

cottonwood
COMMUNITIES

invest with **AN EXPERIENCED PARTNER**

STRATEGIC MULTIFAMILY INVESTMENT OPPORTUNITIES

AVAILABLE FOR USE IN OHIO.

The property pictured is for illustrative purposes and while managed by an affiliate, is not owned by Cottonwood Communities (the "REIT"). It is, however, representative of the type of asset the REIT intends to acquire.

This is neither an offer to sell nor a solicitation of an offer to buy the securities described in the Cottonwood Communities prospectus, as amended and supplement (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.

Understanding the Investment Risks

An investment in shares of our common stock involves significant risks, including (but not limited to) those described below.

- We have no operating history. There is no assurance that we will be able to successfully achieve our investment objectives.
- Our charter does not require our directors to provide our shareholders with a liquidity event by a specified date or at all. Our shares cannot be readily sold and it will be difficult for you to sell your shares. If you are able to sell your shares, you will likely sell them at a substantial discount.
- There are restrictions and limitations on your ability to have all or any portion of your shares of our common stock repurchased under our share repurchase program and, if you are able to have your shares repurchased, it may be at a price that is less than the price you paid for the shares or the value of the shares at such time.
- The amount of distributions we may make is uncertain. Our distributions may be paid from sources such as borrowings, offering proceeds, advances or the deferral of fees and expense reimbursements (which may constitute a return of capital). We have not established a limit on the amount of proceeds from our offering that we may use to fund distributions. Distributions from sources other than our cash flow from operations would reduce the funds available to us for investments in multifamily apartment communities and multifamily real estate-related assets, which could reduce your overall return. During the early stages of our operations, it is likely that we will use sources of funds which may constitute a return of capital to fund distributions.
- Our officers and certain of our initial directors are also officers and directors of Cottonwood Residential, Inc. and its affiliates. As a result, our officers and initial directors will be subject to conflicts of interest.
- We have not established the offering price on an independent basis and it bears no relationship to the value of our assets.
- You will not have the opportunity to evaluate our investments prior to purchasing shares of our common stock.
- Our ability to raise money and achieve our investment objectives depends on the ability of the dealer manager to successfully market our offering. If we raise substantially less than the maximum offering amount, we may not be able to invest in a diverse portfolio of assets and the value of your investment may vary more widely with the performance of certain investments.
- We will pay certain fees and expenses to our advisor and its affiliates. These fees were not negotiated at arm's length and therefore may be higher than fees payable to unaffiliated third parties.
- Development projects in which we invest will be subject to potential development and construction delays which will result in increases costs and risks and may hinder our operating results and ability to make distributions.
- We may incur significant debt in certain circumstances. Our use of leverage increases the risk of your investment. Loans we obtain may be collateralized by some or all of our investments, which will put those investments at risk of forfeiture if we are unable to pay our debts. Principal and interest payments on these loans reduce the amount of money that would otherwise be available for other purposes.
- Volatility in the debt markets could affect our ability to obtain financing for investments or other activities related to real estate assets and the diversification or value of our portfolio, potentially reducing cash available for distribution to our shareholders or our ability to make investments. In addition, if any of the loans we obtain have variable interest rates, volatility in the debt markets could negatively impact such loans.
- If we fail to continue to qualify as a REIT, it would adversely affect our operations and our ability to make distributions to our shareholders because we will be subject to United States federal income tax at regular corporate rates with no ability to deduct distributions made to our shareholders.



Why Invest with Cottonwood?



Cottonwood Residential, (“Cottonwood”) the sponsor of Cottonwood Communities, Inc. (the “REIT”), is a fully integrated real estate company focused exclusively on the multifamily asset class.

Since 2004, Cottonwood has grown into an industry-leading, national multifamily platform.

With significant experience in multifamily acquisitions, ownership and structured investments, led by an executive management team with over 100 years of combined industry related experience, we believe our expertise as dedicated owners and operators may provide enhanced risk-adjusted return opportunities.

\$2 Billion
in AUM (approx.) including

Assets owned by four Cottonwood-sponsored real estate investment programs

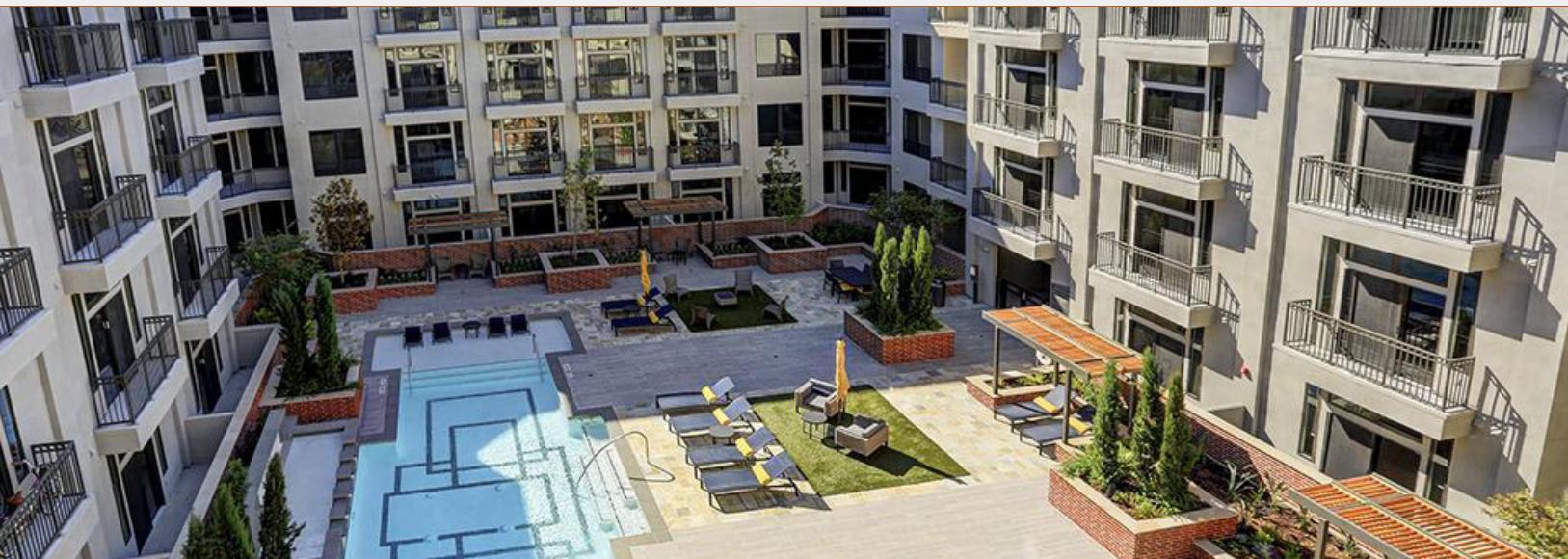


...as well as third-party managed assets

Our priority is on the performance of your investments.

100%¹

...of the offering proceeds will be available for investment from day one because the advisor pays all selling commissions, dealer manager fees and offering expenses without reimbursement.



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1) Cottonwood Communities Management, LLC will be responsible for paying the selling commissions (up to 6% of share purchase price), dealer manager fee (3% of the gross offering proceeds), and organizational and offering expenses (estimated at 4% of the gross proceeds from the offering if we raise the minimum offering amount and 1% of the gross proceeds from the offering if we raise the maximum offering amount). A portion of the dealer manager fee will be allocated to wholesalers that are internal to Cottonwood. It should be noted that Cottonwood Communities Investor, LLC, the sole limited partner of the REIT's operating partnership will receive a promotional interest equal to 15% of net income and cash distributions, but only after investors receive, in the aggregate, cumulative distributions sufficient to provide a return of our capital, plus a 6% cumulative, non-compounded annual return on their aggregate invested capital. This, and other fees and expenses that may apply (including acquisition expense reimbursement, independent director compensation and other operating expenses) are described in detail in the prospectus.

The Multifamily Opportunity

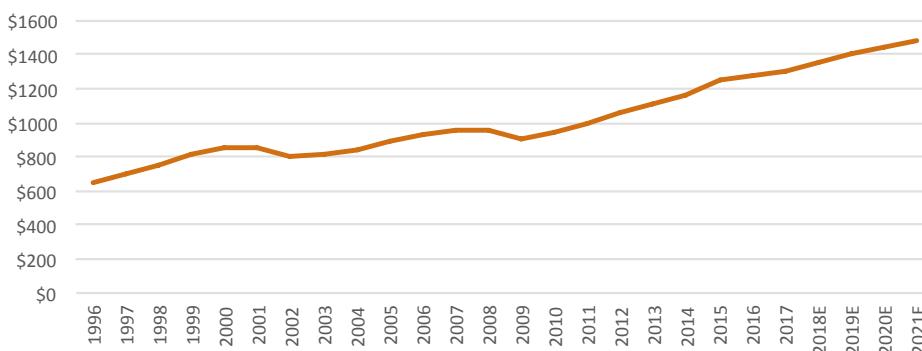


We believe that current market dynamics and underlying fundamentals suggest the positive trends in U.S. multifamily housing will continue. Steady job growth, low unemployment, increased rentership rates, increasing household formation and aligned demographics provide the backdrop for strong renter demand.

A COMPELLING LONG-TERM INVESTMENT

Regardless of macroeconomic conditions, people still need a place to live. Many households choose to rent given maintenance costs and other burdens associated with homeownership. In addition, the ability to vary location and the lease terms associated with renting provides flexibility that appeals to many households, particularly those in younger groups who prioritize mobility.

NATIONAL EFFECTIVE RENTS¹



For illustrative purposes only. Past performance is not indicative of future results.

There has been attractive growth in multifamily rents over the past 20 years, and the future outlook continues to be favorable.

THE MILLENNIAL FACTOR

The next wave in residential growth is expected over the next ten years as the millennial or echo-boom generation (generally those born between 1980 and 2000) enter into adulthood, cultivate their skills in the work force and obtain their own housing for the first time. Having said this, millennials are noted to have less of an interest in home ownership and a higher propensity to rent for some of the following reasons:



Increased levels of student loan debt



Delay in major life decisions such as marriage & children



General preference for a flexible lifestyle



Tight credit standards in the single-family home mortgage market

According to United States Census Bureau data, individuals under the age of 35 have the highest rentership rate with

64%²

renting rather than owning their homes



¹) Based on data from AxioMetrics. Represents effective rent growth from 1996 through 2017 and projected effective rent growth from 2018 through 2022. All graphs and calculations were created by the sponsor based on the referenced data.

²) Data as of second quarter 2018. Census Bureau, Table 19. Quarterly Homeownership Rates by Age of Householder which can be found at: <https://www.census.gov/housing/hvs/data/histabs.html>.

Our Strategy



We intend to invest in multifamily apartment communities and multifamily real estate-related assets located throughout the United States. Our strategy is based on a philosophy that location, investment time horizon, asset-specific attributes and appropriate leverage are fundamental drivers of long-term value creation in real estate. With that in mind, we will consider the following when targeting properties for the REIT:



LOCAL INDUSTRY PROFILE

Certain employment sectors are better positioned for high earnings potential



FAVORABLE DEMOGRAPHICS

High concentration of skilled labor and above average income



INFILL LOCATIONS

Generally exhibit high barriers to entry and may be undergoing favorable redevelopment



ACCESSIBILITY

Close proximity to transportation, dining, entertainment, retail venues and schools



UNIQUE OPPORTUNITIES

Utilizing our ability to identify market dislocation or mispriced assets



65% Target Stabilized¹

- ✓ **income producing**
- ✓ **stabilized rents**
- ✓ **stabilized occupancy levels**

35% Target Growth¹

- ✓ **preferred equity investments**
- ✓ **mezzanine loans**
- ✓ **equity investments in property/land**
(to be developed into a multifamily apartment community)

TARGETING ATTRACTIVE METROPOLITAN MARKETS

We're focused on key multifamily demand drivers including significant population growth, flourishing employment centers and strong renter demographics. While we do not expect to pinpoint specific geographic allocations for the portfolio, we believe that significant potential exists in certain secondary markets. These secondary markets are generally mid-sized metropolitan cities that are experiencing an uptick in growth and as a result, have begun to gain popularity and capture people's attention.

EXAMPLES OF SECONDARY MARKETS²

Orlando, FL

Miami, FL

Atlanta, GA

Dallas, TX

Portland, OR

Houston, TX

Austin, TX

Nashville, TN

Phoenix, AZ

Denver, CO

Salt Lake City, UT

Tampa, FL

Charlotte, NC

Raleigh-Durham, NC

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1) It should be noted that figures represent what we seek as an investment allocation. Actual results may vary. Additionally, we do not expect to be able to achieve the balance of these allocations until we have raised substantial proceeds in this offering. Prior to that time, we will balance the goal of achieving our portfolio allocation targets with the goal of carefully evaluating and selecting investment opportunities to maximize risk-adjusted returns. **2)** The list of cities includes some but not necessarily all secondary market cities in the U.S. and may not necessarily be representative of the areas in which the REIT, chooses to invest based on changing market conditions, among other variables.

Cottonwood Communities, Inc. Overview



OUR INVESTMENT OBJECTIVES¹ ARE TO:

- Preserve, protect and return invested capital;
- Pay stable cash distributions to shareholders;
- Realize capital appreciation in the value of our investments over the long term; and
- Provide a real estate investment alternative with lower expected volatility relative to public real estate companies whose securities trade daily on a stock exchange

OFFERING SUMMARY

Offering Size²	\$750,000,000
Share Price	\$10.00
Annualized Distribution Rate⁵	5.00%
Minimum Investment	\$5,000
Share Repurchase³	Our share repurchase program may provide an opportunity for our shareholders to have their shares of our common stock repurchased by us (generally after the first anniversary date of purchase with the exception of death or complete disability), subject to certain restrictions and limitations as set forth in the prospectus.
Suitability⁴	Subject to the special suitability standards imposed by certain states, suitability standards generally require that an investor have either: i) a minimum net worth of \$250,000, or ii) a minimum net worth of at least \$70,000 and a minimum annual gross salary of at least \$70,000. For purposes of determining the suitability of an investor, net worth in all cases should be calculated excluding the value of an investor's home, home furnishings and automobiles.
Distribution Reinvestment Plan (DRP)	Upon commencement of distributions ⁵ , shareholders have the option to opt for their distributions to be reinvested through the purchase of additional shares at net asset value or NAV (up to an aggregate of \$75,000,000 of shares).
Tax Reporting	1099-DIV
Audited Financials	KPMG LLP

1) There is no guarantee that these investment objectives will be met. **2)** Includes \$675,000,000 of shares of common stock in the primary offering plus \$75,000,000 of shares pursuant to our distribution reinvestment plan. **3)** In addition to the restrictions and limitations set forth in the prospectus, the board of directors may amend, suspend or terminate the share repurchase program for any reason upon 15 days' notice to our shareholders. **4)** The following states have additional suitability standards: AL, CA, ID, IA, KS, KY, ME, MA, MO, NE, NJ, NM, ND, OH, OR, PA, TN and VT. Please consult the prospectus for additional information regarding these suitability standards. **5)** Distributions are not guaranteed and are subject to change at the discretion of the Board. The current rate shown reflects the current month's cumulative distribution rate when annualized. Cottonwood Communities (a) has been paying and may continue to pay distributions from sources other than cash flow from operations, such as offering proceeds, borrowings and cash resulting from a waiver or deferral of fees, which reduces the funds available for acquisitions and may reduce overall returns, (b) may use unlimited amounts of sources other than cash flow from operations to pay distribution payments and (c) has paid distributions in excess of earnings. Distributions for the quarter ended March 31, 2019 and the quarter ended June 30, 2019 were fully funded with offering proceeds.

CONTACT US TO LEARN MORE

855.816.9112

info@cwmarketsgrp.com

www.cottonwoodcommunities.com

A copy of the most recent version of the Cottonwood Communities Prospectus may be obtained at:

www.cottonwoodcommunities.com
or by requesting a copy from:
Janean Baxter
Orchard Securities, LLC
365 Garden Grove Lane, Suite 100
Pleasant Grove, Utah 84062
801.316.4235 / ppm@orchardsecurities.com

