

## A LEVEL OF INVESTMENT VALUE TRANSPARENCY



- Generally provide **monthly NAV information** which gives investors some insight into investment value.

## OPPORTUNITIES FOR LIQUIDITY



- Monthly redemptions with a limit generally equal to **2% of NAV monthly/5% of NAV quarterly (up to 20% of NAV annually)** and no limit on the source of funds used to repurchase shares.<sup>1</sup>
- **No discount on repurchase price after the first year** of investment.

## A CONTINUOUS LIFECYCLE



- Often a **perpetual life structure with ongoing capital raise and acquisition and disposition activity** where liquidity for stockholders is provided through a robust share repurchase program rather than a liquidity event at the end of the lifecycle of the program.

## ALIGNMENT OF INTERESTS

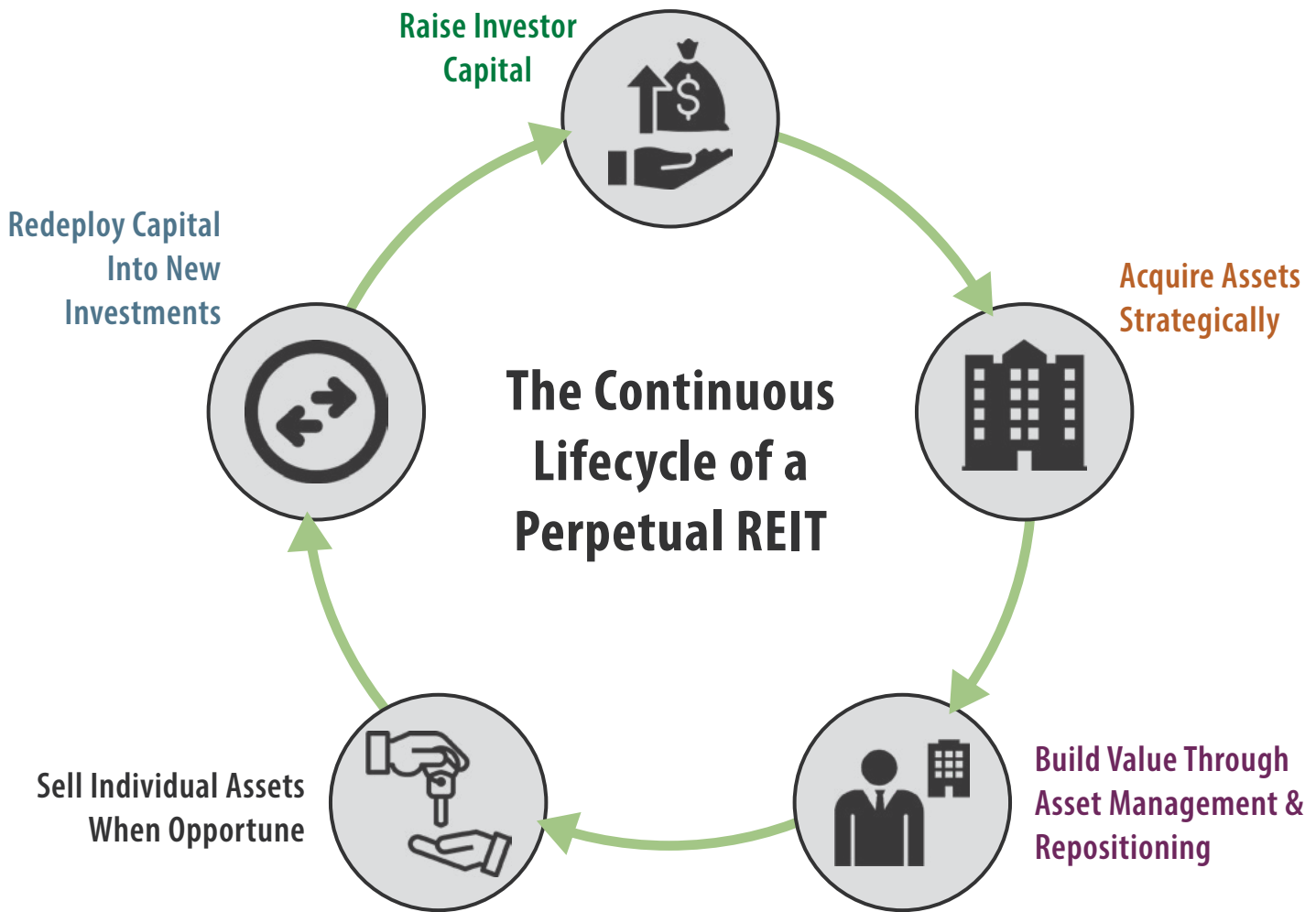


- **Upfront selling commissions reduced or eliminated and deferred selling commissions paid over time** to help mitigate the dilution of investor capital being invested.
- Ongoing **management fees based on fund NAV and performance fee determined and paid annually based on total return** (distributions plus change in NAV) during the period.

FOR ILLUSTRATIVE PURPOSES ONLY. THIS MATERIAL IS INTENDED TO DISCUSS GENERAL TRENDS REGARDING THE FEATURES OF NON-TRADED REITS AND DOES NOT CHARACTERIZE ALL NON-TRADED REITS.

<sup>1</sup>) Redemptions are not guaranteed and the repurchase program may be amended or suspended at any time. **Shares should be considered as having only limited liquidity and at times may be illiquid.** As of May 31, 2023, Cottonwood Communities, Inc. ("CWREIT") has not reached its redemption limits in any given month or quarter and has therefore not limited redemption requests from investors.

This is neither an offer to sell nor a solicitation of an offer to buy the securities described in the [CWREIT prospectus](#), as amended and supplemented (the "Prospectus"). The offering is made only by the Prospectus and this material must be preceded or accompanied by the Prospectus. Neither the Securities and Exchange Commission nor any other state securities regulator has approved or disapproved of the securities or determined if the Prospectus is truthful or complete. In addition, the Attorney General of the State of New York has not passed on or endorsed the merits of the offering. Any representation to the contrary is unlawful. **Securities offered through Orchard Securities, LLC, a member of FINRA and SIPC. CW Markets Group is a Branch Office of Orchard Securities, LLC.**



### SUMMARY OF RISK FACTORS

- An investment in our shares is speculative, illiquid and involves a high degree of risk and there is no guarantee that investors will receive any return or that they will not lose their entire investment.
- No public market exists for our shares. A stockholders' ability to dispose of their shares will likely be limited to repurchase by us.
- Our share repurchase program is subject to restrictions and our board of directors may modify or suspend our share repurchase program at any time.
- Purchases and repurchases of shares of our common stock are made based on the most recently disclosed NAV per share at such time, NAV does not currently represent our enterprise value and may not accurately reflect the actual prices at which our assets could be liquidated on any given day, the value a third party would pay for all or substantially all of our shares, or the price that our shares would trade at on a national stock exchange.
- Our board of directors may amend our NAV procedures from time to time.
- Distributions are not guaranteed and have in the past and may in the future be funded with offering proceeds, and we have no limit on the amounts we may pay from such sources.
- We depend on our advisor to select investments and to manage our business.
- We pay substantial compensation to our advisor and its affiliates, which increases the risk that our stockholders will not earn a profit on their investment.
- Certain of our officers and our directors are also officers and directors of our sponsor, advisor and their affiliates and, as a result, are subject to conflicts of interest, including conflicts arising from time constraints and the fact that the fees our advisor receives for services rendered to us are based on our NAV, which our advisor is responsible for determining.
- Stockholders' interest in us will be diluted if we issue additional shares.
- Stockholders' interest in our assets will also be diluted if our operating partnership issues additional units.
- There are restrictions on the ownership and transferability of our shares of common stock.
- If we fail to qualify as a real estate investment trust and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease.
- We will be subject to risks generally associated with the development and operation of real estate including, but not limited to, economic risks, legislative risks, tax risks, environmental risks, financing risks, liquidity risks and lack of diversification.
- The outbreak of widespread contagious disease, such as the novel coronavirus, COVID-19, could adversely impact our operations and the value of our investments.
- Inflation and its adverse consequences on our operations.