain minimum financial and/or net worth requirements that are set forth in the investment’s private placement memorandum (PPM).

We may also work with your existing broker- dealer and /or registered Investment Adviser to offer specific advice concerning your real estate investments and allocations.

Each affiliate issuer of securities has a minimum investment amount that ranges between \$25,000.00 and \$500,000.00. The minimum amount is stated in the Private Placement Memorandum (PPM). For additional information, please see our Form ADV Part 2A, item 4 and 5 for a complete review of services and fees.

Ask your Financial Professional:

- **“Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?”**
- **“How will you choose investments to recommend to me?”**
- **“What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?”**

III. A. What fees will I pay?

CWSI does not charge a transaction-based fee to invest in an affiliated entity. Fees you will pay in relation to real estate investments offered by CWSI Investments will be through the product itself and are set forth in the product’s PPM. These fees are earned by our affiliate entities: CWS Capital Partners, CWS Apartment Homes, and Marquis Development. The types of fees may include:

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|----------------------------|--------------------|---------------------------|
| • Performance Fees | • Acquisition Fees | • Mortgage brokerage Fees |
| • Asset Management Fees | • Disposition Fees | • Development Fees |
| • Property Management Fees | | |

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For additional Information, please see Items 5 and 6 of our Form ADV Part 2A as well as the private placement memorandum for the particular investment you are considering.

Ask your Financial Professional:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

B. What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?"

When we provide you with a recommendation as your broker-dealer or act as your investment adviser (a solicitor to the Strategic Apartment Funds), we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means:

- ❖ Revenue Sharing: CWSI pays for its operations through an expense sharing agreement whereby it earns a fee from CWS Apartment Homes, based on our work performed offering its securities and providing ongoing customer service. In this way, CWS Investments indirectly funds all of its operations through these fees.
- ❖ All our offerings and affiliates are under common control by Steven J. Sherwood
- ❖ We only offer investments of affiliates and receive expense reimbursement through the fees generated by these investments
- ❖ The investments we offer have similar objectives, are managed by the same members and property manager, and, in some instances, may be in close enough proximity and sufficiently alike enough to be in direct competition for residents and business
- ❖ Lack of arms-length negotiations; although the relationships between our affiliates are based on the principle of arm's-length, as a limited partner or LLC member, you are not represented by independent counsel

Ask your Financial Professional:

"How might your conflicts of interest affect me, and how will you address them?"

C. How do your financial professionals make money?

CWSI 's employees are also employees of CWS Apartment Homes. Therefore, CWSI financial professionals earn a salary through an expense sharing agreement with CWS Apartment Homes. Their compensation is based on experience, tenure, skills, licensure / education, and current market conditions as determined by our human resources department. Employees may receive a bonus or award of securities offered by CWS Investment based on the CWS Capital Partners and the employee's overall annual performance. Some of the registered persons offering your securities participate in one or all of these bonuses or award programs. Some of the registered people may also earn a referral fee based on the amount you invested.

IV. Do you or your financial professionals have legal or disciplinary history?

CWS Investments and CWS Capital Partners as firms - Yes.

Financial Professionals - Yes.

Visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Ask your Financial Professional:

"As a financial professional, do you have any disciplinary history? For what type of conduct?"

V. Additional Information

For additional information about our services, please request a copy of our most recent brochure or Form CRS from investor relations at: 800.466.0020 or InvestorRelations@cwscapital.com.

Ask your Financial Professional:

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?