

Part 2A of Form ADV: *Brochure*

Alcion Ventures, Limited Partnership

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This brochure provides information about the qualifications and business practices of Alcion Ventures, Limited Partnership. If you have any questions about the contents of this brochure, please contact us at (617) 603-1033 and/or jregan@alcionventures.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 Alcion Ventures, Limited Partnership also is available on the SEC’s website at www.adviserinfo.sec.gov. Alcion Ventures, Limited Partnership is an SEC registered investment adviser. Please note that registration does not imply a certain level of skill or training.

Item 2. Material Changes

Item 2 is not applicable.

Item 3. Table of Contents

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Item 4. Advisory Business

General Description and Principal Owners. Alcion Ventures, Limited Partnership (“Alcion” or the “Firm”), including its affiliated general partner entities, is a privately held real estate investment management firm. Formed in December 2004, Alcion provides investment advisory services primarily to pooled investment vehicles (each a “Fund,” and together the “Funds”) that are excluded from the definition of “investment company” under the Investment Company Act of 1940, as amended, and which securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). Alcion also may provide advisory services through co-investment vehicles or separately managed accounts to institutional clients (each an “Account” and collectively the “Accounts”). The portfolio overseen by Alcion is generally composed of office, residential, retail, industrial, land, hotel, and debt investments throughout the United States and parts of Canada.

Alcion is a Delaware limited partnership. The principal owners of Alcion are Martin Zieff, Mark Potter, and Eugene DeFavero (the “Principals”). The Principals own in excess of 95% of the Alcion equity interests, with the remaining ownership held by a strategic partner. Alcion is managed and directed by the Principals.

Advisory services offered. Alcion’s primary business is providing investment advisory services to its clients, the Funds. Each Fund is a traditional closed-end pooled investment fund with unspecified real estate investments to be selected by the Fund’s general partner with the assistance of Alcion. The Funds invest in and own real estate through their ownership of equity interests in limited partnerships, limited liability companies, and other vehicles. Each Fund is available for investment only via a “private offering” and is intended only for investment by “accredited investors,” as those terms are defined under the Securities Act. Alcion provides advice relating to the identification, acquisition, management, monitoring, and disposition of investments and investment opportunities for the Funds. In addition, Alcion may provide investment management advice on both a discretionary and non-discretionary basis to co-investment vehicles and institutional clients. Non-discretionary services may include strategic advice and oversight relating to specific real estate assets owned by the client through its ownership of equity interests in limited partnerships, limited liability companies, and other vehicles.

Tailoring to individual needs and investment restrictions. Alcion tailors advisory services to the specific needs of the Funds, co-investment vehicles and institutional clients to address particular legal or tax concerns. For example, if a Fund’s investors are non-U.S. persons, that Fund may require advice regarding investment structures to address specific U.S. tax issues. The Funds contain specific investment limitations and parameters for investment that are set forth in their respective offering documents.

Assets under management.

As of December 31, 2020, Alcion’s assets under management were \$831,283,274 consisting of \$116,243,918 (Non-Discretionary basis) and \$715,039,356 (Discretionary basis).

Item 5. Fees and Compensation

How Alcion is compensated for advisory services. The specific terms for the compensation of Alcion by each Fund are dictated by the Fund's charter documents, offering documents, and management agreements. Each Fund generally pays an annual management fee (the "Management Fee"). A Fund's Management Fee will commence either on the date that the Fund acquires its first real estate investment, on the date a Fund holds its initial closing for investors, or the day following a previous Fund (or Parallel Fund Group, as further described in Item 10) investment period end, depending on the terms of the specific Fund. The Management Fee is based on a percentage of assets invested in or committed to a Fund by its investors, depending on the stage of investment of the Fund, as specified in the Fund's offering documents. During a Fund's investment period, the Management Fee is based on the aggregate amount of the Fund's commitments from its investors, and after the investment period has ended, the Management Fee is based on the amount invested or committed to the investments in accordance with the terms of the applicable Fund's offering documents. The Management Fee percentage for Alcion's services to the Funds ranges from 1% to 1.5% and is set forth in each Fund's offering documents. Alcion's annual compensation for services to its co-investment vehicles and institutional clients is generally 0.75% of the capital committed by the client, as more fully set forth in the investment management agreement. The Management Fees payable by the Funds are non-negotiable, and the fees for co-investment vehicles and institutional clients are generally negotiated when Alcion enters into the investment management agreements.

The general partner of each Fund or co-investment vehicle, which is always an affiliate of Alcion, is also entitled to receive incentive distributions of the investment proceeds from the Funds or co-investment vehicle, subject to certain conditions, such as the prior return of capital to Fund or co-investment vehicle investors and prior payment to Fund or co-investment vehicle investors of a certain rate of return on invested capital. Proceeds available for distribution will consist principally of cash generated from continuing operations of the asset or assets owned by a Fund or co-investment vehicle and the cash proceeds realized from the sale or refinancing of Fund or co-investment vehicle assets. These incentive distributions are referred to as the "Carried Interest." A Carried Interest is charged in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended, and is non-negotiable.

Deduction of fees from invested assets/billing. Alcion's compensation is deducted from the assets of each Fund. Management Fees are paid quarterly at the beginning of each calendar quarter. For any Accounts in which fees are not deducted, Alcion will invoice or call capital from the client for the fee incurred, which is payable on the first day of each calendar quarter.

Other types of fees or expenses. Each Fund pays all offering and organizational expenses incurred in the formation of the Fund and related entities up to a certain maximum limit set forth in the Fund's offering documents. Each Fund generally pays all expenses related to its activities, including all costs related to the purchase, financing, sale (whether or not consummated), construction, repair and maintenance, and disposition of investments; travel expenses (including lodging and meals); custodian fees, legal, auditing, tax, leasing fees, carrying, financing, development, construction, printing, and accounting fees; investor reporting and accounting

software; insurance; litigation expenses; third-party consultants; brokerage fees and commissions, indemnification expenses, insurance related expenses, expenses relating to meetings of the Partners and the advisory boards of the Funds, and any other operating expenses of the Fund. In pursuit of its investment objective, a Fund may incur and pay fees or expenses to independent third parties, such as real estate brokers and agents, engineers, construction contractors, property managers, accountants, custodians, attorneys, and expenses of subpartnerships and other entities through which a Fund holds interests in real estate.

Co-investment vehicles pay all organizational expenses incurred in the formation of the vehicle and related entities, including fees, costs and expenses of all related documentation in connection with admission of limited partners. In addition, the co-investment vehicles may incur annual audit, tax preparation, filing, and insurance fees.

In addition, the Funds and Accounts investments utilize third party operating partners and may incur costs of managing the underlying investments, including property management fees, leasing fees, development fees, construction administration fees, supervisory fees, or leasing fees. Additionally, the operating partners may earn an incentive allocation fee payable by the Fund or Account, if certain return thresholds are met, as outlined in the respective joint venture agreements.

An Alcion affiliate, DelFavero & Associates, LLC (“DelFavero & Associates”), which works exclusively for Alcion, has its offices in Alcion offices, and shares employees with Alcion, provides certain of the Funds with various accounting and tax services and may receive fees for such services from the Funds and/or from the Fund’s investments. Any such fees shall not constitute offset fees. Such fees are subject to annual limits as set forth in the Fund’s offering documents. See Item 10 “Accountant or Accounting Firm” for a description of the allocation of fees and expenses between Alcion and DelFavero & Associates, including with respect to dual employees of both Alcion and DelFavero & Associates.

Payment of fees in advance. In the event that an investment advisory agreement with Alcion terminates during a quarter where the Management Fee or, in the case of the institutional client, the advisory fees are paid in advance, Alcion would pro rate such fee and reimburse the portion of such fee covering the remainder of the quarter (i.e., from the date of termination to the end of the quarter).

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

As described in Item 5 above, Alcion’s affiliates that serve as general partners to the Funds and co-investment vehicles may receive incentive compensation in the form of Carried Interest, which is tied explicitly to the performance of a Fund’s or co-investment vehicle’s portfolio as a whole, rather than that of individual transactions. In the case of a co-investment vehicle that invests in a single investment, Carried Interest is tied to that individual transaction. The existence of Carried Interest may create an incentive for Alcion to cause its Funds or co-investment vehicles to take on riskier or more speculative investments than would be the case in the absence of Carried Interest. The existence of Carried Interest also may incentivize Alcion to hold investments for shorter periods of time than otherwise may be appropriate in order to increase amounts distributable to the

general partner of the Funds or co-investment vehicles in respect of Carried Interest. Alcion's compliance policies and procedures and code of ethics prohibit supervised persons from favoring one account over another or considering the Firm's financial interest when providing investment advice to Clients.

Item 7. Types of Clients

Alcion provides investment advice primarily to the Funds, which are privately offered pooled investment vehicles. Investors in the Funds include United States and non-United States pension plans, endowments, foundations, trusts, family offices, funds of funds, and private individuals. Alcion may also provide advisory services to co-investment vehicles and institutional clients.

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

Methods of analysis and investment strategies. Alcion's opportunistic strategy for private equity investing in real estate represents a higher risk and the potential for a higher return profile than is found in traditional core strategies which typically target stable, income-producing properties. Such an opportunistic strategy involves properties which require active management as well as a high degree of enhancement, repositioning, and/or development. It could involve investments in properties with operational problems or management deficiencies, properties requiring substantial leasing, properties requiring a conversion or an addition or other physical improvements, and properties which suffer from capital constraints, as well as investments in land and niche property sectors. While a fund pursuing an opportunistic strategy may generate some current returns from improving a property's income, given the long-time horizons typically necessary to stabilize or reposition a property, the majority of such a fund's returns will come from capital appreciation. There can be no assurance that this strategy will achieve a particular return, and as described below in "Investment Risks," investors should be prepared to bear associated risks.

As more fully described in each Fund's offering documents, each Fund's opportunistic investment strategy is generally intended to take advantage of market cycles, inherent market inefficiencies, and distressed opportunities to either (i) acquire real estate assets at an attractive basis where a discernible business plan can be executed to create value or (ii) develop or redevelop such assets where there is a specific niche or market opportunity. In following this strategy, the Funds seek to generate attractive risk-adjusted returns by focusing on value-creation opportunities in certain product segments and select markets where the Principals have long-standing experience and which have favorable demand characteristics, supply constraints, and appropriately priced risk. The Funds seek to focus on well-located and durable institutional quality assets within these select markets to provide an opportunity for value creation. With respect to co-investment vehicles or separately managed accounts, investment strategies are tailored to the specific investment guidelines of the institutional client, and the Accounts may invest in investments also owned by the Funds.

To implement this strategy, Alcion strives to utilize a variety of the following tactical elements:

- Proactively create opportunities rather than generally participating in widely marketed transactions
- Utilize highly experienced, local real estate operating partners and maintain significant ongoing interaction and controls with them
- Attempt to exit investments and/or markets before the cycle turns or capital markets become overly competitive
- Attempt to invest in well-located and durable assets in “evergreen” locations with high margins to insulate capital against market downturns
- Pre-lease or pre-sell development assets
- Structure investments, when appropriate, to be in a promoted position and to try to reduce capital exposure
- Utilize appropriate, situational-specific levels of financial leverage
- Maintain adequate reserves to protect against unforeseen events
- Cease new investment activity in overly competitive markets
- Place a contractual cap on fund size to maintain middle-market scale
- Use experienced Principals who remain involved in all aspects of investment management reflecting Alcion’s approach

Investment risks. As with any type of investment, real estate investments involve risk of loss. Each Fund’s offering documents include more detailed disclosure of the risks of real estate investing. Amongst the risks described in further detail in each Fund’s and Account’s private offering documents, each Fund’s and Account’s investments may entail the following risks:

- ***No Assurance of Investment Return.*** Each Fund’s or Account’s task of identifying and evaluating investment opportunities, managing such investments, and realizing a positive return for investors is difficult, and there is no assurance that they will be able to invest capital on attractive terms or generate positive returns or avoid losses over the long term.
- ***Real Estate Generally.*** Investments in real estate entail a variety of risks, any of which could cause a loss. Real estate values and the success of any real estate investment are affected by a number of factors, including: (i) changes in the general national or international economic climate, local conditions (such as oversupply of space or reduction in the demand for space), the quality and philosophy of management, competition based on rental rates, attractiveness and location of the properties, population trends, neighborhood values, community conditions, public perceptions, local employment conditions, interest rates and real estate tax rates; (ii) changes in fiscal policies; (iii) changes in applicable laws and regulations

(including tax laws); and (iv) uninsured losses and other risks that are beyond the control of Alcion. If a Fund and/or Account undertakes development or significant redevelopment of a property or properties, there are the additional risks which include: (i) the inability to obtain, or delays in obtaining, all necessary required governmental permits, authorizations, and approvals; (ii) construction costs exceeding original estimates, possibly making the property uneconomical; (iii) occupancy rates and rents at a newly completed property may not be sufficient to make the property profitable; (iv) financing may not be available on favorable terms for development of a property; and (v) construction and lease-up may not be completed on schedule, resulting in increased debt service expense and construction costs.

- ***Due Diligence Processes.*** The due diligence analysis that Alcion performs with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such opportunity, including, among other things, the existence of fraud or other illegal or improper behavior. Moreover, such an analysis may not necessarily result in the investment being successful.
- ***Concentration of Investments.*** A relatively high percentage of a Fund's total capital may be invested in a limited number of portfolio investments to which any single loss may have a significant adverse impact on such Fund's capital. In the case of the Accounts, capital may be invested in only one investment.
- ***Interest Rate Risk.*** Fluctuations in interest rates may cause investment prices to fluctuate, and a Fund or Account may no longer be able to meet the debt service obligations from a property.
- ***Liquidity Risk.*** The Funds and Accounts generally invest in illiquid real estate investments. Liquidity is the ability to readily convert an investment into cash at or close to its current market value. If a Fund or Account was required to divest itself of an illiquid investment, the Fund or Account might not be able to do so quickly or at an advantageous price.
- ***Financing Risk.*** The Funds and Accounts may borrow. Borrowing increases risk, as a Fund or Account would be required to meet its periodic payments and would generally retain a principal repayment obligation even if the financed investment lost value. Consequently, financing may have leveraging effects that could exacerbate losses. A Fund may guarantee a loan on one real estate investment that exposes the Fund's other assets to loss.
- ***Tax.*** An investment in a Fund or Account may involve complex U.S. federal, state and local income tax considerations that will differ for each investor. Under certain circumstances, investors could be required to recognize taxable income in a taxable year for U.S. federal, state or local income tax purposes, even if the Fund or Account either has made no distributions in such year or has made an amount of

distributions in such year that is less than such amount of taxable income. Recent tax legislation may change the tax liabilities of certain investors with respect to their interest in the Funds or Accounts. Funds or Accounts may not make any distributions to their investors, and an investor's tax liability attributable to an investment in a Fund or Account may, in each tax year, exceed the cash distributed. Funds or Accounts may invest in entities which would cause them to have to report taxable income for U.S. federal, state and local income tax purposes prior to the time the Fund or Account receives distributions from such investments. The Funds or Accounts may allocate losses to investors that may not be eligible to be offset against taxable income in prior or future years due to the timing or character of such income for tax purposes. The Funds or Accounts, and any related lower-tier entities, may also invest and operate in state and local jurisdictions that may require an investor to file a tax return in such state or local jurisdiction. Further, the Funds or Accounts may be required to remit withholding taxes on behalf of the investors in the Funds or Accounts in certain foreign, state and local jurisdictions.

- ***Foreign Investment.*** The Funds and Accounts may acquire investments outside the United States (in particular, in Canada) to the extent that opportunities exist that may help meet their investment objectives. International investments and operations generally are subject to various political and other risks that are different from, and in addition to, those for United States investments and operations. To the extent that a Fund or Account makes Canadian investments, the Fund or Account will also be subject to fluctuations in foreign currency exchange rates and the uncertainty of foreign laws and markets including, but not limited to, unexpected changes in regulatory requirements such as the enactment of laws prohibiting or restricting the foreign ownership of property, political and economic instability in certain geographic locations, difficulties in managing international operations, potentially adverse tax consequences, laws restricting the Fund or Account from removing profits earned from investment activities within the country to the United States, including the payment of distributions, additional accounting and control expenses, and the administrative burden associated with complying with a wide variety of foreign laws.
- ***Hedging.*** The Funds and Accounts or their investments may utilize financial instruments such as forward contracts, options, swaps, caps, collars, floors, and other derivatives to seek to hedge against fluctuations in the relative values of its assets as a result of changes in the currency exchange rates, market interest rates, and public security prices. While these transactions may reduce certain risks, the transactions themselves entail certain other risks. Hedging against a decline in the value of an investment does not eliminate fluctuations in the value of such investment or prevent losses if the value of such investment declines, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in such investment's value. These types of hedge transactions also limit the opportunity for gain if the value of such investment should increase.

- ***Conflicts of Interest.*** Fund or Account investments are subject to various conflicts of interest as more fully discussed in Item 10 “Other pooled investment vehicles” and in each Fund’s or Account’s respective offering documents.
- ***Cybersecurity Risk.*** In addition to the risks described above that primarily relate to the value of investments, there are various operational, systems, information security, and related risks involved in investing, including but not limited to cybersecurity risk. Cybersecurity attacks include electronic and non-electronic attacks that include but are not limited to gaining unauthorized access to digital systems to obtain client and financial information, compromising the integrity of systems and client data (e.g., misappropriation of assets or sensitive information), or causing operational disruption through taking systems off-line (e.g., denial of service attacks). As the use of technology has become more prevalent, Alcion and the client accounts Alcion manages have become potentially more susceptible to operational risks through cybersecurity attacks. These attacks in turn could cause Alcion and client accounts (including Funds) Alcion manages to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Similar adverse consequences could result from cybersecurity incidents affecting counterparties, third-party service providers, governmental and other regulatory authorities, exchange and other financial market operators, banks, and other financial institutions and other parties. While cybersecurity risk management systems and business continuity plans have been developed and are designed to reduce the risks associated with these attacks, there are inherent limitations in any cybersecurity risk management system or business continuity plan, including the possibility that certain risks have not been identified. Accordingly, there is no guarantee that such efforts will succeed, especially since Alcion does not directly control the cybersecurity systems of third-party service providers.
- ***Market Conditions May Dramatically Affect Investments.*** Volatile market conditions at various times have had a dramatic effect on private real estate investments. In addition, pandemics, natural disasters, terrorist attacks, and other acts of violence or war may affect the operations and profitability of the Funds’ or Accounts’ investments. Such events could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets, real estate industry, and economy. They also could result in a continuation of the current economic uncertainty in the U.S. or abroad. Any of these occurrences could have a significant impact on the operating results and revenues of the underlying properties, and, in turn, on the return of the Funds’ or Accounts’ investments.
- ***Coronavirus Outbreak Risks.*** The global outbreak of the 2019 novel coronavirus (“COVID-19”), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business

closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national, and global economy. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect the Funds' and Accounts' investments and areas where Alcion invests. Furthermore, Alcion's ability to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary to carry out the Funds' and Accounts' investment strategies and objectives and Alcion's business, and to satisfy its obligations to the Funds and Accounts and their investors, has been, and will continue to be, impaired. The spread of COVID-19 among Alcion's personnel and its service providers would also significantly affect Alcion's ability to properly oversee the affairs of the Funds or Accounts (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of a Fund's or Account's investment activities or operations.

Item 9. Disciplinary Information

In October 2011, Alcion voluntarily agreed to settle a civil administrative enforcement matter with the City of Los Angeles relating to alleged violations of the Los Angeles City Charter and City Administrative Code concerning certain campaign contributions to certain local politicians in the City of Los Angeles between 2008 and 2009. Although Alcion believed that it did not violate the City Charter or Code, Alcion voluntarily reported the matter. The Firm then made a determination that the cost to continue to defend the assertions outweighed the benefits of a favorable decision, and on that basis, agreed to the terms of the settlement. The settlement involved a negotiated payment of \$67,000, which was paid by Alcion (and not by any of Alcion's clients). The settlement, which was unanimously approved by the Los Angeles City Ethics Commission, took into consideration that Alcion fully cooperated and stated that no evidence was found that Alcion intentionally concealed, deceived, or misled. Alcion does not believe that this event is material to its business but has disclosed the event to provide full and transparent reporting.

Item 10. Other Financial Industry Activities and Affiliations

Material relationships with related persons. Alcion has relationships and arrangements that are material to Alcion's advisory business with the following types of related persons:

Other Pooled Investment Vehicles. Alcion manages several Funds and also manages co-investment vehicles and separately managed accounts.

- The management team of Alcion will continue to devote time to the management of all of the existing Funds and Accounts. This may create conflicts in the allocation

of management resources. Alcion maintains a sufficient staff to ensure that the Funds and Accounts are not disadvantaged.

- Alcion addresses conflicts in allocating investment opportunities among Funds in accordance with each Fund's offering documents. Funds for which commitments have been raised at the same time and under the same offering process and offering documents but were formed to address specific investor requirements as described in Item 4 "Tailoring to individual needs and investment restrictions" (these Funds for purposes of this Item 10 are referred to as a "Parallel Fund Group"), must invest in all opportunities, on the same terms, and at the same time, with such opportunities being allocated among those Funds in the Parallel Fund Group pro rata based on the relative amount of investor commitments each Fund has raised. Once a Parallel Fund Group has been formed and completed its fundraising activities, a new pooled investment Fund that has an investment strategy substantially similar to an existing Parallel Fund Group may be formed only when either (i) the existing Parallel Fund Group's investment period has ended so that no new investments may be made or (ii) at least 75% of the existing Parallel Fund Group's commitments have been invested or are committed to be invested, reserved for follow-on investment, expended or reserved for expenses and liabilities. This restriction on forming new Funds that may invest in assets that are similar to existing Parallel Fund Groups helps to allocate investment opportunities to an appropriate Fund that will have the capital resources available to make the investment. Where potential for investment overlap exists (for example, where an existing Parallel Fund Group has reached the 75% threshold and thus a new Fund is formed), investment opportunities, in general, will be allocated between the existing Parallel Fund Group and the new Fund first to the existing Parallel Fund Group until its investment capacity has been exhausted (i.e., the commitments of the Parallel Fund Group are either fully invested, reserved, or expended), and then the opportunity will be presented to the new Fund. An exception to this general ordering rule may occur when an existing Parallel Fund Group has some investment capacity available but perhaps not enough to invest in the entire opportunity. In those situations, the existing Parallel Fund Group and the new Fund may invest in the opportunity together but only if the existing Parallel Fund Group's and the new Fund's respective investor advisory boards approve the investment and the investment is made at the same time and on the same terms. This investment allocation methodology may mean that new Funds will be able to invest generally only after an existing Parallel Fund Group has fully invested, expended or committed its available investment capital, and this may disadvantage a new Fund. Additionally, each Fund's investors that have made a certain minimum level of commitment to the Fund has the right to be offered the opportunity to co-invest alongside a Fund in accordance with the offering documents of the Fund. For instance, if the Fund's general partner determines that an investment exceeds the investment restrictions under the Fund's offering documents or exceeds the amount the Fund desires to invest, the general partner may solicit these investors for a co-investment opportunity. The offering documents of the Fund specify the procedure

by which certain Fund investors are entitled to participate in the co-investment. The terms of the co-investment are on substantially the same terms as the Fund's investment with such deviations as permitted in the Fund offering documents. The Fund's general partner will allocate the investment opportunity among the qualifying Fund investors in a manner so as to not unfairly benefit any qualifying investor. If there is any remaining co-investment opportunity after being allocated to the Fund's investors, the general partner has the ability under the Fund's offering documents to offer the co-investment to third party co-investors. Under the Fund's offering documents, the general partner has the right to earn a management fee and incentive fee in regard to these co-investment vehicles.

Accountant or Accounting Firm.

- DelFavero & Associates, certified public accountants, may provide tax, financial reporting, audit support, cash management, and other accounting related services to certain Funds and to certain underlying investments of certain Funds, specifically Alcion Real Estate Partners Fund I and Alcion Real Estate Partners Fund II. Eugene DelFavero is a principal in DelFavero & Associates and is also an owner and Principal in Alcion and a Partner of the Funds' general partners. Kristen Cocuzzo is a principal in DelFavero & Associates and is also an employee of Alcion. Several other personnel are shared between DelFavero & Associates and Alcion. Generally, DelFavero & Associates pays a portion of the salaries of the dual employees. Alcion pays all other expenses associated with the dual employees, including bonuses, if any, benefits, and overhead.
- DelFavero & Associates receives fees for the financial and accounting services it provides to certain of the Funds and Fund investments, which fees are borne by each such entity. Pursuant to the Fund offering documents for the applicable Fund to which these services are provided, without the consent of the applicable Fund's investor advisory board, the fees payable to DelFavero & Associates (i) by the applicable Funds will not exceed fees charged by independent third parties on an arms-length basis providing comparable services and on an annual basis will not exceed \$400,000 in the aggregate and (ii) any applicable Fund investment will not exceed fees charged by independent third parties on an arms-length basis providing comparable services. The amount of fees payable to DelFavero and Associates are disclosed in the applicable Fund's annual financial statements.
- DelFavero & Associates does not provide any services to Alcion Real Estate Partners Fund III, Alcion Real Estate Partners Fund IV, or the Accounts.
- To the extent DelFavero & Associates' expenses exceed its revenue, Alcion will pay the amount required to make up the deficit to DelFavero & Associates. Similarly, to the extent DelFavero & Associates' revenue exceeds its expenses, DelFavero & Associates will pay the excess amount to Alcion. Alcion has adopted policies and procedures under which shared personnel of Alcion and DelFavero & Associates record the time spent on matters related to Alcion, the Funds, and Fund investments. Accordingly, at no time will the Funds or Fund investments pay for expenses that are expenses to be paid by Alcion.

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

Code of Ethics. Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the “Advisers Act”), Alcion has established and enforces a written code of ethics (“Code”) that describes standards of business conduct, including applicable fiduciary obligations, that must be observed by Alcion and its “supervised persons” (as defined in the Advisers Act) in connection with Alcion’s investment advisory business. These standards include requirements for supervised persons:

- To act at all times with the utmost integrity and honesty, dealing fairly with clients, Alcion, its associates, and service providers;
- To place the interests of clients ahead of those of Alcion;
- To render professional and unbiased investment advice to clients;
- To provide full, fair, and timely information to clients;
- To avoid conflicts of interest with clients when supervised persons conduct personal securities transactions;
- To exercise diligence and care in maintaining and protecting clients’ non-public, personal or confidential information; and
- To comply at all times with federal securities laws.

Alcion’s Code is based upon the premise that all Alcion personnel have a fiduciary responsibility to render professional, continuous, and unbiased investment advisory service to clients. The Code requires that all personnel read and agree to adhere to the Code, and that any violation of the Code is subject to sanctions by Alcion, including termination. A copy of the Code is available upon request to clients and prospective investors.

In furtherance of the Code, Alcion personnel are prohibited from the following:

- (i) using material, non-public information to trade, communicate, or recommend securities;
- (ii) engaging in any personal securities transactions in an initial public offering without the prior written approval of the Chief Compliance Officer;
- (iii) participating in a limited offering without the prior written approval of the Chief Compliance Officer; and
- (iv) trading in any securities on a list for which trading is prohibited, if any.

No communications are permitted concerning the securities transactions for clients except to necessary third parties without the prior written consent of the Chief Compliance Officer. All information concerning clients, their accounts, and their activities is to be maintained in strict confidence.

The Chief Compliance Officer is required to report violations to the senior management of Alcion.

All supervised persons are prohibited from trading on the basis of material non-public information. In addition, the Code prohibits “Access Persons” (as defined in Rule 204-A-1 under the Advisers Act), from trading, in their personal accounts or in other accounts in which they have a beneficial interest, in “reportable securities” (as defined in Rule 204A-1 under the Advisers Act and the Code) ahead of a client’s trade in the same security. Access Persons must also obtain prior approval from Alcion’s Chief Compliance Officer before purchasing any security that is part of an initial public offering or part of a private placement or other limited offering.

In order to avoid conflicts of interest, the Code requires Access Persons to provide, and Alcion to review, both initial and annual reports of all reportable securities beneficially owned by such Access Person. Quarterly reports of all transactions in reportable securities are also required to be delivered by Access Persons under the Code to the Chief Compliance Officer and are also required to be reviewed by Alcion. The Chief Financial Officer will review the Chief Compliance Officer’s transactions.

Other potential conflicts may include side letter agreements. Alcion and/or the Funds may enter into certain written or side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to, different transfer rights, reporting obligations, disclosure obligations, and requirements to safeguard confidential information.

Item 12. Brokerage Practices

Alcion, without consent of the applicable Fund’s investor advisory board, shall not invest in publicly traded securities, however, in the event Alcion executes a brokerage transaction for the Funds, Alcion will generally consider qualitative factors including, but not limited to, the reliability, execution capabilities, commissions, reputation and responsiveness, and other financial information of the broker.

Item 13. Review of Accounts

Monitoring of accounts. Alcion’s investment professionals are responsible for reviewing and monitoring each Fund’s or Account’s investments on a continuous basis. The investment professionals include Alcion’s executive officers, Principals, and specialists in investment analysis, research, acquisition, asset management, capital markets, and disposition. Such professionals are responsible for identifying, evaluating, structuring, and negotiating investments, overseeing the ongoing management of the investments by property managers, and management or oversight of financings, recapitalizations, and dispositions.

Review triggers. Alcion continually monitors each Fund's and Account's investments and the related performance.

Reports to clients. Each Fund's investor advisory board receives written or verbal reports on certain issues as they arise, including, but not limited to, any conflicts of interest. Each Fund holds an annual meeting for investors to review the status of the Fund. Certain Funds also hold an annual investor call in addition to the annual meeting. Investors also receive the following reports: (i) annual audited financial statements of the Fund, (ii) quarterly unaudited financial statements of each Fund (with the year-end financial statements being audited), and (iii) quarterly reports containing an operational summary of the assets in each Fund. The above reports are regularly distributed to investors in each respective Fund. With respect to the Accounts, reports are provided based on the client's reporting requirements.

Item 14. Client Referrals and Other Compensation

Alcion utilizes third-party placement agents in connection with the sale of interests in certain Funds to identify investors and compensates such third-party placement agents for their services. Such third-party placement agents may receive a retainer fee and/or fees based on aggregate capital commitments or capital contributions to the relevant Funds. The amount of such compensation may be greater if the applicable Funds accept a greater amount of investor commitments and/or invest a greater amount of capital. Any compensation paid to third-party placement agents in connection with the sale of interests in certain Funds to underlying investors is ultimately borne by Alcion and not the Funds.

Item 15. Custody

Custody of client securities and funds are held with a qualified custodian. On an annual basis, each Fund's and co-investment vehicle's year-end financial statements are subject to an audit or an annual surprise security examination by an independent accountant registered with the Public Company Accounting Oversight Board ("PCAOB"). Each Fund and co-investment vehicle undergoing annual audit distributes its audited financial statements, prepared in accordance with generally accepted accounting principles, to all Fund investors within 120 days of the end of its fiscal year end, and upon liquidation, distributes its audited financial statements prepared in accordance with generally accepted accounting principles to all Fund investors promptly after the completion of such audit. To the extent that Alcion is deemed to have custody of the underlying assets of a Fund or co-investment vehicle that does not conduct an annual audit, Alcion engages a major accounting firm registered with the PCAOB to subject such assets to a surprise audit. In these circumstances, the qualified custodian will send quarterly account statements to each such Fund's and co-investment vehicle's investors.

Item 16. Investment Discretion

Under each Fund's and Account's management agreement and offering documents, Alcion has investment-level discretion and provides investment advisory services to each Fund, subject to the direction and control of the general partner of each Fund or Account, who is always an Alcion affiliate.

Item 17. Voting Client Securities

Item 17 is not applicable. Alcion does not expect that its clients will typically hold investments that give rise to instances of proxy voting, or other voting with respect to its client's real estate investments. However, one or more clients may be required to vote under the Fund's offering documents, and as such, the general partner will follow the provisions under the offering documents regarding such vote. Should Alcion change its business practices such that it votes proxies, it will establish and implement appropriate policies and procedures at that time.

Item 18. Financial Information

Item 18 is not applicable.

Item 19. Requirement for State-Registered Advisers

Item 19 is not applicable.