

SUPPLEMENT NO. 1
to the
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
FOR
OFFERING OF CLASS A UNITS
OF CARTER MULTIFAMILY GROWTH & INCOME FUND III, LLC
a Delaware limited liability company



Dated March [___], 2022

This Supplement No. 1 (this “**Supplement**”) has been prepared by Carter Multifamily Growth & Income Fund III, LLC, a Delaware limited liability company (“we,” “us,” “our,” the “Fund,” “Fund III”, or the “Company”), to supplement and to provide certain changes to information in its Confidential Private Placement Memorandum for Offering of Class A Units, effective November 16, 2021 (the “**Memorandum**”). This Supplement should be reviewed only in connection with a review of the Memorandum. Any capitalized term in this Supplement not defined herein shall have the meaning set forth in the Memorandum. This Supplement reflects, (i) the subordination of the asset management fee payable to our advisor in favor of the current target 6% distributions to the Class A unitholders, (ii) the subordination of the disposition fee payable to our advisor in favor of distributing \$1,000 to our unitholders, (iii) the early investment incentive for unitholders investing the first \$25,000,000 into the Fund, (iv) the institutional and large individual investor discount, and (v) an increase in the annual compensation payable to our directors in an amount equal to \$8,000 per director to be paid in Class I Units.

Subordination of Asset Management Fee

On March __, 2022, we revised the Advisory Agreement to reflect that our advisor agreed to subordinate payment of all or a portion of the quarterly asset management fee subject to full payment of unitholders target 6% distributions.

The section entitled “Executive Summary—Distributions to Unitholders and the Advisor’s Carried Interest:” on page 2 of the Memorandum, is amended and modified to read, “Distributions to Unitholders, and the Payment of the Advisor’s Asset Management Fee and Carried Interest:”, a new sub-clause thereunder is inserted between (i) and (ii) as follows, and the old sub-clauses (ii), (iii), and (iv) are changed to (iii), (iv), and (v), respectively:

- (ii) Payment to our advisor up to the unpaid portion of its accrued Asset Management Fees described in the Management Compensation section.

The following information supersedes and replaces in its entirety the section entitled “Management Compensation—Operational Stage—Asset Management Fees” on page 34 of the Memorandum:

Asset Management Fees	We will pay our advisor a quarterly asset management fee in connection with the management of our assets in an amount equal to ¼ of 0.75% of our average invested assets, which is payable quarterly in arrears and is subordinated to the receipt by unitholders of the current target 6% distributions with respect to their Target Common Return Account.	Actual amounts depend on the amount of assets acquired.
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Subordination of Disposition Fee

On March __, 2022, we revised the Advisory Agreement to reflect that our advisor agreed to subordinate payment of all or a portion of the disposition fee subject to unitholders receiving cumulative distributions totaling \$1,000 per unit. The following information supersedes and replaces in its entirety the section entitled “Management Compensation – Liquidity Stage—Disposition Fee” on page 35 of the Memorandum:

Disposition Fee	We will pay to our advisor a disposition fee equal to 1.0% of the total consideration we receive for the sale of a property or other permitted investment, with payment of the disposition fee subordinate to unitholders receiving cumulative distributions totaling \$1,000 per unit.	Not determinable at this time.
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Early Investment Incentive

On March __, 2022, our board of directors approved an early investor incentive for the first \$25,000,000 of investors accepted into the Fund, including existing investors, equal to a 2.0% increase in unitholders targeted preferred return during the first 12 months the units are held.

The following information supersedes and replaces in its entirety sub-clause (iv), as renumbered above, in the section entitled, “Executive Summary—Distributions to Unitholders, and the Payment of the Advisor’s Asset Management Fee and Carried Interest:”, (as retitled above) on page 2 of the Memorandum:

- (iv) A total of 8% annualized cumulative non-compounded return to unitholders, including the 6% target distribution in (i) above, i.e., an additional 2%, plus after this amount is paid, the early investor incentive to qualifying unitholders (the targeted preferred return).

The following information amends or supplements the section of the Memorandum entitled, Description of Our Securities—Distribution Policy and Distributions.”

The definition of “Accrued Common Return Account” shall be deleted and replaced with the following:

“Accrued Common Return Account” means an account maintained for each unitholder equal to (a) a cumulative non-compounding return equal to 8% per annum on each unitholder’s Capital Contribution Account Balance plus for qualifying investors, the Early Investment Incentive (as defined below), less (b) the aggregate distributions made to such unitholders pursuant to clauses (1) and (2) above.

The definition of “Early Investment Incentive” shall be added as follows:

“Early Investment Incentive” means, with respect to those unitholders investing the first \$25,000,000 into the Fund, including existing investors, an additional 2% non-compounded annual return on each unitholder’s Capital Contribution Account Balance during the first 12 months the units are held.

Institutional and Large Individual Investor Discount

On March ____, 2022, our board of directors approved the Institutional and Large Individual Investor Discount (“Large Investor Discount”), which, for any investor that purchases Units in any combination that equals or exceeds \$3,000,000, such investor will receive a five percent (5%) discount to the offering price on the purchase of such Units.

The following information supersedes and replaces in its entirety the row in the section entitled, “Executive Summary—Unit Price:”, on page 1 of the Memorandum:

Unit Price: \$1,000.00 per Class A Unit.

Large Investor Discount: We will offer the units to investors at a five percent (5%) discount to the offering price of each unit to such investors that purchase units that equals or exceeds \$3,000,000.

The following information amends or supplements the section of the Memorandum entitled, Description of Our Securities.”

A new subsection entitled, “Large Investor Discount” shall be added as follows:

Large Investor Discount

Any investor that purchases units of the Company that, in any combination and regardless of distribution channel, equals or exceeds \$3,000,000 will receive a five percent (5%) discount to the offering price of each such unit purchased.

Increase in Director Compensation

The following information supplements, and should be read in conjunction with, the sub-section of the Memorandum entitled “Management – Compensation of Our Directors.”

The Fund has increased the annual compensation of its directors by \$8,000 paid in Class I Units, effective as of January 1, 2022.

[End of Supplement]

SUPPLEMENT NO. 2
to the
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
FOR
OFFERING OF CLASS A UNITS
OF CARTER MULTIFAMILY GROWTH & INCOME FUND III, LLC
a Delaware limited liability company



Dated April 5, 2022

This Supplement No. 2 (this “**Supplement**”) has been prepared by Carter Multifamily Growth & Income Fund III, LLC, a Delaware limited liability company (“we,” “us,” “our,” the “Fund,” or the “Company”), to supplement and to provide certain changes to information in its Confidential Private Placement Memorandum for Offering of Class A Units, effective November 16, 2021 (the “**Memorandum**”), and Supplement No. 1 to the Memorandum, dated March 9, 2022 (“**Supplement No. 1**”). This Supplement should be reviewed only in connection with a review of the Memorandum and Supplement No. 1. Any capitalized term in this Supplement not defined herein shall have the meaning set forth in the Memorandum or Supplement No. 1, as the case may be. This Supplement reflects, (i) the acquisition of five (5) properties by the Fund, (ii) the bridge equity offering by the Fund’s subsidiary, CMF III Gates Portfolio, LLC, and (iii) a supplement to the subsection, “Fund I Prior Performance”.

Acquisition and Financing of Properties.

The following information supplements, and should be read in conjunction with, the section of the Memorandum entitled “Investment Policies.”

On March 1, 2022 and March 31, 2022, CMF III Gates Portfolio, LLC, a subsidiary of our REIT Subsidiary, CMF West & Central US III, LLC, caused its wholly-owned subsidiaries to acquire, from unrelated third-parties, the following five (5) properties: (i) the 224-unit garden-style multifamily property known as “Adrian on Riverside,” (ii) the 184-unit garden-style multifamily property known as “Arbor Gates,” (iii) the 248-unit garden-style multifamily property known as “Ashley Gates,” (iv) the 228-unit garden-style multifamily property known as “Lenox Gates,” and (v) the 216-unit garden-style multifamily property known as “Regency Gates.”

The following table summarizes the five acquisitions:

Property Description ⁽¹⁾	Date Acquired	Year Constructed	Contract Purchase Price ⁽²⁾	Real Estate Taxes ⁽³⁾	Number of Units	Average Monthly Rent Per Unit ⁽⁴⁾	Occupancy Rate ⁽⁵⁾	Location	MSA
Adrian on Riverside	March 1, 2022	2003/2009	\$43,100,000	\$293,414	224	\$1,228	96.1%	Macon, GA	Macon MSA
Arbor Gates	March 31, 2022	1992	\$26,200,000	\$119,971	184	\$971	89.7%	Fairhope, AL	Fairhope-Daphne-Foley MSA
Ashely Gates	March 31, 2022	1999	\$39,500,000	\$189,959	248	\$1,011	97%	Daphne, AL	Mobile MSA
Lenox Gates	March 31, 2022	1993	\$29,000,000	\$210,880	228	\$876	90.9%	Mobile, AL	Mobile MSA
Regency Gates	March 31, 2022	1996	\$26,300,000	\$161,745	216	\$875	92.9%	Mobile, AL	Mobile MSA

(1) We believe the properties are suitable for their present and intended purposes and adequately covered by insurance.

(2) Contract purchase price excludes acquisition fees and costs.

(3) Represents 2021 real estate taxes.

(4) Average monthly rent per unit is based upon the February 2022 effective gross rental income.

(5) Occupancy is for January 2022.

Value Enhancement

Fund currently intends to make the following improvements and renovations to the properties consistent with our value-add strategy described under the section entitled “Investment Policies” beginning on page 15 of the Memorandum: (i) “Adrian on Riverside” property of approximately \$2.844 million, or \$12,698 per unit, (ii) “Arbor Gates” property of approximately \$3.864 million, or \$21,000 per unit, (iii) “Ashley Gates” property of approximately \$4.947 million, or \$19,950 per unit, (iv) “Lenox Gates” property of approximately \$4.548 million, or \$19,950 per unit, and (v) “Regency Gates” property of approximately \$4.309 million, or \$19,950 per unit.

Financing

CMF III Gates Portfolio, LLC, a lower tier subsidiary of the Fund, caused its lower tier, wholly-owned subsidiaries, to secure bridge financing loans in the aggregate principal amount of \$116,515,000, from an unaffiliated third-party lender to finance the properties, the primary terms of which provide a loan term of 5 years, accruing interest at the greater of (i) the SOFR plus 225 basis points or (ii) 230 basis points, with payments of interest only.

Bridge Equity Offering.

CMF III Gates Portfolio, LLC, a lower tier subsidiary of the Fund and bridge investment vehicle, raised an aggregate amount of \$64,113,000 of bridge equity (the “**Bridge Offering**”) to facilitate the acquisition of the multifamily properties. The Bridge Offering was conducted in two separate tranches – the first tranche, which closed on February 25, 2022 and totaled \$22,608,000, was used to acquire the property “Adrian on Riverside,” and the second tranche, which closed on March 31, 2022 and totaled \$41,505,000, was used to acquire the remaining properties: “Arbor Gates,” “Ashely Gates,” “Lenox Gates,” and “Regency Gates.”

Fund I Prior Performance Information

The following information supplements the subsection entitled, “Fund I Prior Performance” of Exhibit I on page 95 of the Memorandum and should be inserted after the first paragraph:

The following table summarizes Fund I’s performance. While our sponsor and its affiliates were able to generate attractive returns in Fund I, Prospective investors should not assume that an investment in this Fund will generate returns comparable to the returns generated by Fund I. While our manager and sponsor believe the Fund will be able to benefit from the past experience and knowledge of its principals, there is no assurance this Fund will achieve comparable returns. Accordingly, the information below should not be construed as a representation of any return or results that may be achieved in the future by the Fund.

Fund I Prior Performance

Status	Liquidated
Launch date	02/26/2018
Closed date to new investors	03/01/2020
Exit date (last property sale)	11/03/2021
Fund life (years)	3.7
No. of properties	22
No. of units	4,200
Total equity raised	\$152.4M
Total fund size (contract purchase price)	\$400.4M
Total renovations	\$44.4M
Total fund exit price	\$568.9M
Average annual real estate return to the Fund (includes all renovation expenditures, all acquisition and disposition fees and other expenses)	29%
Average years investor hold period (years)	2.5
Average annual return to investors (Class A)	14.8%
Average total return to investors (Class A)	37.3%

The following information clarifies footnote 4 to the Fund I Property Prior Performance table on page 96 in Exhibit I of the Memorandum:

Footnote 4 is amended to read:

(4) Real estate returns consider all renovation capital expenditures, all acquisition and disposition fees and other expenses associated with the purchase and sale of a property, reflects the annualized non compounding returns to the fund, not to investors, and are based on estimated final closeouts.

[End of Supplement]

SUPPLEMENT NO. 3
to the
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
FOR
OFFERING OF CLASS A UNITS
OF CARTER MULTIFAMILY GROWTH & INCOME FUND III, LLC
a Delaware limited liability company



Dated April 22, 2022

This Supplement No. 3 (this “**Supplement**”) has been prepared by Carter Multifamily Growth & Income Fund III, LLC, a Delaware limited liability company (“we,” “us,” “our,” the “Fund,” or the “Company”), to supplement and to provide certain changes to information in its Confidential Private Placement Memorandum for Offering of Class A Units, effective November 16, 2021 (the “**Memorandum**”), Supplement No. 1 to the Memorandum, dated March 9, 2022 (“**Supplement No. 1**”), and Supplement No. 2 to the Memorandum, dated April 5, 2022 (“**Supplement No. 2**”). This Supplement should be reviewed only in connection with a review of the Memorandum, Supplement No. 1, and Supplement No. 2. Any capitalized term in this Supplement not defined herein shall have the meaning set forth in the Memorandum, Supplement No. 1, or Supplement No. 2, as the case may be. This Supplement reflects the Fund’s approval to allow investing unitholders to participate in the Early Investment Incentive until May 31, 2022 and the removal of the \$25,000,000 limit pertaining to the Early Investment Incentive.

Extension of Early Investment Incentive.

Effective as of April 18, 2022, our board of directors approved an amendment to the “Early Investment Incentive,” allowing unitholders to participate in the Early Investment Incentive until May 31, 2022 and authorized the removal of the \$25,000,000 limit.

The following information amends and supplements the section of the Memorandum entitled, Description of Our Securities—Distribution Policy and Distributions.”

The Early Investment Incentive will remain open to unitholders investing in the Fund until the close of day on May 31, 2022 (which the Fund reserves the right to extend or modify in its sole and absolute discretion) and the \$25,000,000 limit applicable to the Early Investment Incentive has been removed. All references to the Early Investment Incentive means, with respect to unitholders investing in our units on or prior to May 31, 2022, including existing unitholders, an additional 2% non-compounded annual return on each unitholder’s Capital Contribution Account Balance during the first 12 months the units are held.

SUPPLEMENT NO. 4
to the
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
FOR
OFFERING OF CLASS A UNITS
OF CARTER MULTIFAMILY GROWTH & INCOME FUND III, LLC
a Delaware limited liability company



Dated May 27, 2022

This Supplement No. 4 (this “**Supplement**”) has been prepared by Carter Multifamily Growth & Income Fund III, LLC, a Delaware limited liability company (“we,” “us,” “our,” the “Fund,” or the “Company”), to supplement and to provide certain changes to information in its Confidential Private Placement Memorandum for Offering of Class A Units, effective November 16, 2021 (the “**Memorandum**”), Supplement No. 1 to the Memorandum, dated March 9, 2022 (“**Supplement No. 1**”), Supplement No. 2 to the Memorandum, dated April 5, 2022 (“**Supplement No. 2**”), and Supplement No. 3 to the Memorandum, dated April 22, 2022 (“**Supplement No. 3**”). This Supplement should be reviewed only in connection with a review of the Memorandum, Supplement No. 1, Supplement No. 2, and Supplement No. 3. Any capitalized term in this Supplement not defined herein shall have the meaning set forth in the Memorandum, Supplement No. 1, Supplement No. 2, or Supplement No. 3, as the case may be. This Supplement reflects the Fund’s approval to allow investing unitholders to participate in the Early Investment Incentive until July 15, 2022.

Extension of Early Investment Incentive.

Effective as of May 26, 2022, our board of directors approved an amendment to the “Early Investment Incentive,” allowing unitholders to participate in the Early Investment Incentive until July 15, 2022.

The following information amends and supplements the section of the Memorandum entitled, Description of Our Securities—Distribution Policy and Distributions.”

The Early Investment Incentive will remain open to unitholders investing in the Fund until the close of day on July 15, 2022 (which the Fund reserves the right to extend or modify in its sole and absolute discretion). All references to the Early Investment Incentive means, with respect to unitholders investing in our units on or prior to July 15, 2022, including existing unitholders, an additional 2% non-compounded annual return on each unitholder’s Capital Contribution Account Balance during the first 12 months the units are held.

SUPPLEMENT NO. 5
to the
CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM
FOR
OFFERING OF CLASS I UNITS
OF CARTER MULTIFAMILY GROWTH & INCOME FUND III, LLC
a Delaware limited liability company



Dated May 27, 2022

This Supplement No. 5 (this “**Supplement**”) has been prepared by Carter Multifamily Growth & Income Fund III, LLC, a Delaware limited liability company (“we,” “us,” “our,” the “Fund,” or the “Company”), to supplement and to provide certain changes to information in its Confidential Private Placement Memorandum for Offering of Class I Units, effective November 16, 2021 (the “**Memorandum**”), Supplement No. 1 to the Memorandum, dated December 8, 2021 (“**Supplement No. 1**”), Supplement No. 2 to the Memorandum, dated March 9, 2022 (“**Supplement No. 2**”), Supplement No. 3 to the Memorandum, dated April 5, 2022 (“**Supplement No. 3**”), and Supplement No. 4 to the Memorandum, dated April 22, 2022 (“**Supplement No. 4**”). This Supplement should be reviewed only in connection with a review of the Memorandum, Supplement No. 1, Supplement No. 2, Supplement No. 3, and Supplement No. 4. Any capitalized term in this Supplement not defined herein shall have the meaning set forth in the Memorandum, Supplement No. 1, Supplement No. 2, Supplement No. 3, or Supplement No. 4, as the case may be. This Supplement reflects the Fund’s approval to allow investing unitholders to participate in the Early Investment Incentive until July 15, 2022.

Extension of Early Investment Incentive.

Effective as of May 26, 2022, our board of directors approved an amendment to the “Early Investment Incentive,” allowing unitholders to participate in the Early Investment Incentive until July 15, 2022.

The following information amends and supplements the section of the Memorandum entitled, “Description of Our Securities—Distribution Policy and Distributions.”

The Early Investment Incentive will remain open to unitholders investing in the Fund until the close of day on July 15, 2022 (which the Fund reserves the right to extend or modify in its sole and absolute discretion). All references to the Early Investment Incentive means, with respect to unitholders investing in our units on or prior to July 15, 2022, including existing unitholders, an additional 2% non-compounded annual return on each unitholder’s Capital Contribution Account Balance during the first 12 months the units are held.