

FORM ADV PART 2A:
FIRM BROCHURE

ALCOVA CAPITAL MANAGEMENT LP

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This brochure provides information about the qualifications and business practices of Alcova Capital Management LP (“Alcova”). If you have any questions about the contents of this brochure, please contact Russell Diamond at 212-320-8387 or rdiamond@alcovacap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Alcova has applied as an “Investment Adviser Expecting to be Eligible for Commission Registration within 120 Days” with the SEC. Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

Alcova Capital Management LP has made the following material changes since the initial filing of this brochure:

- The firm is the adviser to four additional pooled investment vehicles described in Item 4.
- The firm is affiliated with two real estate investment trusts (REITs) as described in Item 10.

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Item 4. Advisory Business

Alcova Capital Management LP (“Alcova” or the “Adviser”) was founded in August 2016 by Matthew Grodin and Russell Diamond, who are its principal owners. Alcova Capital Management GP, LLC is the sole general partner of Alcova. Alcova currently serves as the investment adviser, with discretionary trading authority, to Alcova Capital First Lien Fund, L.P., Alcova Capital Opportunity Zone Fund, L.P., Alcova Capital Yield Premium Fund, L.P., Alcova Las Vegas Sr Lender II LLC, Alcova Las Vegas Sr LVB Lender LLC, Alcova New River Lender II LLC, Alcova Park City Investors LLC, Alcova Park City Lender II LLC pooled investment vehicles that operate as private investment funds (together, the “Fund”).

The Adviser provides investment advisory services on a discretionary basis to the Fund. In providing such services, the Adviser will direct and manage the investment and reinvestment of the Fund’s assets and provide reports to Fund investors. The Adviser will manage the assets of the Fund in accordance with the terms of its governing documents. Investment advice will be provided directly to the Fund and not individually to underlying investors in the Fund. Investors in the Fund will not have the ability to direct any Fund investments or strategies. The Adviser may, from time to time, serve as the investment manager for additional funds or products, including, without limitation, co-investment vehicles. Alcova does not currently offer investment advisory services to separately managed accounts or other services tailored to the needs of individual clients, although it may do so in the future. Alcova does not currently participate in wrap fee programs.

Alcova has the right to enter into agreements, such as side letters, with investors, which may in certain cases provide for terms of investment or access to information that are more favorable than the terms provided to other Fund investors. For example, investors who subscribe to the Fund in connection with its launch (“Founders Investors”) may receive preferential terms with respect to items such as fees, liquidity and/or future capacity rights.

The Adviser currently has \$107,979,517 in discretionary assets under management.

For further discussion of these and related items, see Item 7 (Types of Clients), Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss) and Item 10 (Other Financial Industry Activities and Affiliations). Any description of the Fund herein is qualified by reference to the Fund’s offering documents.

Item 5. Fees and Compensation

The fees and expenses applicable to the Fund are set forth in detail in the Fund’s offering documents. A brief summary of such fees and expenses is provided below.

Management Fee

The Adviser is generally entitled to receive a management fee for each quarter equal to 0.375% (1.5% per annum of called capital as of the beginning of such quarter (prior to deduction of the management fee and accrual of any incentive allocation). The management fee will be calculated and paid in advance by the Fund, and prorated for any period that is less than a full calendar quarter.

In the sole discretion of the General Partner, the management fee may be waived, reduced or calculated differently with respect to certain Fund investors.

Performance-Based Fees

The General Partner is generally entitled to receive an incentive allocation equal to 20% of the net capital appreciation (based on realized and unrealized gains and losses), if any, of investors’ investments in the Fund at the end of each fiscal year, or an earlier date with respect to any capital withdrawn or redeemed prior to the end of a fiscal year or upon the dissolution of the Fund, in each case subject to recoupment of losses for prior periods, above a 6% preferred return.

In the sole discretion of the General Partner, the incentive allocation may be waived, reduced or calculated differently with respect to certain Fund investors, including, without limitation, certain Founders Investors.

Expenses

Expenses of the Adviser

In consideration of the management fee, the Adviser will provide office space and utilities; administrative services; and secretarial, clerical and other personnel to the Fund. The Adviser will bear the costs of providing such goods and services, and all of its own overhead costs and expenses, except to the extent such goods, services, costs and expenses are Fund expenses as provided below.

Expenses of the Fund

It is critical that investors refer to the confidential private placement memorandum of the Fund, and/or other offering documents of the Fund for a complete understanding of (i) how Alcova is compensated for its advisory services, and (ii) the fees and expenses investors may pay and how those fees and expenses are deducted from investors' assets.

In addition to its organizational expenses, the Fund will pay all its own Operating Expenses to the extent that such expenses are not assumed by the relevant borrower in a transaction. Such expenses include all expenses directly related to the Fund's operations, including, without limitation, originating, evaluating, acquiring, owning, hedging, financing, operating, reviewing, managing and disposing of any Fund Asset or potential Fund Asset; fees and expenses of legal counsel, accounting costs (including audit fees), appraisal fees and costs, fees and costs of investment bankers and other third party consultants and advisors; premiums for insurance (including liability and D&O coverage) protecting the Fund, the General Partner, Alcova and the Advisory Committee; travel expenses of the General Partner, Alcova and/or their Affiliates and the members of the Advisory Committee; any out-of-pocket expenses incurred by the General Partner, Alcova and/or their Affiliates in connection with potential investments and any costs and expenses incurred in connection with any potential purchase of an asset, whether or not purchased by the Fund, and any insurance, indemnity, or litigation expenses; expenses related to meetings of and reporting to the Limited Partners, including the expenses of the Advisory Committee; expenses related to organizing and maintaining entities, such as holding companies, through or in which investments will be made, including accounting and related software expenses, registered agent fees and other operating expenses; taxes and any fees or other governmental charges levied against the Fund; expenses of any administrators, consultants, and custodians; and any investment-related research or software costs.

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

As described in Item 5 (Fees and Compensation), the General Partner may receive performance-based compensation from the Fund. Alcova may provide investment advisory services to additional clients in the future that may have similar or different performance-based compensation arrangements than those of the Fund. It should be noted that the potential to receive performance-based compensation creates a potential conflict of interest in that Alcova and the General Partner may have the incentive to make investments that are riskier or more speculative than they would make in the absence of performance-based compensation. In addition, the performance-based fees are not the product of an arm's length negotiation with any third party, and, because in some cases they are calculated on a basis which includes unrealized appreciation of the Fund's assets, it may be greater than if such compensation were based solely on realized gains. Alcova values the assets held by the Fund and is responsible for the determination of asset valuations for all purposes, including the determination of the management fee and the performance-based compensation (with oversight from the Fund's administrator).

Item 7. Types of Clients

Alcova provides discretionary investment management services to the Fund. The Fund relies on certain exclusions from the definition of “investment company” in the Investment Company Act of 1940, as amended. Accordingly, the Fund is not registered as an investment company with the SEC. Alcova may serve as investment manager to other client accounts in the future.

Investors will generally be required to make a minimum initial investment of \$1,000,000 subject to the discretion of the Adviser or the General Partner (if applicable) to accept lesser amounts or establish different minimums in the future. Interests will be offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements to comply with applicable federal securities laws and regulations. Such investors are expected to include institutions, funds of funds, family offices, high net worth individuals, trusts, estates, corporate and public pension and profit sharing plans, endowments, charitable organizations, and other entities.

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

The Fund’s investment objective is to provide attractive risk-adjusted, contractual returns through current yield. The Fund will seek to achieve its investment objective by building a portfolio of customized direct loans collateralized by middle-market U.S. real estate assets. These loans will in the ordinary course be in the form of either first lien positions or preferred/mezzanine positions.

Material Risks Relating to Investment Strategies and Particular Securities.

Investing in securities involves significant risks, including the risk of loss of some or all of an investment. An investment in the Fund may be deemed speculative and is not intended as a complete investment program as the Fund is designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Fund. Prospective investors should speak with their legal, tax and financial advisors prior to making an investment with Alcova. The following summary identifies the material risks related to Alcova’s significant investment strategies and securities utilized and should be carefully evaluated before making an investment; however, the following does not intend to identify all possible risks of an investment with Alcova or provide a full description of the identified risks, which are described in greater detail in the Fund’s offering materials.

Risk of Loss. No guarantee or representation is made that the Fund’s investment program, including, without limitation, the Fund’s investment objective, diversification strategies or risk monitoring goals, will be successful. Investment results may vary substantially over time. *No assurance can be made that profits will be achieved or that substantial or complete losses will not be incurred. Past investment results of the investments otherwise made by the investment professionals of the Adviser are not necessarily indicative of the Fund’s or the Adviser’s future performance.*

General Economic and Market Conditions. The success of the Fund’s activities will be affected by general economic and market conditions outside of the Investment Manager’s control, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund’s investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations).

Risk of Real Estate Investment. The objective of the Fund is to build a portfolio of customized direct loans and preferred equity investments collateralized by middle-market real estate in the United States. The Fund anticipates that the loans will be fully collateralized (as either a senior lender, or a preferred/mezzanine lender in a second priority position) by the real estate upon which the loan is made. However, real property investments are subject to varying degrees of risk. Real estate values are affected by a number of factors, including (i) changes in the general economic climate, (ii) local conditions (such as an oversupply of space or a reduction in demand for space), (iii) the quality and philosophy of management, (iv)

competition based on rental rates, (v) attractiveness and location of the properties, (vi) financial condition of tenants, buyers and sellers of properties, (vii) quality of maintenance, insurance and management services and (viii) changes in operating costs. Real estate values also are affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, and potential liability under changing environmental and other laws. Unforeseen changes in such factors could affect the Fund's ability to recover any or all of its investment.

Risky and Illiquid Investments. The investments made by the Fund will be risky and illiquid. Although the investments will typically be secured by the assets upon which the loans are being made, and will in most cases be in a position senior to other lenders and borrowers, the timing of, or potential for, liquidity events is uncertain. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their sale by the Fund. The possibility of partial or total loss of capital will exist, and Investors should not subscribe for interests in the Fund unless they can readily bear the consequences of such illiquidity or loss. Even if the investments of the Fund are successful, they may not produce a realized return to the Investors for a period of years.

Loans, Defaults and Foreclosures. The Fund primary objective is to loan money directly to borrowers, which loans will be primarily secured by real estate in either a first lien position or a preferred mezzanine second priority position. Although the Fund expects to base its lending decisions on creditworthiness, it will also rely on real property to secure its loans and to protect its investments. However, there are several factors which could adversely affect the value of such real property security, including, among other things, the following:

The Fund may rely on appraisals among other inputs to determine the fair market value of real property used to secure loans made by the Fund. No assurance can be given that such appraisals will, in any or all cases, be accurate. Moreover, since an appraisal is based upon the value of the real property at a given point in time, subsequent events could adversely affect the value of real property used to secure a loan. Such subsequent events may include general or local economic conditions, neighborhood values, interest rates, new construction and other factors.

If a borrower defaults, the Fund may have no feasible alternative except to repossess the property at a foreclosure sale. If the Fund cannot quickly sell such property, and the property does not produce any significant income, the cost of owning and maintaining the property will directly affect the Fund's profitability.

Under some state laws, including, but not limited to, those of California, applicable to real property secured loans, if the real property security proves insufficient to repay amounts owing to the Fund, the Fund may not have a right to recover any deficiency from the borrower.

The recovery of sums advanced by the Fund in making loans and protecting its security may also be delayed or impaired by the operation of the federal bankruptcy laws or by irregularities in the way the loan was made. Any borrower can delay a foreclosure sale for a period ranging from several months to several years simply by filing a petition in bankruptcy which automatically stays any actions to enforce the terms of the loan. Such delays and the costs associated therewith could reduce the Fund's profitability, perhaps significantly.

Item 9. Disciplinary Information

Alcova and its employees do not have any legal or disciplinary events that would be material to a client's or prospective client's evaluation of Alcova's advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Neither Alcova nor any of its management persons is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or is an associated person of any of the above.

Alcova has sponsored the Fund as described in Item 4, and serves as its investment adviser. The General Partner, which is an affiliate of Alcova, serves as the general partner to the Fund. The Fund does not have independent management.

Alcova has formed two REIT affiliates in connection with loan transactions, Alcova Yield Premium REIT, Inc. and Alcova Yield Premium REIT II, Inc.

Russell Diamond is the manager of Alcova Capital First Lien Fund, L.P., Alcova Capital Opportunity Zone Fund, L.P., Alcova Capital Yield Premium Fund, L.P., Alcova Las Vegas Sr Lender II LLC, Alcova Las Vegas Sr Lvb Lender LLC, Alcova New River Central Lender II LLC, Alcova Park City Investors LLC, Alcova Park City Lender II LLC, private funds.

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

Code of Ethics

Alcova has adopted a code of ethics (the “Code”) pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). The Code requires full compliance with all applicable laws and regulations governing the provision of investment management services to its clients. The Code highlights the fiduciary duty that Alcova owes to its clients, including the affirmative duty to act in the best interests of its clients and to make full and fair disclosure of material facts. Alcova expects each access person to act with integrity, competence, dignity, and in an ethical manner when dealing with the public, the Fund, investors and prospective investors, service providers and fellow access persons. Alcova also expects access persons to adhere to the highest standards with respect to any potential conflict of interest with clients. As discussed in more detail below, the Code contains guidelines relating to personal trading by access persons (and certain of their immediate family members).

Alcova’s code of ethics has specific provisions relating to identifying potential conflicts of interest. They generally prohibit personal business dealings with clients or investors without the prior approval of the Chief Compliance Officer. The Code includes provisions intended to prevent employees from being unduly influenced in their decisions by the receipt of gifts or other inducements from third parties. Alcova employees are required to seek approval to keep certain business gifts, and are required to seek pre-approval to give certain types of business gifts. All violations of the code of ethics must be promptly reported to the Chief Compliance Officer, who is primarily responsible for administering and enforcing the Code. A violation of the Code may result in the imposition of disciplinary and remedial measures, including, without limitation, disgorgement or termination. Upon hire and at least annually thereafter, all supervised persons are required to acknowledge receipt of, and agreement to abide by, the Code. Clients may obtain, free of charge, a full copy of the Code by contacting Alcova at the address or telephone number listed on the first page of this brochure.

Personal Trading

Alcova manages the potential conflicts of interest inherent in personal trading by supervised person through rigorous enforcement of its Code, which contains limitations on employees’ personal investment activities, including and reporting guidelines. Alcova receives transactions and holdings reports to make sure each employee is conducting his or her personal securities transactions in a manner that is consistent with the Code.

Participation or Interest in Client Transactions

Neither Alcova nor its related persons generally purchase any securities for its own accounts from, or sell any securities for its own accounts to, the Fund. Alcova may solicit qualified clients to invest in the Fund. Alcova will inform each client of its relationship with the Fund prior to the client's investment, but it does not intend to advise clients as to the appropriateness of the investment. Alcova has financial ownership interests in the Fund and receives the management fee and/or performance-based compensation for its services to the Fund and potentially other client accounts. The management fee is payable without regard to the overall success or income earned by the Fund and therefore may create an incentive on the part of Alcova to raise or otherwise increase assets under management to a higher level than would be the case if Alcova were receiving no management fee. Performance-based compensation may create an incentive for Alcova to make investments that are riskier or more speculative than in the absence of such performance-based compensation. Alcova discloses these, and other potential conflicts of interests, to investors in the Fund's offering documents.

Alcova expects that it will continue to manage other client accounts, including investment vehicles formed from time to time to selectively co-invest with the Fund in specific investments ("Co-Invest Funds"). Alcova will have sole discretion to determine whether any particular investment opportunity will be made available for co-investment and, if so, how such co-investment opportunity will be allocated among the Fund and Co-Invest Funds (and among investors in any Co-Invest Fund). For the avoidance of doubt, Alcova may offer co-investment opportunities to investors who are not Investors in the Fund, and may negotiate different terms, including different management fees and incentive allocation rates, for any such Co-Invest Fund investors. While Alcova may choose to offer Co-Invest Fund interests to one or more Fund investors, it has no obligation to do so and no Investor is entitled to invest in a Co-Invest Fund or to any specific rights with regard to any co-investment opportunities except as Alcova otherwise expressly agrees in writing.

Item 12. Brokerage Practices

As an investment adviser, Alcova has a fiduciary obligation to seek to obtain "best execution" of client transactions for client accounts managed by Alcova, taking into account the particular circumstances of the transaction.

Based on the nature of the Fund's investment strategy, Alcova does not make use of securities broker-dealers in the traditional sense to buy and sell portfolio investments on behalf of the Fund; rather most Fund investments are made through privately negotiated agreements. Alcova does not receive research or have "soft-dollar" or "directed brokerage" arrangements with any broker-dealers or clients.

Item 13. Review of Accounts

The Fund portfolio will be reviewed daily by Matthew Grodin, with input from the other investment team members and operations team members. All positions in the portfolio are subject to ongoing monitoring, continuing due diligence, and regular reassessment of the investment thesis.

Generally, all investors in the Fund will receive the following written reports in the ordinary course:

- quarterly and annual letters to investors that discuss portfolio performance;
- quarterly investor reports by the Fund's administrator;
- annual financial statements (which have been audited by EisnerAmper); and
- annual K-1s.

Item 14. Client Referrals and Other Compensation

Alcova does not receive any economic benefit from anyone other than its clients as a result of the provision of investment advice or other advisory services to the Fund. Alcova does not currently maintain any agreements

with third parties to act as solicitors for clients or for investors in the Fund or for Alcova's investment advisory business, and does not plan to do so in the future.

Item 15. Custody

Alcova and its affiliates are deemed to have custody of the assets of the Fund because, among other reasons, they have the authority as investment manager or general partner to obtain the Fund's assets, for example, by deducting advisory fees from a client's account or otherwise withdrawing funds from a client's account to pay client expenses. Alcova does not maintain physical custody of client assets. The Fund maintains its assets, in its own name, with a qualified custodian or otherwise as permitted under Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). To ensure compliance with the Custody Rule, Alcova has a reasonable belief that all investors will be provided with financial statements, audited by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of such client funds' fiscal year. Alcova urges investors to carefully review the audited financial statements of the Fund.

Item 16. Investment Discretion

Alcova has discretionary authority to manage the assets of the Fund in a manner that is consistent with the objectives and strategies set forth in the Fund's offering documents. Among other things, this means that Alcova is authorized to make purchase and sale decisions for the Fund without obtaining specific consent from the Fund or its investors. This authority is granted by the Fund to Alcova pursuant to the investment management agreement between such parties. For more information, please see Item 4 (Advisory Business).

Item 17. Voting Client Securities

Although Alcova's investment strategy does not give rise to any situations that would normally involve voting proxies, Alcova has adopted a proxy voting policy to ensure it votes proxies in the best interest of the Fund including where there may be material conflicts of interest. Current and prospective Limited Partners may request a copy of our proxy voting policy by contacting Alcova.

Item 18. Financial Information

Alcova is required in this Item to provide certain financial information or disclosures about its financial condition, if applicable. Alcova has no financial conditions that are reasonably likely to impair its ability to meet contractual commitments to its clients and has not been the subject of a bankruptcy proceeding at any time during the past ten years.