



ELION

Part 2A of Form ADV The Brochure

March 29, 2024

Elion Partners, LLC

3323 NE 163rd Street, Suite 600
Miami, FL 33160
(305) 933-3538

www.elionpartners.com

This Brochure provides information about the qualifications and business practices of Elion Partners, LLC (“Elion” or “we” or “us” or the “Advisor” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us by email at investorrelations@elionpartners.com and compliance@elionpartners.com or by phone at 805-933-3538. 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 Elion also is available on the SEC’s website at www.adviserinfo.sec.gov

Item 2. Material Changes

This Brochure dated March 29, 2024 amends the Brochure dated March 29, 2023. This annual amendment updates the description of the business of Elion and its affiliates, including with respect to certain investment risks and conflicts of interest.

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Item 4. Advisory Business

Elion Partners, LLC (“Elion” or the “Advisor” or the “Firm”) is a minority-owned vertically integrated real estate private equity firm with an investment philosophy that is rooted in fundamental experience across both the operational and financial facets of the real estate industry. Elion primarily invests in value-add real estate with a focus on industrial properties, by seeking to acquire redevelop and reposition underperforming properties in certain target markets in the United States. Headquartered in Miami, Florida, Elion maintains additional offices in New York City, Seattle and Washington D.C. Elion is a limited liability company that was formed in 2010 and is organized under the laws of Florida. Elion has been registered with the SEC as a registered investment adviser since July 31, 2017. Elion is beneficially owned by Jacobo Azout, Sylvain Argy, Juan Roberto DeAngulo, Shlomo Khoudari and Dalia Pearson.

Elion’s investment approach focuses on the intrinsic quality of real estate assets with a particular focus on three fundamental investment pillars: (i) acquisition price that is no greater than replacement cost; (ii) properties in supply constrained locations; and (iii) conservative levels of leverage. Elion aims to acquire assets at competitive prices, where projected stabilized yield on cost can deliver a risk-adjusted spread over stabilized cap rates. Elion seeks to acquire properties that are or can be positioned to capitalize on tenant demand increasingly derived from the secular rise and penetration of e-commerce, as well as supply chain distribution and disruption. Elion seeks to identify and pursue investment opportunities where there are clear paths to rental growth through active asset management and leasing. These opportunities may include buying into full or partial vacancy, short term lease expirations, or below market existing rents. To execute on the active leasing strategy, Elion works directly with both leasing brokers and tenants from pre-acquisition marketing through final lease execution. Elion aims to work dynamically with tenants by implementing “blend and extend” strategies, tenant buy outs and providing incentives such as tenant improvements and free rent packages.

Consistent with Elion’s vertically integrated structure and platform, Elion leverages Elion Development, LLC, the Firm’s construction and design team (“Elion Development”) to evaluate capital investments and improvements that can enhance accessibility, functionality, or amenities for all ground-up development and redevelopment investments in an effort to maximize long-term value creation and achieve stabilize-to-core performance prior to realization. Likewise, Elion leverages Elion Services, LLC (“Elion Services”) to provide property management and accounting services with respect to some or all of Elion’s properties. EP EI, LLC (“Elion Intelligence” or “E.I.”) is a technology service provider offering data analytics and technology-enabled operations solutions for Elion and its affiliated service providers as well as real estate asset managers and others third parties.

Elion’s team includes 20 investment professionals with a strong combination of operating and investment experience. Particularly, Elion’s leadership team holds an average of 24+ years of experience across real estate operations, investment management, asset management, capital markets and data science.

For additional information about the investment strategy of Elion, please see the discussion under “*Methods of Analysis, Investment Strategies and Risks of Loss*”. Further details regarding the investment objectives for the Funds (defined below) can be found in the applicable Governing Documents (defined below) for each Fund.

Elion serves as the investment adviser for and provides discretionary investment advisory services to private investment funds exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”), as well as to co-investment funds, special purpose vehicles, single-asset funds and other alternative investment structures. Investments may be made through various alternative investment vehicles, special purpose vehicles and/or feeder funds for legal, tax, regulatory or other structuring reasons. Below are the investment vehicles to which Elion provides investment advisory services, together with their corresponding general partner and/or managing member entities (as the context requires):

Investment Vehicle	Legal Entity	General Partner
Fund IV	Elion Real Estate Fund IV, LP	Elion IV GP, LLC
Fund IV	Elion IV QP Fund, LP	Elion IV GP, LLC
Fund IV	Elion IV US Feeder I, LP	Elion IV Feeder GP, LLC
Fund IV	Elion IV Cayman Feeder I, LP	Elion IV Feeder GP, LLC
Fund IV	Elion DC Co-Invest, LLC	Elion IV GP, LLC
Industrial Fund I (f/k/a Fund V)	Elion Real Estate Fund V, LP	Elion V GP, LLC
Industrial Fund I (f/k/a Fund V)	Elion V Holdco, LP	Elion V GP, LLC
Industrial Fund I (f/k/a Fund V)	Elion V Cayman Feeder I, LP	Elion V Feeder GP, LLC
Industrial Fund I (f/k/a Fund V)	Elion V US Feeder I, LP	Elion V Feeder GP, LLC
Industrial Fund II	Elion Industrial Fund II, LP	Elion Industrial Fund II GP, LLC
Industrial Fund II	Elion Industrial Fund II (Private Capital)	Elion Industrial Fund II GP, LLC
Industrial Fund II	Elion Industrial Fund II Feeder, LP	Elion Industrial Fund II GP, LLC
Industrial Fund II	Elion Industrial Fund II (Sidecar-A), LP	Elion Industrial Fund II GP, LLC
Adar Development Partners, LP	Adar Development Partners, LP	Adar Development Partners GP, LLC
EDF I	Elion Development Fund I, LP	Elion Development Fund I GP, LLC
Adar Ridgeport Industrial Partners	Adar Ridgeport Industrial Partners (Domestic), LLC	Adar Ridgeport Industrial Partners GP, LLC
Adar Ridgeport Industrial Partners	Adar Ridgeport Industrial Partners (International), LP	Adar Ridgeport Industrial Partners GP, LLC
Adar Ridgeport Industrial Partners	Adar Ridgeport Industrial Partners (Colombian), LP	Adar Ridgeport Industrial Partners GP, LLC
Adar Ridgeport Industrial Partners	Adar Ridgeport Industrial Partners (Panamanian), LP	Adar Ridgeport Industrial Partners GP, LLC
Adar Ridgeport Industrial Partners	Adar Ridgeport Industrial Partners GP Co-Investment, LLC	Adar Ridgeport Industrial Partners GP, LLC
Adar Glenmont	Adar Glenmont Investors, LLC	Adar Glenmont GP, LLC
Adar Somerset	Adar Somerset, LLC	Adar Somerset GP, LLC
Adar 17 West	Adar 17 West, LLC	Adar 17 West GP, LLC
ELP DC	ELP DC Partners, LLC	ELP DC GP, LLC
ELP DC	Sunlight DC, LLC	ELP DC GP, LLC
ICOV	Island Club Orlando Ventures, LLC	Elion MC, LLC
ELP 55	ELP 55 JV, LLC	Elion MC, LLC
ICOV II	Island Club Orlando Ventures II, LLC	Elion MC, LLC
ICOV II	Island Club Orlando Ventures II-A, LLC	Elion MC, LLC

For purposes of this Brochure, each of the investment vehicles listed on the foregoing table are collectively referred to throughout this Brochure as “Funds” and each individually as a “Fund”. For more information about the Elion Funds, please see Elion’s Form ADV Part 1, Schedule D, Section 7.B.(1) Private Fund Reporting.

For purposes of this Brochure, each of the general partner and/or managing member entities listed on the foregoing table are collectively referred to throughout this Brochure as “General Partners” and each individually as a “General Partner”. While the General Partners maintain ultimate authority over the respective Funds, Elion has been delegated the role of investment advisor with respect to each Fund and has been delegated authority to make investment decisions on behalf of the Funds.

In providing investment advisory services to the Funds, Elion formulates each Fund’s investment objectives, directs and manages the investment of each Fund’s assets, and provides reports to each Fund’s investors (“Investors” or “Limited Partners”). Elion does not tailor its advisory services to the individual needs of Investors in its Funds; rather, Elion’s investment advice and authority for each Fund is tailored to the investment objectives of that Fund. Elion manages the assets of the Funds in accordance with the terms of each Fund’s applicable confidential offering and/or private placement memorandum, individual limited partnership agreement, individual limited liability company agreement or other governing documents applicable to each Fund (as applicable, the “Governing Documents”). The Firm does not seek or require Investor approval regarding each investment decision. Fund Investors generally cannot impose restrictions on investing in certain investments, securities and/or types of investments, other than as described in the Governing Documents. Investors in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except pursuant to the terms of the applicable Governing Documents, which in limited instances may provide for excuse or opt-out rights to certain Fund Investors. Elion has entered into side letters or similar agreements with certain Investors that have the effect of establishing rights under, or altering or supplementing, a Fund’s Governing Documents. Once invested in a Fund, Investors generally cannot impose additional investment guidelines and/or restrictions on such Fund. For specific actions, transactions or activities described in the Governing Documents that require approval of an Investor Advisory Committee (“IAC”) or Limited Partner Advisory Committee (“LPAC”), as applicable, Elion solicits IAC or LPAC consent for the Funds to engage in such actions, transactions or activities. The IAC and LPAC are independent of Elion, the General Partners and the Funds.

Shares or limited partnership interests in the Funds are not registered and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”); and no Fund is registered nor will be registered under the Investment Company Act. Accordingly, interests or shares in the Funds will be offered and sold exclusively to Investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions exempt from registration under the Securities Act.

As of December 31, 2023, Elion had regulatory assets under management (“RAUM”) of approximately \$1.327 billion. All RAUM is managed on a discretionary basis.

Elion does not participate in a wrap fee program.

Item 5: Fees and Compensation

General Overview of Fees and Incentive Based Compensation

Elion typically receives investment management fees from each Fund in consideration for providing investment advisory services to such Fund. In addition, each Fund’s General Partner and/or an affiliated special limited partner (a legal entity established to receive carried interest compensation and/or similar “promote” payments or awards, and hereinafter a “Special Limited Partner”) is entitled to carried interest distributions and/or similar “promote” distributions or other incentive-based compensation as agreed with Investors pursuant to the Governing Documents of such Fund. For certain Funds, an affiliate of Elion will receive acquisition fees, development fees, construction management fees and/or property services fees (each as described below). The following is a general description of fees, incentive-based compensation, and/or operating expenses of the Funds. Investors should refer to the Governing Documents of the applicable Fund for a complete understanding of how Elion is compensated for its advisory and related services. The information contained herein is a summary only and is qualified in its entirety by such documents. Each Fund’s Governing Documents describe fees, incentive-based compensation and operating expenses in greater detail. A brief summary of such fees, incentive-based compensation and expenses is provided below.

Investment Management Fees. Elion (or an affiliate thereof) charges each Fund an investment management fee (the “Management Fee”) in accordance with each Fund’s Governing Documents. Generally, Management Fees are charged based on the metrics described in the table below.

Investment Vehicle	Management Fee Base	Management Fee Percentage
<ul style="list-style-type: none"> Fund IV Industrial Fund I EDF I 	Invested Capital / Funded Capital Commitments (each as defined in the Governing Documents of the applicable Fund)	1.0% - 2.0% per annum
<ul style="list-style-type: none"> Adar Glenmont Adar Somerset Adar 17 West Adar Development Partners ELP 55 ICOV ICOV II 	Net Asset Value (as defined in the Governing Documents of the applicable Fund) of Fund assets	0.35% - 1.0% per annum
<ul style="list-style-type: none"> Industrial Fund II (and its Parallel Vehicles) 	Committed Capital during the Investment Period, and Invested Capital thereafter (each as defined in the Governing Documents of the applicable Fund)	1.5% - 2.0% per annum

Certain other Funds (e.g., Adar Ridgeport Industrial Partners) pay a fixed Management Fee plus a variable amount based on square footage of space leased. Depending on the Fund, the Management Fee may be payable either monthly or quarterly, and may be payable in either in advance or in arrears. Some Funds may charge a higher or lower Management Fee than what is described in the table above. All Management Fees are negotiated with a Fund’s

Investors during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. For more specific information on the Management Fees for each Fund, please refer to the relevant Fund's Governing Documents.

Elion may, in its sole discretion, waive all or a portion of the Management Fee. Management Fees differ from one Fund to another, as well as among Investors in the same Fund. For example, Management Fees may be waived for the General Partner, the Special Limited Partner and/or the Managing Member, as well as Elion employees, affiliates and their families investing in a Fund. Similarly, Investors in a co-investment Fund may pay a reduced Management Fee.

The Management Fee is payable without regard to the overall success or income earned by a Fund. Installments of the Management Fee payable for any period other than a full calendar quarter are adjusted on a pro rata basis corresponding to the actual number of days in such period. Management Fees and other fees are paid either through a capital call notice to Investors, as a Fund expense or are deducted from distributions to Investors.

The Funds typically invest on a long-term basis. Accordingly, Management Fees are expected to be paid, except as otherwise described in the relevant Governing Documents, over the term of the Funds' lives, and Investors generally are not permitted to withdraw or redeem interests in the Funds.

Carried Interest. As described further in Item 6 below, a Fund's affiliated General Partner and/or Special Limited Partner is entitled to carried interest distributions and/or similar "promote" distributions or other incentive compensation as agreed with Investors pursuant to the Governing Documents of such Fund ("Carried Interest"). Carried Interest is generally equal to a specified percentage of profits generated for Fund Investors pursuant to a distribution waterfall described in the Governing Documents of the applicable Fund.

Affiliated Service Provider Fees

Certain Funds retain one or more of our affiliates to perform non-investment advisory services which might otherwise be performed by unaffiliated third parties as set forth below (collectively, the "Affiliate Services").

Acquisition Fees. Certain Funds will pay an affiliate of Elion fees in connection with the acquisition of real estate assets ("Acquisition Fees"). Historically, in the case of legacy Funds, Acquisition Fees were charged in the amount of between 0.5% – 1.0% of the gross costs of the purchase of a property, due and payable upon the date of the Fund's acquisition of the underlying real estate. More recently, the Acquisition Fee has been staged, for example with 1.0% of gross land costs due and payable upon acquisition and 1.0% of total project costs due and payable upon the closing of associated construction financing. In one case, the Acquisition Fee is 1.0% of total Project Costs (defined under the applicable Governing Documents), with the Project Costs incurred as of the date of acquisition due and payable on the acquisition date, and the remaining portion of the Acquisition Fee due and payable at the time development or redevelopment activities commence for such asset. However, Elion does not currently charge Acquisition Fees in its "value-add" Funds series (e.g., Industrial Fund II and its successors).

Development Fees and Construction Management Fees. Certain Funds (or the underlying properties in which such Funds invest) will pay Elion Development to provide development services with respect to certain properties requiring development and/or redevelopment activity, which may include, but are not limited to, construction services, construction management services and development oversight services ("Development Fees" and "Construction Management Fees"). By way of example, for certain projects Elion Development receives Development Fees equal to three percent (3.00%) of the total hard costs and soft costs associated with a given investment and Construction Management Fees equal to one-half percent (0.50%) of the total hard costs and soft costs associated with such investment. Typically, eighty percent (80%) of the Development Fee and Construction Management Fee associated with each investment is payable in monthly installments proportionate to the percentage of construction then completed with the remaining twenty percent (20%) payable upon such project's substantial completion. However, Elion does not currently charge Development Fees or Construction Management Fees in its "value-add" Funds series (e.g., Industrial Fund II and its successors) as such Funds do not engage in ground-up development activities.

Property Management and Property Services Fees. Certain Funds (or the underlying properties in which such Funds invest) will pay Elion Services to provide property management, property accounting, leasing, brokerage, closing, advisory and underwriting services, and will receive fees for such services (“Property Service Fees”). The fees in respect of any such services will be paid by the underlying properties owned by the Fund.

Technology and Data Analytics. Certain Funds (or the underlying properties in which such Funds invest), subject to the limitations of the applicable Governing Documents, will pay Elion Intelligence for the provision of technology services, data analytics and various other technology-enabled solutions. It is expected, in most cases, the fees and amounts earned in respect of any such services will be paid directly or indirectly by the underlying properties owned by the Fund.

While such Affiliate Services will be provided on terms that Elion reasonably determines are no less favorable to the Fund than generally available in an arm’s length transaction from experienced and unaffiliated parties and only with respect to matters in the ordinary course of the Fund’s business, there is an inherent conflict of interest that incentivizes Elion to engage its affiliates over unaffiliated third parties for the performance of such Affiliate Services. For the avoidance of doubt, any such fees for Affiliate Services are in addition to, and do not offset Management Fees.

Expenses

Formation and Organizational Expenses. Each Fund will generally bear all organizational and/or offering expenses, including legal, travel (including expenses for the use of charter flights, first class or business class travel), accounting, food, lodging, entertainment tax, consulting, filing, printing and other expenses incurred in the formation of the Funds and their related entities (“Formation Expenses” or “Organizational Expenses”). Certain Funds limit the amount of Formation Expense and/or Organization Expenses that may be borne by the Fund (“Cap”). Amounts in excess of this Cap and any placement agent fees paid by the Funds as described in each Fund’s Governing Documents are offset against Management Fees.

Advisor Expenses. Elion and its affiliates are generally responsible for (i) all costs and expenses incurred by the Advisor that relate to office space, facilities, utility services, supplies and necessary administrative and clerical functions in connection with the Advisors’ operations; and (ii) except as otherwise provided for in the Governing Documents of the Funds, compensation of and provision of benefits to all employees of Elion who are engaged in the operation or management of the Advisor’s business.

Other Expenses. Each Fund will generally bear its own operating expenses, including, but not limited to: all costs and expenses incurred in connection with identifying, evaluating, negotiating, structuring and closing investments (including the organization of and maintenance costs of any entities used for the acquisition of such investments), whether consummated or not consummated, and acquiring, hedging, financing, owning, designing, permitting, managing, improving, operating, leasing, maintaining, disposing of or otherwise dealing with investments, including, without limitation, any investment banking, engineering, research, due diligence (including services related to environmental, social, and governance investment considerations and policies), appraisal, environmental, travel (including airfare, charter flights, first class travel, business travel, transportation, food, and lodging) and accounting expenses, any deposits and commitment fees and other fees and out-of-pocket costs related thereto, and the costs of rendering financial assistance to or arranging for financing for any assets or businesses constituting investments or for working capital or other Fund purposes; all brokerage commissions and other investment costs incurred by or on behalf of the Funds (but excluding any fees payable to any placement agent incurred with respect to the sale of interests in the Funds); all costs and expenses incurred in connection with negotiating and closing of any indebtedness of the Funds, including without limitation any working capital credit facility or subscription line indebtedness facility, and all costs and expenses relating to interest rate hedging strategies including investing in derivative instruments for interest rate hedging purposes, as well as any personnel costs of Elion attributable to obtaining financing for an investment without the involvement of a third-party brokerage firm; all costs and expenses, if any, incurred in monitoring investments, including, without limitation, any engineering, environmental, payment processing, travel (including airfare, transportation, food and lodging), graphics, internal audit, appraisal, administration and accounting expenses, software expenses and other fees, charges and out-of-pocket costs related thereto; all allocable information technology costs and expenses incurred in connection with the maintenance of data and other processing systems on behalf of the Investments, including

accounting system customizations, Investor communication portals, asset management systems and securities trading systems; property management fees (if any); all attorney fees and expenses incurred in connection with the business, administration and investments of the Funds (including, but not limited to, the actual costs of using in-house lawyers and paralegals of Elion, provided that the actual costs of each such professional shall be hourly rates that are determined by taking into account the seniority and experience of, and the personnel costs incurred for, each such professional); all taxes, fees or other governmental charges levied against the Funds (which shall be paid by the applicable entity rather than being allocated *pro rata*); all costs related to litigation, threatened litigation, arbitration, or other regulatory or tax proceedings, investigations or audits, other extraordinary expenses and indemnification (including any judgments or settlements paid in connection therewith) involving the Funds (not including any costs related to litigation or threatened litigation between or among Elion and its affiliates and the directors, officers and employees thereof, or any indemnification with respect thereto); all costs and expenses associated with accountants, administrators, servicers, third-party administrators, appraisers, auditors, tax advisors, tax return preparers, custodians, licensed consultants, paying agents, intermediaries and distributors that are required for the Funds to accept capital commitments from certain non-U.S. jurisdictions, transfer agents, graphic designers, third party market research services and other professionals with respect to the Funds and their respective activities, including the preparation and auditing of financial reports and statements and any training, compliance or other similar matters including Fund administration matters; post-closing costs relating to documenting the terms of any side letters entered into with any of the Investors, and costs associated with the distribution of financial and other reports to the Investors; costs associated with Investors and LPAC meetings and any meetings of shareholders, partners, members or directors of any Fund or other investor relations obligations, including travel (including airfare, first class travel, charter flights, business travel, transportation, and lodging) costs related thereto; the cost of, and expenses associated with, obtaining and maintaining insurance for the Funds and their respective assets, including without limitation, cybersecurity insurance and/or errors and omissions liability insurance and director and officer liability insurance liability insurance to protect indemnified persons; all costs and expenses associated with indemnifying the indemnified persons; all costs and fees incurred in connection with the maintenance of bank or custodian accounts; all expenses incurred in connection with the registration or qualification for exemption from the registration requirements of the securities of the Funds under applicable securities laws or regulations and the expenses incurred by Elion to comply with the requirements under the Advisers Act, as amended as such requirements relate specifically to the operations of the Funds (for the avoidance of doubt, the expenses incurred by Elion to comply with the requirements under the Advisers Act, as amended, as such requirements relate to record-keeping, disclosure and other fiduciary obligations of registered investment advisers generally and not to the operations of the Funds, will not be included in operating expenses); Management Fees, Development Fees (if any), Acquisition Fees (if any), Construction Management Fees (if any) and Property Service Fees (if any); and all expenses of the Funds that are not normally recurring operating expenses. Expenses will vary by Fund as described in each Fund's Governing Documents. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers utilized to procure, develop, establish, review, customize and/or negotiate relationships relating to the foregoing items, which are expected to be significant.

Investors and prospective Investors should refer to the applicable Governing Documents for a detailed discussion on the operating expenses paid by each Fund.

Elion reserves the right to agree with joint venture or similar partners, service providers, lenders, or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation.

Additionally, Elion expects to utilize or retain on a periodic or recurring basis certain consultants ("Special Consultants") to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio investments in which one or more Funds invest. Special Consultants are expected to provide various services specified in the consulting arrangement, including debt procurement and advisory services and identification, acquisition, holding and disposition of portfolio investments. Special Consultants receive compensation, which can include, but is not limited to, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined

milestones), transaction fees, a profits interest in the underlying Investment, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from Elion and/or its Funds or affiliates or other compensation. The amount of such compensation is negotiated between Elion and such Special Consultant, and typically is determined according to one or more methods, including a percentage of the value of the portfolio investment. The relevant Fund typically will bear the costs of Special Consultant compensation as well as fees, costs and expenses of structuring Special Consultant arrangements. Special Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee.

Co-Investment Expenses. In certain cases, one or more co-investment vehicles or other similar vehicle established to facilitate investments alongside a Fund will be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the Investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making of an investment.

If a proposed transaction is not consummated, in general no such co-investment vehicle will have been formed, and the full amount of broken-deal expenses (and other expenses relating to the diligence or evaluation of a prospective investment) therefore would generally be borne by the Fund or Funds selected as proposed investors for such proposed transaction. As a general matter, no co-investor will bear broken-deal expenses or break-up fees until they are contractually committed to invest in the prospective investment.

Miscellaneous Revenues

Each Fund's allocable share of all fees or other revenues attributable to the Funds' investment activities ("Miscellaneous Revenues"), whether or not attributable to a particular investment, including break-up, transaction, director's or similar fees, that are received by Elion or its affiliates from third parties (other than Management Fees and any fees or other compensation received from co-investors), net of expenses reimbursable by the Funds to Elion or its affiliates, will offset, on a dollar for dollar basis, the Management Fee otherwise payable by the Funds to Elion in accordance with the Governing Documents. Management Fees, Acquisition Fees, Development Fees, Construction Management Fees and Property Service Fees will not be considered Miscellaneous Revenues, and will not otherwise offset the Management Fee payable to Elion. Elion generally does not expect any Miscellaneous Revenues.

The extent of the offset (whether full or partial), the timing of offsets and the types of compensation resulting in such an offset, is specified in the Governing Documents of the applicable Fund. Elion endeavors to apply offsets in the same accounting period in which such offset amount was received; however, it is possible that such offset occurs in an accounting period subsequent to the period in which such fee was paid or earned.

Elion and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from its or their activities on behalf of the Funds which will not be subject to Management Fee offset or otherwise shared with the Funds. For example, credit cards used to incur Fund expenses, hotel chains or other merchants provide for "points" or other "rewards" and airline travel results in "miles" or credit in loyalty/status programs, and in each case such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to Elion and/or such personnel (and not the Funds or the Investors) even though the cost of the underlying service is borne by the Funds and/or the Investors.

Allocation of Expenses Among Clients

Elion generally will seek to allocate such expenses among those parties in the manner prescribed by the applicable Governing Documents for the Fund and such Funds, vehicles and/or investments. In cases where costs and expenses are properly allocable between or among multiple parties, including Elion, or to the extent that the Governing Documents do not expressly provide for a method of allocation, the allocation is done in a manner that Elion considers to be fair and reasonable, taking into account factors such as the actual or estimated relative benefits to each applicable party of the expense-generating item (which may include consideration of the Funds' relative

positions' size in an expense-generating investment). See Item 10 regarding potential conflicts of interest regarding the allocation of expenses.

Item 6: Performance Based Fees and Side-by-Side Management

A portion of each Fund's net distributable cash proceeds otherwise distributable to the Fund Investors will be distributed to the General Partner, the Special Limited Partner, promote partner, or an entity affiliated with Elion as "Carried Interest" or "promote" (such entity, the "Carried Interest Recipient"). The manner of calculation of such Carried Interest is disclosed in the Governing Documents of each Fund, is negotiated with the Investors thereof, and varies by Fund. Generally, however, twenty percent (20%) of the Fund's net distributable cash is distributed as Carried Interest to such Fund's Carried Interest Recipient after such Fund has distributed to its Investors an amount equal to their aggregate capital contributions plus an 8% per annum preferred return thereon. One Fund contemplates Carried Interest distributions of up to thirty-five (35%) of such Fund's net distributable cash after such Fund achieves realized profits in excess of a 20% annually compounded preferred return.

Carried Interest distributions made to the Carried Interest Recipient are subject to clawback provisions which include the return of any Carried Interest distributions received by the Carried Interest Recipient for re-distribution to Investors. The details of the clawback provisions together with distribution mechanisms are further described in the Governing Documents of each Fund and are typically drafted to create an alignment of interest between the Investors and Elion with respect to the management of Fund investments and further, to reduce any conflicts of interest for Elion in the management of the Funds. However, the existence of the Carried Interest may create an incentive for the Carried Interest Recipient to make more speculative investments on behalf of the Funds than the Funds would otherwise make in the absence of the Carried Interest. Specifically, with respect to certain Funds, it is possible that such risk is enhanced by the Carried Interest waterfall structure of the Funds, which increases the amount of Carried Interest distributable to the Carried Interest Recipient as the Investors' distributions increase.

Elion also faces a potential conflict of interest where the Funds are subject to different Carried Interest terms. This could create an incentive for Elion to provide preferential treatment in terms of investment opportunities to a Fund subject to higher Carried Interest distributions. Elion has adopted policies and procedures to mitigate this potential conflict of interest. Among other things, as set out in each Fund's respective Governing Documents, the Funds have specific investment periods and pre-set investment mandates to address the fair allocation of investment opportunities and Firm resources devoted to the investment activities of each Fund.

Funds with specified investment objectives which are similar may be managed in a similar way and may invest in the same assets. Investment opportunities which satisfy the investment parameters of more than one Fund will be allocated in accordance with Elion's policies and procedures and in accordance with the applicable Governing Documents. Elion's policies and procedures for the allocation of investments are implemented by the applicable Fund's investment committee ("Investment Committee") and monitored by Elion's executives, Chief Compliance Officer and General Counsel.

Elion faces a potential conflict of interest in engaging its affiliates, such as Elion Services and/or Elion Development, to provide property management, development management and construction management services, property accounting, leasing, brokerage, closing, advisory, underwriting, or any other similar services, as discussed in Item 5, above, which results in payments from the Funds to such affiliates. However, Elion's goal in hiring its affiliates is to provide vertically integrated asset management over the Funds' assets and have greater involvement throughout the real estate ownership and development process, which Elion believes delivers value to the Funds and underlying Fund Investors.

Any development, construction management, property management or other services by Elion's affiliates will be provided on terms set forth in the Governing Documents or otherwise on terms that Elion reasonably determines are no less favorable to the investments than generally available in an arm's length transaction from experienced and unaffiliated parties. Any fees paid to Elion and/or its affiliates for providing such services to the Funds or their subsidiaries will be borne by the Funds or such subsidiaries for the benefit of such service providers and not shared with the Fund or any Investors (and will not offset any Management Fees).

Item 7. Types of Clients

As described in Item 4, above, Elion provides investment advice to the Funds. The Funds generally limit their investors to persons who are both “accredited investors” as defined in the Securities Act and “qualified purchasers” or “knowledgeable employees” as defined in the Investment Company Act. Each of the Funds is a private investment fund exempt from registration as an investment company under the Investment Company Act, in reliance on the exclusions provided by, without limitation, Sections 3(c)(1) and/or 3(c)(7) thereof. Investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment in the Funds. The Funds are not registered or required to be registered under the Investment Company Act; and the securities issued by the Fund are not registered or required to be registered under the Securities Act and are privately placed to qualified investors in the United States and elsewhere. The current typical minimum investor commitment for the Funds is generally between \$2 and \$5 million. Elion maintains discretion to accept less than the minimum investment threshold. Other eligibility requirements for Investors are detailed in the Governing Documents applicable to each Fund. Investors generally consist of high net worth individuals, other investment entities, university endowments, family offices, pension and profit-sharing plans, secondaries funds and investors, public pension plans, sovereign wealth funds, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Elion and its affiliates and members of their families, or other service providers retained by Elion.

In accordance with common industry practice with respect to private investment funds, the General Partner of the Funds will, at times, enter into side letters or similar agreements with certain Investors pursuant to which the Funds, the General Partner and/or Elion may agree to vary or supplement certain of the terms applicable to any such Investor or grant to any such Investor specific rights, benefits or privileges that are not made available to Investors generally.

Such rights or terms documented in any such side letter or other similar agreement may include, among other things, (i) different notice periods or minimum investment amounts, (ii) the agreement of the General Partner and/or Elion to extend certain information rights or additional diligence, valuation or reporting rights to such Investor, including to accommodate special regulatory or other circumstances of such Investor, (iii) consent of the General Partner to certain transfers by such Investor or other exercises by the General Partner and/or Elion of its discretionary authority under the Governing Documents in certain respects for the benefit of such Investor, or (iv) other rights or terms in light of particular legal, regulatory, public policy or other characteristics of such Investor. The rights or terms so established in a side letter or other similar agreement with an Investor will govern solely with respect to such Investor and may not impact the Funds as a whole or any other investors in the Funds, and the terms of any such side letter or agreement may not be disclosed to all other Investors.

Further, Elion may enter into separate economic arrangements with respect to particular Investors that have the effect of increasing or decreasing the amounts payable to or received by Elion and its affiliates from the Funds with respect to such Investors or agree to take appropriate actions with respect to a particular Investor if certain actions by such Investor are not permitted in view of applicable law, rule, policy or regulation (including without limitation, requiring or permitting such Investor to cease making further capital contributions to the Funds).

In general, neither the Funds nor Elion will be required to notify any Investor of the existence of any additional or different terms applicable to any other Investor or group of Investors, nor will the Funds or Elion be required to offer and/or disclose such additional and/or different terms to any or all of the other Investors. Such rights may be granted to any Investor as determined by the Funds and/or Elion in their discretion and there can be no guarantee that such rights would be electable by any other Investor pursuant to a most favored nations process.

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

For additional detail on Elion’s methods of analysis and investment strategies, as well as risks of loss, current and prospective Investors should consult the Governing Documents applicable to each Fund.

Investment Objectives, Strategies and Processes. Elion generally provides investment advisory services to Funds that are: (i) blind pool commingled Funds organized to invest in multiple industrial real estate assets (the “Commingled Funds”) or (ii) discretionary special situations permanent capital vehicles organized to invest and develop single assets (“Evergreen Special Situations Vehicles”). The investment strategy of the Commingled Funds is generally to acquire, redevelop and reposition underperforming industrial properties in certain target markets in the U.S., implementing a value-add strategy through active asset management, capital investments, and accretive portfolio construction. By contrast, the investment strategy of the Evergreen Special Situations Vehicles (as well as Adar Development Partners) is generally to deploy capital unto build-to-core or long-term stabilize-to-core industrial projects, by pursuing high-quality investments arising from market dislocations, with an emphasis on assets that may achieve appreciation through initial stabilization, further potential to provide escalating cash-flows over a long-dated horizon, and meaningful monetization upon future liquidity events.

To source investment opportunities, the Funds seek to use Elion’s extensive network of developers, brokers and banks to access “off market” investment opportunities at attractive cost bases. Likewise, with respect to build-to-core and/or stabilize-to-core development assets, Elion attempts to identify local joint venture partners and/or programmatic venture partners who possess development expertise in a particular region or unique relationships with potential tenants, which Elion believes will enable the applicable Funds to acquire properties at below market rates for stabilized products.

Elion Funds seek to achieve attractive risk-adjusted returns (i) through ongoing cash flow distributions of net operating income (“NOI”) from the properties, which are expected to be enhanced by the utilization of conservative levels of debt and (ii) through increases in the residual value of the Fund’s investments which are expected to be a function of the NOI growth applied to market-based capitalization rates. Elion Funds also focus on geographic locations with supportive market dynamics, including strong demographic demand drivers, consistent rental growth and low re-tenanting costs, with the intent of creating an inflation protected pool of assets that are characterized by minimal downside exposure.

Finally, the Commingled Funds will aim to build portfolios to generate accretive aggregate value through diversification. To achieve diversification, the Funds will target investments that possess different functionality and require varied business plan executions. Elion believes that a well-diversified portfolio may create value above the sum of its parts as individual assets. Such portfolio aggregation may enhance the overall risk profile of the portfolio, create thematic institutional investment opportunities and drive value creation for Fund Investors.

Upon acquisition of an asset, Elion performs active asset management and other related functions in an effort to drive and maximize overall returns. Elion seeks to identify and pursue investment opportunities where there are clear paths to rental growth through active asset management and leasing. These opportunities may include buying into full or partial vacancy, short term lease expirations or under market existing rents. Consistent with the Firm’s vertically integrated structure and experience, the Fund will be able to take advantage of the Firm’s internal construction and design team to evaluate capital investments to enhance accessibility, functionality or amenities for fund properties to maximize value creation. Such opportunities may include improving parking ratios, increasing ceiling clearance or adding additional loading docks. Elion evaluates Fund properties for opportunities to enhance leasing traction with a clear path to revenue growth. From a performance perspective, Elion requires capital projects to meet the return profile of its underwriting, including satisfaction of internal rate of return, return on investment and yield on cost metrics.

In connection with the foregoing, Elion leverages various resources for gathering market information to help informed decision-making for the appropriate target markets. In-house and propriety data from Elion’s current portfolio is the first source of research. Through relationships with current tenants, Elion intends to create an informed view of the national markets, flow of goods and future market penetration opportunities. Even though Elion typically buys pre-market deals, the strong relationships with leasing brokers provides insight into the markets and opportunities coming online. Other public resources, including brokerage research publications, are reviewed and used as supplemental support to the information from direct relationships.

Additionally, Elion has a development and construction team that continues to directly handle any improvements, whether ground up for a new building or tenant improvements and capital expenditures. The team directly interacts

with general contractors and subcontractors to oversee proper execution and the best pricing. The development and construction teams are interwoven with the rest of the asset management team to provide their expertise and know-how on the physical aspects of the properties. This includes due diligence of a new acquisition, including personally visiting the asset pre-acquisition, validating annual budgets for capital expenditures and tenant improvements, as well as the oversight of any repair and maintenance activity. Elion's in-house development and construction team helps enhance Elion's ability to create value at the asset level.

Elion conducts a detailed analysis of each investment that it undertakes on behalf of each Fund, utilizing its extensive insight and experience. After identifying potential investment opportunities, Elion conducts an in-depth scenario analysis under differing economic conditions to understand what the potential returns will be for the investment, utilizing downside base case returns to justify its underwritten assumptions. Once an investment is made, Elion (or an affiliate thereof) will manage the project from start to finish. With respect to the Commingled Funds, Elion typically underwrites the holding period for its investments to be between three (3) and five (5) years. By contrast, the Evergreen Special Situations Vehicles may hold investments indefinitely until Elion deems that an opportunity to exit the investment has presented itself.

Risk Factors

An investment in any of the Funds involves a risk of loss, including the risk of a partial or total loss of capital, and Investors must be prepared to bear capital losses which might result from investments. An investment in the Funds should be deemed to be a speculative investment and is not intended as a complete investment program. Investments in the Funds are designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that Investors will receive a return of their capital. Investors in a Fund have no input on investments or strategy and will have no right to withdraw from the Fund.

The descriptions contained below are a brief overview of different risk factors related to Elion's investment strategies; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risk factors and/or potential conflicts of interest that will or may arise in connection with the management and operations of the Funds. Prospective Investors should review the risks listed in the applicable Governing Documents of a Fund prior to investing.

General Risk Factors Relating to an Investment in the Funds

Past Results Are Not Indicative of Future Results; High Degree of Risk. There can be no assurance that a Fund will achieve similar results to any of the results obtained by the prior investments of affiliates of Elion, whether on an aggregated portfolio basis or an individual investment by investment basis. The performance of the Funds are dependent on future events and is, therefore, inherently uncertain. The prior investment performance of Elion, including its prior investment funds, cannot be relied on to predict the future performance of the Funds due to a variety of factors, including, without limitation, varying business strategies, different local and national economic circumstances, different supply and demand characteristics, varying degrees of competition and varying circumstances pertaining to the real estate markets. There can be no assurance that a Fund will achieve its investment objective. A Fund's lack of operating history and identified investments increase the risk and uncertainty an Investor faces in making an investment in the Fund. Investors cannot be assured that historic performance of affiliates of Elion will be repeated with a Fund.

An investment in the Funds requires a long-term commitment, with no certainty of return. The Funds are discretionary funds. Accordingly, Investors will not have an opportunity to evaluate or approve specific investments prior to investing. Investors will be relying on the ability of Elion, who will have wide latitude within the investment guidelines in determining the types of assets it may decide are proper investments for the Funds, and to identify, consummate and manage investments. The Investors have no right or power to take part in the Funds' management, other than by voting on certain matters as provided in the Governing Documents. Accordingly, no person should invest unless such person is willing to entrust all aspects of the Funds' management to Elion.

Market Conditions. A Fund's activities may extend over a period of years, during which the business, economic, political and regulatory environments within which the Fund operates may undergo substantial changes. Recent events demonstrate that such changes may be severe and adverse. The duration of adverse economic and market conditions, and their impact on a Fund's performance, is unknown.

Increased inflation could have a pronounced negative impact on the Funds' investments, as costs could increase at a rate higher than the Funds' revenues from rent and other cash flows. Also, inflation may adversely affect potential tenant leases with stated rent increases or limits on such tenant's obligation to pay its share of operating expenses, which could be lower than the increase in inflation at any given time.

Varying Capital Structures. The Funds may acquire assets using a variety of capital structures, including direct investments in real estate-related projects and, possibly, by investing in equity or debt securities issued by public or private companies that are primarily engaged in investing in and developing real estate. As such, the Funds will be subject to market conditions affecting a variety of capital structures, and will need to maintain market knowledge and relationships across different investment structures. Such approach may require greater expense and additional dedicated management and staff time than would be experienced by a fund with a strategy that prioritizes a single capital structure.

Potential Sustained Downturn in the U.S. Economy and Real Estate Markets. An economic downturn in the U.S. could negatively impact credit markets and impair the Funds' abilities to obtain mortgage loans to purchase properties, obtain financing to complete development projects, or successfully refinance properties as loans become due on favorable terms or at all. Furthermore, if the Funds are unable to borrow, the Funds may need to sell some of their assets at unfavorable prices in order to repay their loans. To the extent that the availability of credit is limited, the Funds' tenants and other counterparties may not be able to obtain the financing required to pay amounts owed to the Funds.

Declines in real estate values and sales volumes, financial stress on borrowers, interest rate resets on variable rate mortgage loans, or other factors could have further adverse effects on buyers and sellers of real estate, which could adversely affect the Funds' abilities to obtain acquisition financing for prospective new investments and the value of the Funds' investments.

In addition, a slowing U.S. economy could have an adverse impact on tenants and potential tenants, which could impair the ability of tenants to make their rental payments and meet other obligations with respect to their leases, resulting in increased vacancies, decreased demand for rental space and declining rental values with respect to such space. The Funds may also experience higher vacancy rates as well as delays in re-leasing vacant space in the event of a sustained economic downturn.

Investments Longer Than Term. The Funds may make investments which may not be advantageously disposed of prior to the date that the Funds will be dissolved, either by expiration of the Fund's term or otherwise. Although Elion expects that investments will be disposed of prior to dissolution, Elion may not have the ability to extend the term of the Funds without the approval of Investors. There can be no assurances that such approval would be obtained. As a result, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, all of the Funds' assets may not be liquidated for a significant period of time following the Funds' dissolution date, which would delay the Investors' receipt of their final liquidating distributions from the Funds.

Risks Associated with Leverage. Elion will utilize leverage with the goal of enhancing the Funds' returns. The Funds' failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on the Funds. Use of leverage will subject the Funds to risks normally associated with debt financing, including the risk that the Funds' cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced, the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness or the risk that the Funds will be unable to repay its debt at maturity and the lender could seize the Funds' assets. The Funds may incur indebtedness in which recourse is not limited to specific assets of the Funds and indebtedness which is collateralized by more than one Fund asset, potentially including assets that the Funds own through a joint venture with co-investors, creating

a situation where the Funds' investment in performing assets could be adversely impacted when those performing assets have been cross-collateralized with assets that become non-performing.

In addition, the Funds may incur indebtedness that may bear interest at variable rates. Variable rate debt creates higher debt service requirements if market interest rates increase, which would adversely affect the Funds. The Funds may in the future engage in transactions to limit its exposure to rising interest rates as it deems appropriate and cost effective, which transactions could expose the Funds to the risk that counterparties to such transactions may not perform and cause the Funds to lose the anticipated benefits therefrom, which would have the adverse effects associated with increases in market interest rates.

From time to time, it may be difficult or impossible for the Funds to obtain financing on terms that Elion would otherwise deem favorable. Further, the credit markets from time to time may limit the amount of leverage available to the Funds to finance or refinance investments, which may, in turn, have a material adverse effect on the Funds' targeted rate of return.

With respect to fund-level borrowing generally, prospective Investors should note that calculations of net and gross internal rates of return ("IRR") in respect of investment and performance data, and with respect to the Fund, as reported to Investors from time to time, are based on the payment date of capital contributions received from Investors. This treatment also applies in instances where the Funds utilize borrowings under their applicable subscription-based credit facilities in advance of receiving capital contributions from Investors to repay any such borrowings and related interest expense. As a result, use of a subscription-based credit facility (or other long-term leverage) with respect to investments is likely to generate a higher reported IRR for Investors than if the facility had not been utilized and instead Investors' capital had been contributed at the inception of an investment, which presents certain potential conflicts of interest as a result of certain factors, including the interest rate on such borrowings typically being less than the rate of the preferred return used in the distribution waterfall, given that such preferred return does not accrue on such borrowings but will accrue when capital contributions are made as described in the applicable Governing Documents. As a result, use of long-term fund-level borrowing arrangements with respect to investments may reduce or eliminate the preferred return received by Investors and accelerate or increase distributions of Carried Interest to the Carried Interest Recipient, providing Elion with an economic incentive to utilize such borrowings. Subject to the limitations in the Governing Documents, the use of a subscription-based credit facility by the Funds is within Elion's discretion. It is expected that costs to Investors of the Funds maintaining subscription-based credit facilities and drawing down on them will be material and there can be no guarantee that the benefit to Investors of the Funds of the use of a subscription-based credit facility will be commensurate with the costs.

Subscription Lines; Asset-Backed Facilities. A Fund generally enters into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

With respect to any asset-backed facility entered into by a Fund (or an affiliate thereof), a decrease in the market value of a Fund's investments would increase the effective amount of leverage and could result in a violation of certain financial covenants pursuant to which a Fund must either repay the borrowed funds to the lender, which could, subject to any limitations set forth in such Fund's Governing Documents require investors to make additional capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of a Fund's investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of a Fund and could, if the value of its investments had declined significantly, cause a Fund to lose all or a substantial amount of its capital. Moreover, if additional capital contributions were required to satisfy such financial covenants, this would effectively reduce the amount of capital available for other investments and could adversely affect the diversification of a Fund's portfolio. In the event of a sudden, precipitous drop in the value of a Fund's assets, a Fund might not be able to dispose of assets quickly enough to pay off its debt resulting in a foreclosure or other total loss of some or all of the pledged assets. Related risks are sensitive to the nature of a Fund's direct or indirect underlying portfolio investments, concentration, expected volatility and other

factors. For example, because a Fund's direct or indirect underlying portfolio investments have the potential, from time to time, to include publicly traded securities, the value of such investments can be more volatile in times of market disruptions or other unpredictable events, which has the effect of potentially magnifying these risks.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

The credit agreement or borrowing facility entered into in connection with establishing a subscription facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments, and/or financial or other covenants that could affect the implementation of the Fund's investment strategy. In addition, in order to secure a subscription line, the relevant General Partner is often required to request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Elion for expenses incurred on behalf of the Fund. A Fund is also authorized to utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested for any Fund that includes a preferred return as a component of its distribution waterfall. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Leveraged Investments. Leverage creates an opportunity for increased return on equity, but at the same time creates risk for the Funds to incur losses. For example, leverage magnifies changes in the Funds' value. The Funds will leverage assets to finance the construction of investments or in other circumstances when Elion expects that leverage will provide a benefit, such as enhancing returns, although the Funds cannot assure that the use of leverage will prove to be beneficial. Increases in credit spreads in the market generally may adversely affect the market value of the Funds' investments. Moreover, the Funds cannot assure that it will be able to meet debt service obligations in general and, to the extent such obligations are not met, there is a risk of loss of some or all of the Funds' investments through foreclosure or a financial loss if the Funds are required to liquidate assets, the impact of which could be magnified if such a liquidation is at a commercially inopportune time.

Failure of Financial Service Providers. The failure of a bank, lender, broker, custodian or other financial service provider (each, a "Financial Service Provider"), like that experienced by Silicon Valley Bank ("SVB") and Signature Bank ("Signature") in March 2023, with which the Funds or its portfolio companies have a commercial relationship could adversely affect, among other things, the Funds' and its investments' ability to access deposits, establish new lines of credit or utilize existing lines of credit (or the costs and terms associated with such lines of credit), consummate transactions and meet obligations, which in turn could have a material adverse impact on the Funds and its investments. While Elion and the Funds will seek to utilize Financial Service Providers that it believes are creditworthy and capable of fulfilling their obligations to the Funds, the failure of a Financial Service Provider may be caused by a variety of factors that are outside of Elion and/or the Funds' control, including negative market sentiment, a rapidly changing interest rate environment, a "run" on withdrawals, fraud, increase in defaulted loans, poor performance or accounting irregularities.

Assets held by regulated Financial Service Providers in the U.S. are frequently insured up to stated amounts by organizations such as the FDIC, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers. Although governmental intervention resulted in additional protections for depositors in connection with the failures of SVB and Signature in March 2023, there is no guarantee that there will be such governmental intervention in the future or that such governmental intervention will avoid the risk of loss of, or delays in accessing, uninsured amounts. In certain cases, Elion and the Funds and its investments will not limit deposit or other accounts at any particular Financial Service Provider to the minimum insured amounts. As a result, the Funds and its investments will be subject to losses in respect of uninsured accounts in the event of Financial Service Provider failures. The Funds' and its investments' ability to spread its banking and other financial relationships among multiple Financial Service Providers may be limited by certain contractual arrangements, including requirements of credit facilities and other business, operational and administrative considerations.

ESG. Elion intends to consider environmental, social and corporate governance ("ESG") matters when making decisions for the Funds and their investments, but ESG considerations are not expected to be determinative when making investment decisions. While Elion believes that in many cases ESG objectives will align with the investment and financial objectives of the Funds, these considerations may in some cases conflict with the investment and financial objectives of the Funds. There can be no guarantee that Elion will be able to successfully implement any ESG objectives. In addition, applying ESG factors to investment and post-acquisition decisions and throughout its holding period is qualitative and subjective by nature, and there is no guarantee that any judgment exercised by Elion will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry and topic, as well as the interpretation

of their scope and materiality. Elion's interpretations and decisions are expected to differ from others' views and could also evolve over time. For avoidance of doubt, however, Elion does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors. Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Elion's evaluation, adoption and adherence to any such principles, frameworks, methodologies and tools is expected to vary over time. Additionally, market pressures, including the potential adverse reaction by investors and other participants in the private equity industry to the application of ESG factor to investment processes, could result in tensions, conflicts of interest or other potential issues as private fund sponsors navigate how to balance competing interests with respect to ESG considerations. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Elion's ESG practices could become subject to additional regulation in the future, and Elion cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

Competition Over Investment Opportunities. The Funds' business is highly competitive. Competition may cause the Funds to accept economic or structural features in its investments that the Funds would not have otherwise accepted and it may cause the Funds to search for investments in markets outside of Elion's traditional product expertise. The Funds will compete with traditional investors, as well as existing funds, or funds formed in the future, with similar investment objectives. Because of certain of the Funds' investment strategies to acquire, develop and redevelop assets, the risks associated with competition may be exacerbated. Over the past several years, many real estate funds and publicly traded REITs have been formed (and many such existing funds have grown in size) for the purpose of investing in industrial real estate-related assets, which is a primary focus of Elion. Additional real estate funds and REITs with similar investment objectives may be formed in the future by other unrelated parties. This competition could make it more difficult for the Funds to acquire their target investments. Many of the Funds' competitors may have greater financial resources and lower costs of capital than the Funds, which would provide them with greater operating flexibility and a competitive advantage relative to the Funds. Competition generally may reduce the number of suitable investment opportunities available to the Funds and increase the bargaining power of sellers.

Accordingly, there can be no assurance that the Funds will be able to identify, complete and realize attractive investments in the future or that it will be able to utilize fully its committed capital. Even if attractive investment opportunities are identified by the Funds, there is no certainty that the Funds will be permitted to invest in such opportunities (or invest in such opportunities to the fullest extent desired).

Catastrophic and Force Majeure Risks. The Funds' investments in industrial real estate may be subject to catastrophic events and other force majeure events. These events could include fires, floods, earthquakes, assertion of eminent domain, strikes, wars, riots, acts of God, acts of terrorism, pandemics, epidemics and similar risks. These events could result in the partial or total loss of an investment or significant down time resulting in lost revenues, among other potentially detrimental effects. Some force majeure risks are often uninsurable. While the Funds will seek to utilize insurance and other risk management products (to the extent available on commercially reasonable terms) to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practical or feasible. Moreover, it may not be possible to insure against all such risks, and insurance proceeds may be inadequate.

Expedited Investment Decisions. Investment analyses and decisions by Elion may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Elion at the time of making an investment decision may be limited, and Elion may not have complete information regarding the investment asset(s), such as physical matters, zoning, regulations or other local conditions affecting an investment. Therefore, no assurance can be given that Elion will have knowledge of all circumstances that may adversely affect an investment. In addition, Elion expects to rely upon specialized expert input from third-party consultants and service providers in connection with their evaluation of proposed investments. Furthermore, given the potential complexities in the Funds' investment structures, there is a heightened risk that by moving quickly to take advantage of potential investment opportunities, Elion may be unable

to structure joint venture and co-investment arrangements that give the Funds the flexibility and discretion to realize an investment at the most opportune time.

Potential Cyber-Attacks. Elion and its affiliates collect and store sensitive data in their data centers and on their networks, including proprietary business information of Investors and business partners and personally identifiable information of Investors, business partners, tenants and employees. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise Elion's or its affiliates' networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information and regulatory penalties, disrupt operations, damage Elion's reputation and cause a loss of confidence in its services, which could adversely affect its business and competitive position. The expenses associated with protecting Elion's and its affiliates' information could reduce profits.

In general, cyber incidents can result from deliberate attacks or unintentional events and may arise from external or internal sources. Cyber-attacks include, but are not limited to, gaining unauthorized access to digital systems, corrupting data, equipment or systems, or causing network services to be unavailable to intended users (i.e., "denial of service") or other operational disruption. Cyber incidents affecting Elion, the Funds, the Funds' administrators (if any) and other service providers and the Funds' investments have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the release of Investor information or confidential business information, interference with the ability to calculate the value of the Funds' investments, destruction to equipment and systems, violations of applicable privacy and other laws, regulatory fines or penalties, reputational damage, or additional compliance costs. Elion will seek to implement safeguards to protect the Funds against cyber-attacks. However, there can be no assurance that Elion will be successful in preventing the occurrence of cyber-attacks or mitigating the impact of cyber-attacks.

Data Privacy. Data privacy has become a high priority for regulators around the world. Many jurisdictions have enacted new laws and regulations relating to data privacy, cybersecurity and protection of personal information, including the General Data Protection Regulation ("GDPR") in the European Union that went into effect in May 2018 and the California Consumer Privacy Act ("CCPA") that went into effect as of January 2020. Compliance with these new regulations, where applicable, may require the Funds and/or Elion to put in place relevant policies and procedures, which may increase operational and compliance costs. These new laws and regulations may, among other matters, require companies to disclose the intended use of certain types of personal data and to notify individuals of data security breaches involving certain types of personal data. Mandatory disclosures can be costly to implement and lead to negative publicity, which may cause counterparties and Investors to lose confidence in the effectiveness of the company's data security measures. New and existing laws and regulations may impose other privacy related obligations on companies, and regulators' interpretations and approaches to enforcement of these laws and regulations continue to evolve over time. If the Funds and/or Elion fails to comply with applicable laws and regulations relating to data privacy and protection of personal information with respect to the Funds and/or their investments, it could result in fines or other penalties which may be material, and possible legal or regulatory proceedings by governmental authorities, counterparties or others.

Electronic Communication. Elion may provide Investors statements, reports and other communications relating to the Funds and/or the Investors' interests in electronic form, such as e-mail or via a password protected website ("Electronic Communications"). Electronic Communications may be modified, corrupted, or contain viruses or malicious code, and may not be compatible with an Investor's electronic system. In addition, reliance on Electronic Communications involves the risk of inaccessibility, power outages or slowdowns for a variety of reasons. These periods of inaccessibility may delay or prevent receipt of reports or other information by the Investors.

Potential Social Media Harms. There has been a significant increase in the use of social media platforms, including blogs, social media websites and other forms of Internet-based communications, which allow individuals to access an unfettered amount of information about the Funds, or certain tenants. The availability of information through these platforms is virtually immediate as is its impact, and such information may be posted at any time without affording an opportunity to redress or correct incorrect information in a timely manner. This information may be inaccurate and may cause reputation, brand image, goodwill, performance, prospects and business harm, which may ultimately adversely affect the Funds and their properties.

Reliance on Elion's Management Team. The ability of Elion to successfully manage the Funds' affairs depends on Elion's management team and its ability to identify, structure and manage investments. Elion will rely on the experience, relationships and expertise of its principals, its management team and its key employees. There can be no assurance that all of these individuals will remain in the employ of Elion or otherwise continue to be able to carry on their current duties throughout the Funds' term. The loss of the services of any of such individuals could have a material adverse effect on the Funds' operations.

Restrictions Imposed by CFIUS. Depending on the nature, size and rights of indirect non-U.S. Investors in the Funds, if any, the Funds may be prohibited from acquiring certain assets that are deemed by the Committee on Foreign Investment in the United States ("CFIUS") to affect the national security of the United States, and even if the Funds are permitted to acquire such assets, CFIUS may place restrictions, obligations or conditions on the Funds' ability to provide information to certain non-U.S. Investors.

Enhanced Scrutiny and Potential Regulation of the Alternative Asset Management Industry. The Funds' ability to achieve their investment objectives, as well as the ability of the Funds to conduct their operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Funds' ability to achieve their investment objectives, as well as the ability of the Funds to conduct their operations. There continues to be significant legislative and regulatory developments affecting the regulation of the alternative asset management industry. As private investment firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private fund industry has recently been subject to criticism by some politicians, regulators and market commentators. Various federal, state and local agencies have been examining the role of placement agents, finders and other similar private fund service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Furthermore, elements of organized labor and other representatives of labor unions have, from time to time, directed opposition efforts towards a campaign targeting alternative asset management firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with investments. There can be no assurance that the foregoing will not have an adverse impact on Elion or the Funds or otherwise impede the Funds' activities.

For example, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Elion and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation. On August 23, 2023, the SEC adopted previously proposed new rules and amendments to existing rules (collectively, the "Private Fund Rules") under the Advisers Act specifically related to advisers of private funds. The Private Fund Rules will impose new and substantial requirements on advisers and the funds they advise, including with respect to quarterly reporting, restricted activities, preferential treatment of investors, audit requirements, adviser-led secondaries and annual compliance reviews. The Private Fund Rules, in addition to any other new rules adopted by the SEC, are expected to affect the business of Elion and its affiliates, the Funds and/or their investments by, for example, increasing compliance burdens and costs, requiring additional time and attention of Elion personnel, and potentially resulting in other associated cost increases, including without limitation, insurance expenses. The Private Fund Rules also are expected to represent an area of increased risk of exposure for additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance. In addition, under the Private Fund Rules, Elion will become subject to a requirement to disclose preferential treatment terms, including provisions agreed in side letters. The side letter disclosure requirements and restrictions may ultimately influence Elion's decisions with respect to agreeing to certain preferential rights. As with any new rulemaking, Elion's implementation and compliance with such rules will entail subjective judgments regarding the application thereof to its business. Any such determinations may be subject to revision in the event of clarifying guidance from the SEC, changes to the Private Fund Rules as a result of litigation and/or other regulatory updates or developments.

In addition to the Private Fund Rules, the SEC has proposed various other rule changes (e.g., rules relating to cybersecurity, the use of predictive data analytics, safeguarding / custody of client assets, among others) that have the potential to affect Elion, its Funds and advisory business. Significant time and resources may be required to comply with any new regulations, which potentially will detract from the time and resources dedicated to Elion to its advisory clients and their investments. Certain changes, if adopted as proposed, also could result in required

changes to longstanding commercial practices or arrangements, all of which have the potential to be disruptive to the business of ICG and its affiliates and other similarly-situated private funds sponsors.

Litigation. In connection with ordinary course investing activities, Elion, the Funds and their respective affiliates as well as investments of the Funds are and may become involved in litigation either as a plaintiff or a defendant. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Funds. Any such litigation could be prolonged and expensive. In addition, it is by no means unusual for participants in reorganizations to use the threat of, as well as actual, litigation as a negotiating technique. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments generally would be borne by the Funds and would reduce net assets or could require Investors to return to the Funds distributed capital and earnings.

Valuations by Elion and its Affiliates. The fair value of the Funds' investments will be determined by Elion (or an affiliate thereof) in accordance with such Fund's Governing Documents. Accordingly, the carrying value of the investments may not reflect the price at which such investments can be sold in the market, and the difference between carrying value and the ultimate sales price can be material. Under certain circumstances, including when determining the net asset value of the Funds or the value of Carried Interest in connection with a Rollover Transaction or Recapitalization Transaction (each as defined under the Governing Documents of the applicable Fund), Elion's determination of the fair value of the Funds' investments will have a direct impact on the compensation payable to the Carried Interest Recipient (as Carried Interest) and Elion (as Management Fees). Although under certain circumstances valuations must be based on values determined by independent third parties, there may be circumstances where Elion (or an affiliate thereof) is incentivized to determine valuations that may be higher than the actual fair value of the Funds' investments.

Uncertain Exit Strategies. Exit strategies that appeared to be viable when the Fund initiated an investment may be precluded by the time such investment is ready to be realized due to economic, legal, political or other factors. Moreover, Elion is entitled to employ a variety of exit strategies in connection with any investment. The manner in which Elion determines to exit an investment could, in certain circumstances, benefit certain Investors (including Elion and its affiliates) more than others. Certain exit strategies, such as a Rollover Transaction or Recapitalization Transaction (each as defined under the Governing Documents of the applicable Fund), may provide Elion and its affiliates with benefits not otherwise made available to Investors, or expose the Funds to additional potential conflicts of interest that would otherwise not arise. Investors will not have the right to approve or influence the manner in which any of the Funds' investments are realized and are deemed to have acknowledged and waived any conflicts of interest that Elion may face in connection therewith.

COVID-19 Pandemic. The ongoing COVID-19 pandemic has disrupted businesses operating in many sectors of the U.S. and global economy, and in certain cases such disruption has had an adverse impact on the ability of real estate tenants and potential tenants to make their rental payments and meet other obligations with respect to their leases, resulting in increased vacancies, decreased demand for rental space and declining rental values. The tenants of industrial real estate properties in particular are more likely to be dependent on the ability of employees to gather in person, often in high numbers and in enclosed spaces. Such tenants may be at higher risk of experiencing COVID-19 outbreaks and enforcing temporary work stoppages, which may inhibit a tenant's ability to continue operations and pay rent.

The severity and extent of the short-term and long-term impact of COVID-19 will depend largely on future developments, including the continuing spread of the virus within the United States and the ability of vaccines to limit such spread, which are uncertain and cannot be predicted.

Indemnification; Exculpation. A Fund's Governing Documents typically will limit the circumstances under which the General Partner, Elion or its affiliates or any principal, heir, executor, administrator, partner, member, stockholder, employee, employer, officer, director, manager and, as determined by the General Partner, agent or consultant and any successors or assigns of any of the foregoing and any member of the LPAC can be held liable to a Fund and/or its limited partners. As a result, limited partners may have a more limited right of action in certain cases than they would have in the absence of such a limitation. The persons identified above generally will not be liable to a Fund or the limited partners except with respect to certain enumerated conduct set forth in the Governing Documents including gross negligence, willful misconduct or fraud. In addition, a Fund will indemnify the foregoing persons with respect to any losses or damages incurred in connection with their services to a Fund, except with respect to certain enumerated conduct set forth in the Governing Documents including gross negligence, willful misconduct

or fraud. Notwithstanding any such provisions in the Governing Documents of a Fund, nothing therein is intended, nor will be construed, as a waiver of any federal fiduciary duty of Elion or its affiliates that is not permitted to be contractually waived.

Sponsor-Led Secondary Transactions. There continues to be a significant market in the private fund sector for secondary sales, sponsor-led transactions, continuation funds, successor fund investments and other liquidity transactions for fund investments, and Elion reserves the right to seek to dispose of (or seek additional capital for) Fund investments through such means. The buyer in any such situation may be a third party or an affiliate of Elion (including, without limitation, an owner of Elion or an affiliate thereof). These transactions often involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by Elion following the transaction, or alternative transactions. These types of transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Elion believes there is the potential for additional value generation or a long-term strategic reason to retain ownership of the asset or assets. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple investment vehicles sponsored by Elion and its affiliates), often on different terms than the original investment in the applicable fund. Certain of such transactions are expected to require: a limited partner to invest additional capital in the Fund and/or other investment vehicles; a greater exposure to one or more particular assets; and/or a delay in the full liquidation of an investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant asset may have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Any such transaction with respect to a Fund has the potential for conflicts between the interests of such Fund and/or its limited partners, on one hand, and those of Elion or any buyer group, on the other hand, that typically are not applicable to more traditional investment sales. For example, in circumstances where Elion or an affiliate thereof will continue to manage and receive fees and/or performance-based compensation relating to the applicable assets following the transaction (potentially in addition to performance-based compensation earned by a General Partner on the sale of an asset from a Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest which may arise among the Fund, Elion and any buyer group relating to the valuation and consideration offered for the assets subject to the transaction. To the extent Elion requires existing limited partners and/or new buyers to commit capital to a continuation vehicle or another vehicle it manages in addition to the purchase amount paid in a transaction, such requirement is expected to have a dilutive effect on the purchase price for such Fund and its limited partners.

There can be no assurance that any such transaction will accurately reflect the fair market value of the assets being sold or otherwise recapitalized by a Fund. Further, a General Partner is expected to be incentivized to make investments in assets with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in a Fund, and in such circumstances Elion reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners in a Fund will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are expected to be disclosed to limited partners and/or the LPAC prior to the closing of the transaction, there can be no assurance that Elion will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of a Fund or any individual limited partner or group of limited partners. However, Elion reserves the right, in its sole discretion, to determine to engage in such transactions. Further, Elion is permitted to (and reserves the right to) seek the consent of the applicable LPAC to approve conflicts associated with such transactions, and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of the Fund's investments, to the extent such transactions are not consummated, a Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Specific Risk Factors Relating to the Funds' Businesses and Investments

Risks Inherent to the Real Estate Market. The Funds are and will be invested in real estate related investments, including potentially through equity or debt investments. Real estate has historically experienced significant performance fluctuations and cycles that may result in reductions in the value of the Fund's investments. The performance and value of the Funds' investments once acquired will depend on many factors beyond the Funds' control, including: changes in national or local economic conditions; changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; the supply of available properties that can be acquired at attractive pricing in a particular market; competition from other investors pursuing the same or similar strategies; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity capital markets; the ongoing need for capital improvements, particularly in older building structures; changes in real estate tax rates and other operating expenses; changes in governmental rules/regulations and fiscal policies, civil unrest, acts of God, including earthquakes, hurricanes and other natural disasters, acts of war or terrorism, pandemics or epidemics which may decrease the availability of, or increase the cost of, insurance or result in uninsured losses; changes in governmental rules/regulations and fiscal policies which may result in adverse tax consequences, unforeseen increases in operating expenses generally or increases in the cost of borrowing; the bankruptcy or liquidation of major tenants; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws; the impact of lawsuits which could cause the Funds to incur significant legal expenses and divert Elion's time and attention away from the day-to-day operations of the Funds; and other factors that are beyond the Funds' control and the control of the property owners. In the event that any of the Fund's investments experience any of the foregoing events or occurrences, the value of, and return on, such investments could be negatively impacted.

Investment Strategy. The Fund's strategies contemplate private equity and equity-oriented investments in a diversified portfolio of real estate (and interests in real estate) located throughout the United States. Accordingly, Elion will be required to maintain expertise, relationships and market knowledge across a broad range of geographic regions, and will be subject to the market conditions affecting each asset in various markets, including such factors as the local economic climate, business layoffs, industry slowdowns, changing demographics, and local supply and demand issues affecting each such market. Elion may not be able to develop and maintain the level of expertise, relationships and market knowledge required for the Funds to succeed with this strategy in a variety of geographic locations.

Lack of Liquidity. Real estate investments are relatively illiquid and some are highly illiquid. Such illiquidity may limit the Funds' abilities to vary their portfolio of investments in response to changes in economic and other conditions. Illiquidity may result from the absence of an established market for investments as well as the legal or contractual restrictions on their resale. In addition, illiquidity may result from the decline in value of a property comprising one of the Funds' investments. There can be no assurances that the fair market value of any property held by the Funds will not decrease in the future, leaving the Funds' investment relatively illiquid.

Lack of Diversification. Although the Funds will seek to achieve diversification within their target strategy by number of assets, types of investments and geographic location, the investments made by the Funds could potentially be concentrated and undiversified. As such, the Funds may be subject to risks resulting from a lack of diversification of investments. Furthermore, the Funds may make investments in contemplation of sales or refinancings that do not occur as expected, resulting in the Fund having an unintended long-term investment and further reduced diversification. As a consequence, the aggregate return on the Funds' investments may be adversely affected by the concentration of the Funds' investments or the unfavorable performance of industrial real estate and will be at a greater risk to overall changes in the economy, interest rates or events influencing the industrial real estate sector than if the Funds were less concentrated in a particular investment type. Since the Funds may only make a limited number of investments, poor performance by a few of the investments could severely affect the total returns to Investors.

Risk Associated with Property Acquisitions. A Fund's acquisition of interests in real property involves many risks including acquiring interests in properties that are subject to liabilities or that have problems relating to environmental condition, state of title, physical condition or compliance with zoning laws, building codes or other legal requirements. In each case, a Fund's acquisition of interests in a property may be without any recourse, or with

only limited recourse, with respect to unknown liabilities or conditions. As a result, if any liability were asserted against a Fund relating to those properties, or if any adverse condition existed with respect to the properties, the Fund might have to pay substantial sums to settle or cure it, which could adversely affect the cash flow and operating results of the Fund.

Risks Associated with Industrial Real Estate Investments. A primary focus of Elion is investment in industrial real estate. There are a number of risks involved in the investments in industrial real estate. In addition to the general risks inherent in the real estate investments, risks associated with investing in industrial real estate include, among others, the location of the property in relation to supply chain sources, customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes; the quality of tenants (particularly major tenants because industrial properties more frequently depend on a single tenant or a few major tenants); reduced demand for industrial space because of a decline in a particular industry segment; scarcity of labor sources; changes in access; rising energy prices; strikes; and the relocation of highways or the construction of additional highways.

A particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-let to another tenant or may become functionally obsolete relative to newer properties due to, among other factors, the development of, or new demand for, more advanced equipment or enhanced technologies. In addition, information technology platforms used to provide inventory management and other services to customers may become outdated. If tenants demand new equipment or technologies, the cost could be significant and the Funds may not be able to upgrade its properties on a cost-effective basis in a timely manner in order to compete with competitors, or at all. Also, properties used for many industrial purposes are more prone to environmental concerns than other property types. Further, because of unique construction requirements of many industrial properties, many vacant industrial property spaces may not be easily converted to other uses. Thus, if the operation of an industrial property becomes unprofitable due to competition, age of the improvements, or other factors, the liquidation value of that industrial property may be substantially less than would be the case if the property were readily adaptable to other uses. Moreover, changes in downstream customer demand or preferences, fuel costs, supply-chain disruptions and other unforeseeable events and circumstances could negatively impact industrial or warehouse properties, which are also exposed to risks related to fluctuations in the markets for the commodities and products that are stored in warehouses and storage facilities.

E-Commerce and Consumer Demand. The Funds' investments are expected to include warehouses and other real estate assets that are used as locations for e-commerce fulfillment. The performance of such investments depends on consumer preferences and buying trends relating to e-commerce. Consumer preferences and consumer demand with respect to e-commerce continues to evolve due to a number of factors, including fragmentation of the consumer market and changes in consumer demographics, which includes the aging of the general population and the emergence of millennial and younger generations who have different spending, consumption and purchasing habits; and evolving consumer concerns or perceptions regarding practices of manufacturers and online retailers, including the sourcing and sustainability of packaging materials, such as single-use plastics. If the tenants that occupy the Funds' investments are not successful in continuing to adapt to changing consumer preferences and market dynamics, the Funds may be negatively impacted. Furthermore, if consumer preferences change and consumer demand with respect to e-commerce declines, the Funds may be negatively impacted.

Risks Associated with "Bad Boy" Guarantees. Lenders customarily require that a creditworthy parent entity enter into so-called "recourse carve-out" guarantees to protect the lender against certain bad faith or other intentional acts of the borrower in violation of the loan documents. A "bad boy" guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentations, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, "bad boy" guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral or changes of control and voluntary bankruptcy of the borrower. It is expected that the financing arrangements with respect to the Funds' investments generally will require "bad boy" guarantees from the Funds and in the event that such a guarantee is called, the Funds' assets could be adversely affected. Moreover, the Funds' "bad boy" guarantees could apply to actions of the joint venture partners and/or co-investors associated with the Funds' investments. While Elion expects to negotiate indemnities from such joint venture partners to protect against such risks, there remains the possibility that the acts of such joint venture partner could result in liability to the Funds under such guarantees. The Funds may provide "bad boy" guarantees on behalf of an alternative investment

vehicle, co-investment vehicle or vehicle investing alongside the Funds and as such guarantees are not for borrowed money, they will typically not be included as part of the Funds' outstanding leverage for purposes of calculating the overall debt leverage limit applicable to the Funds. The Funds may in certain circumstances, but shall not be required to, receive a fee or other consideration for providing guarantees for the benefit of another vehicle.

Investments in Land/New Development. Certain of the Funds expect to acquire direct or indirect interests in undeveloped land, unentitled land, covered land, and/or underdeveloped real property, which will often be non-income producing at the time of acquisition and for an indefinite period of thereafter. When such Funds invests in such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction and risks related to weather or labor conditions or material shortages and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on such Funds and on the amount of funds available for distribution to the Investors thereof. Properties under development and/or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

Development Risks. Certain of the Funds anticipate acquiring equity interests in real estate developments. To the extent that a Fund invests in these projects, it will be subject to the risks normally associated with development. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of such Fund, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the Investment and on the amount of funds available for distribution to the Investors.

Risks Associated with Construction Projects. Certain Funds will undertake the construction of warehouses and other industrial buildings, which may present substantial risks. Such Funds will typically undertake construction projects on its own or bring in third parties if it is justifiable on a risk adjusted return basis. Such Funds may also choose to delay completion of a project if market conditions do not allow an appropriate return. If conditions arise and such Funds are not able, or decides not, to complete a project or if the expected cash flows of the investment do not exceed the applicable investments book value, an impairment of the project may result. In addition to the risks associated with real estate investments in general, some particular risks associated with construction activities include: contractor changes that delay the completion of construction projects and increase overall costs; significant time lag between commencement and stabilization, subjecting the Funds to greater risks due to fluctuations in the general economy; failure or inability to obtain construction or permanent financing on favorable terms; expenditure of money and time on projects that may never be completed; difficulty securing key tenants which impacts occupancy rates and projected revenue; inability to achieve projected rental rates or anticipated pace of lease-up; higher-than-estimated construction or operating costs, including labor and material costs; and delay in completion of a project because of weather, labor disruptions, construction delays, delays in receipt of zoning or other regulatory approvals, acts of terror or violence, or acts of God (such as fires, earthquakes or floods).

Risks of Environmental Liabilities. The Funds may be exposed to substantial risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters or inadequate reserves, insurance or insurance proceeds for such matters. Through its interest in real estate, the Funds may be subject to a wide range of environmental, health and safety laws, ordinances and regulations, including without limitation, those relating to the investigation, removal and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard as to whether the owner or operator knew of, or caused, the presence or release of such substances. Environmental liabilities are generally not limited under such laws and could exceed the value of the relevant property and/or the aggregate assets of the responsible party. The presence of such substances, or the failure to properly remediate related

contamination, may adversely affect the marketability of the real estate or the value of such property as collateral, which could have an adverse effect on returns on investments. In addition, some environmental laws create a lien on contaminated property in favor of the government for costs it incurs in connection with the contamination. In addition to clean-up actions brought by governmental agencies and private parties, the presence of hazardous substances on a property may lead to claims of personal injury, property damage or other claims by private plaintiffs. “Acts of God” including earthquakes, hurricanes and other natural disasters, may also decrease the availability of or increase the cost of insurance or result in uninsured losses. Moreover, the ability of the Funds to assess, avoid and insulate itself against any such environmental liability through the performance of environmental due diligence of the nature customarily performed in the U.S. may be limited in certain foreign countries.

New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments. Required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the real estate industry. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. Compliance with such current or future environmental requirements does not ensure that the operations of investments will not cause injury to the environment or to people under all circumstances or that investments will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a detrimental impact on the financial performance of investments. There can be no assurance that investments will at all times comply with all applicable environmental laws, regulations, and permit requirements. Past practices or future operations of investments could also result in material personal injury or property damage claims. Any noncompliance with these laws and regulations could subject the Funds and their investments to material penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Funds) subject to environmental liability.

In addition, ordinary operation or the occurrence of an accident with respect to an investment could cause major environmental damage, which may result in significant financial distress to such investments if not covered by insurance, and, even if covered by insurance, may have a detrimental effect on the applicable investments and/or the Funds, resulting from adverse publicity related to such an incident and other similar results. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

In addition, as consensus builds that global warming is a significant threat, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international, federal, state, and regional regulatory authorities. Many industries (e.g., electrical power, mining, manufacturing, transportation, and insurance) face various climate change risks, many of which could conceivably materially impact them. Such risks include (i) regulatory/litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, the discontinuance of certain operations, and related litigation), (ii) market risk (e.g., declining market for products and services seen as greenhouse gas intensive); and (iii) physical risk (e.g., risks to plants or property owned, operated or insured by a company posed by rising sea levels, increased frequency or severity of storms, drought, and other physical occurrences attributable to climate change). These risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investments once undertaken, any of which could have an adverse effect on the Funds.

Risks Involved in Acquisitions through Ventures with Third Parties. The Funds may make investments through partnerships, joint ventures or other entities, which may include joint ventures with co-investors including Fund Investors, affiliates of Elion and/or third parties. Such investments may involve risks not present in direct investments, including, for example, the possibility that a co-venturer, co-investor or partner of the Funds might suffer financial difficulties or become bankrupt, or may at any time have economic or business interests or goals which are inconsistent with those of the Funds, or that any such co-venturer, co-investor or partner may be in a position to take action contrary to the Funds’ objectives. Furthermore, if such co-venturer, co-investor or partner defaults on its funding obligations, it may be difficult for the Funds to make up the shortfall from other sources. The Funds may be required to make additional contributions to replace such shortfall, thereby reducing the

diversification of its investments. Any default by such co-venturer, co-investor or partner could have an extremely deleterious effect on the Funds, its assets and the interests. In addition, the Funds may be liable for the actions of its co-venturers, co-investors or partners. While Elion will attempt to limit the liability of the Funds by reviewing the qualifications of and previous experience of co-venturers, co-investors or partners, it does not expect to obtain financial information from, or to undertake private investigations with respect to, prospective co-venturers, co-investors or partner. In certain situations, the Funds may not have complete control over their investments. For example, the Funds may co-invest with third parties through partnerships, joint ventures or other entities and provide “major decision” or other approval rights to co-investors. Therefore, the Funds may not be able to exercise complete control over its investments. Such investments may involve risks not present in investments where strategic partners, senior creditors, servicers or other controlling investors are not involved.

Significant Vacancies; Reliance on Major Tenants; Lease Renewals. A property may incur vacancies either by the continued default of tenants under their leases or the expiration of tenant leases. If vacancies continue for a long period of time, a Fund may suffer reduced revenues resulting in less cash available to distribute to Investors. In addition, because properties’ market values depend principally upon the value of the properties’ leases, the resale value of properties with high or prolonged vacancies or with tenants suffering economically could suffer, which could further reduce an Investor’s return.

The Funds may derive significant revenues from certain large tenants that occupy space in more than one of its properties. The Funds’ net income and ability to make distributions to its Investors could be adversely affected in the event of a downturn in the business, or the bankruptcy or insolvency, of any of its major tenants, or in the event that any such tenant does not renew its leases as they expire or renews at lower rental rates. Major tenants generally occupy large amounts of square footage and pay a significant portion of the total rents at a property. Industrial properties more frequently depend on a single tenant or a few major tenants relative to other property types such as commercial office buildings.

The Funds will be subject to the risks that, upon expiration or termination of leases, whether by the terms of such leases, as a result of a tenant bankruptcy, general economic conditions or otherwise, leases for space in the Funds’ properties may not be renewed, space may not be re-leased, or the terms of renewal or release, including the cost of required renovations or concessions to tenants, may be less favorable than current lease terms and may include decreases in rental rates. As a result, the Funds’ net income could be reduced. There can be no assurance that Funds will be able to retain tenants in any of its properties upon the expiration of their leases.

Lease Terminations or Tenant Defaults. The success of a Fund’s investments will materially depend on the financial stability of the tenants of its investments. A default by a significant number of tenants on their lease payments would cause a Fund to lose the revenue associated with such leases and require the Fund to find an alternative source of revenue to meet mortgage payments and to prevent a foreclosure if the property is subject to a mortgage. Elion may fail to, or may not be able to, discover factors that would indicate a heightened level of uncertainty with respect to tenant defaults when performing due diligence on prospective investments. Tenant defaults thus increase the risk that Fund, and hence Investors, could suffer a loss. The bankruptcy of, or a downturn in the business of, any of the Funds’ major tenants, or a significant number of its smaller tenants, causing them to reject their leases, or not renew their leases as they expire, or renew at lower rental rates, may adversely affect the Funds’ cash flows and property values. If a significant number of leases are terminated, a Fund may be unable to lease the property for the rent previously received or sell the property without incurring a loss. These events could limit a Fund’s ability to make distributions and decrease the value of an investment in the Fund.

The preceding discussion identifies only some of the potentially applicable risk factors associated with an investment in the Funds. Current and prospective Investors should consult the applicable Fund’s Governing Documents for a more detailed description of the relevant risk factors.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an Investor’s evaluation of the adviser or the integrity of the adviser’s management. Neither

Elion nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this item.

Item 10. Other Financial Industry Activities and Affiliations

The General Partners, Special Limited Partners and/or similar equivalents of the Funds are each related entities of Elion. Additionally, the Funds themselves may be considered as related entities of Elion. Additionally, Elion Services and Elion Development are each affiliated and related entities of Elion, as described further in Item 5 above and further in this Item 10.

Elion has entered into a strategic partnership with an institutional investor (the “Strategic Partner”), and in connection therewith, the Strategic Partner has made a capital commitment to one or more Funds and intends to make additional capital commitments to future Funds. The Strategic Partner indirectly owns a minority interest in Elion Partners, LLC and certain Special Limited Partners. The Strategic Partner is not involved in the management or governance of Elion or the Funds (other than serving as one of the members of one or more Fund's LPAC).

Potential Conflicts of Interest

Various conflicts of interest may arise from the investment activities and operations of the Funds, Elion and Elion's affiliates. The following discussion describes certain potential conflicts of interest which should be carefully evaluated by a potential Investor before subscribing for an interest in the Funds. Elion and its affiliates and personnel may in the future engage in activities that may result in additional conflicts of interest not addressed herein. If any matter arises that Elion determines in its good faith judgment constitutes a material conflict of interest, Elion may take such actions as it determines in good faith may be necessary or appropriate to ameliorate such conflict. These actions may include, by way of example and without limitation, (i) causing the Funds not to engage in a transaction that involves such material conflict of interest, (ii) disposing of the investment giving rise to such material conflict of interest, or (iii) consulting with the LPAC regarding such material conflict of interest and either obtaining approval from the LPAC to engage in the transaction involving such material conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the LPAC with respect to such conflict of interest. There can be no assurance that Elion will identify or resolve all material conflicts of interest in a manner that is favorable to the Funds. By acquiring an interest in the Funds, each Investor will be deemed to have acknowledged and consented to the existence or resolution of any such actual, apparent or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Provision of Services by Elion and its Affiliates. As described further in Item 5 above, the Funds are expected to engage Elion and its affiliates to provide property management, development management and construction management services. Elion and its affiliates may also provide property accounting, leasing, brokerage, closing, advisory, underwriting, or other similar services to the Funds. In particular, the Funds intend to engage Elion Development and Elion Services, each an affiliate of Elion, to provide development management and property management services, respectively, with respect to most, if not all of, the Funds' properties. For certain Funds, affiliates of Elion will be entitled to receive acquisition fees, development fees, construction management fees and property management fees from such Funds in connection with each Fund investment. Such fees will be paid by the applicable Funds in accordance with the Governing Documents of such Funds.

Any development, construction management, property management or other services by Elion's affiliates will be provided on terms set forth in the Governing Documents or otherwise on terms that Elion reasonably determines are no less favorable to the Funds than generally available in an arm's length transaction from experienced and unaffiliated parties. Any fees paid to Elion and/or its affiliates for providing such services to the Funds will be borne by the Funds and will be paid solely to such service providers and not shared with the Funds or any Investors (and will not offset any Management Fees). Elion faces a conflict when selecting these affiliated service providers over a third party, due to the additional fees payable to Elion and its affiliates. Among other things, Elion reviews fees charged in relation to these services to ensure they are consistent with market rates charged by independent service providers for similar services. In certain cases, Elion has access to data that supports its determination that the rates and terms charged by its affiliated services provide provides the same or a similar service to third parties, and

in such cases the rates charged to third parties are consistent with the rates charged to the Funds and Fund properties.

Additionally, Elion faces a conflict when selecting its affiliated service providers over a third party and is also incentivized to select projects for the certain Funds that require the provision of such services by Elion's affiliates in each case in order to increase the amount of fees such affiliates may earn from a Fund. Moreover, given the fact that in some cases Funds' management fee is only earned on certain projects during specific periods of time (e.g., when a permanent, temporary or conditional certificate of occupancy is issued on such project), thus Elion is incentivized to take actions that are not always in the best interests of the Fund in order to obtain such certificate of occupancy in an effort to maximize its remuneration.

In any instance where the General Partner commits or has committed to seek "market" fees or fees that are no less favorable than those available in an arm's length transaction from experienced and unaffiliated parties, or terms or words of similar import, the General Partner will do so in its discretion, and does not commit to undertake a minimum amount of benchmarking or otherwise represent that any evaluation of potential third-party rates will be accurate, comparable, comprehensive or relate specifically to the kind, quality or nature of the services provided. In addition, although the General Partner seeks to utilize affiliated service providers in circumstances where it believes such service providers would provide a level of service at a value consistent with other relevant market alternatives, there can be no assurance that other service providers would not be more qualified to provide the applicable services or would not provide such services at a lesser cost.

Other Affiliate Transactions. In addition to the circumstances described above, certain of the Funds may sell one or more of their investments to other Funds, vehicles or accounts managed or advised by Elion or its affiliates without the consent of any Investor to the extent permitted by applicable law and the applicable Governing Documents, including in connection with a Rollover Transaction or Recapitalization Transaction (each as defined by the applicable Governing Documents of the applicable Funds). The interests of Elion and/or its affiliates may not be fully aligned with those of the Investors in connection with any such action. Each Investor, by investing in the applicable Fund, will be deemed to have consented to such affiliate transactions notwithstanding any conflicts of interest that may exist between Elion and its affiliates, on the one hand, and the applicable Funds or their investments, on the other hand, in connection with such transactions.

Allocation of Expenses. From time to time, Elion, the Funds, and/or any co-investment vehicles or investments may receive products or services from third parties, the costs and expenses of which are allocable (in whole or in part) between or among Elion and/or such Funds, vehicles and/or investments. Elion generally will seek to allocate such expenses among those parties in the manner prescribed by the applicable Governing Documents for the Fund and such Funds, vehicles and/or investments, and in cases where costs and expenses are properly allocable between or among multiple parties, the allocation is done in a manner that Elion considers to be fair and reasonable, taking into account factors such as the actual or estimated relative benefits to each applicable party of the expense-generating item (which may include consideration of the Funds' relative positions' size in an expense-generating investment). A conflict of interest could arise in Elion's determination whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, or whether such expenses should be borne by Elion. The Funds will be reliant on the determinations of Elion in this regard. From time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct such circumstance, which might include a reversal of the original expense allocations, if possible, or such other equitable adjustment believed by Elion to be the most appropriate corrective measure.

Service Providers. Elion generally exercises its discretion to recommend to a Fund or to a portfolio investment thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Elion or a related person of Elion; (ii) an entity with which Elion or its affiliates or current or former members of their personnel has a relationship or from which Elion or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Elion personnel are seconded, or from which Elion receives secondees; or (iii) certain limited partners or their affiliates. For example, Elion expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending

or related business. This discretion subjects Elion to conflicts of interest, because, although Elion selects service providers that it believes are aligned with its operational strategies, Elion has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Elion because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Elion), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Elion will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio investments to incur) such expenses. Although Elion generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not Elion has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Expenses for In-House Services. As further described in applicable Governing Documents, certain of the Funds are permitted to bear expenses associated with in-house accountants, lawyers, paralegals and other professionals employed by Elion and its affiliates based on compensation rates reasonably determined at the discretion of Elion taking into account the seniority and experience of, and the personnel costs incurred for, each such professional, and is permitted to include reimbursement of an allocable portion of the professional's compensation (including, without limitation, salary, bonus, payroll taxes and benefits) and overhead (including, without limitation, rent, property taxes and utilities allocable to the workspaces), as well as cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transactions fees, participation interest or securities of a Fund investment, and/or a share of proceeds upon sale of a Fund investment. In determining which expenses are allocated to the Funds, Elion is permitted to consider such factors as it deems appropriate, including approximations based on timesheets submitted by employees of Elion or other practices that Elion determines are reasonable under the circumstances. Although Elion seeks to retain professionals with a view to reducing direct and indirect costs to the Funds, a number of factors have the potential to result in limited or no cost savings from such retention. Elion also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Elion believes will align such persons' interests with those of the Funds' Investors and seeks to retain only In-house professionals that it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there is no guarantee that compensation rates for such services will be below the cost of comparable services provided in an arm's length transaction by an unaffiliated service provider. Further, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost. Any fees paid to Elion and/or its affiliates for providing such services to the Funds will be borne by the Funds and will not offset any Management Fees.

Special Consultants. In addition, as described above, a Fund typically (i) bears, directly or indirectly (e.g., where such fees are capitalized into the cost of the acquisition of a portfolio investment), certain fees paid to, and (ii) reimburses expenses of, Special Consultants and other similar service providers or consultants (including consultants introduced or arranged by Elion and/or its affiliates that regularly provide services to one or more portfolio investments), and such amounts do not offset or reduce the Management Fee as described herein. For example, Elion intends that one or more Funds will utilize a Special Consultant for the purpose of debt consulting, debt procurement and advisory services relating to investment underwriting and structuring considerations. From time to time, Special Consultants are expected to make use of Elion resources or otherwise are associated with Elion, and in some instances, Special Consultants attend periodic Elion meetings and/or provide input and feedback to Elion investment team members. In addition to any amounts paid directly or indirectly by the Fund or with respect to a portfolio investment, Elion and/or its affiliates also reserve the right to agree to provide additional compensation to certain of such persons in the form of a retainer or monthly fee or to the extent portfolio investment-related compensation falls below certain specified levels on an aggregate annualized basis. Special Consultants are expected from time to time to include former employees of Elion, and in some circumstances a former Special Consultant could become an Elion employee. Consequently, the determination of whether individuals are Special Consultants is expected to vary and/or be revisited from time to time. Elion reserves the right to permit Special Consultants to participate in fee-reduced or fee-waived investment and/or co-investment opportunities (including through a Fund, General Partner or co-investment entity). Any such investment opportunities, compensation and/or expense reimbursements do not offset or reduce the Management Fee of any Fund, as described herein.

Although Elion seeks to retain Special Consultants with a view to reducing costs and/or enhancing the quality of debt sourcing, a number of factors may result in limited or no cost savings from such retention. Elion also seeks to retain only those Special Consultants and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Allocation of Investment Opportunities. Certain inherent conflicts of interest arise from the fact that: (i) Elion currently provides investment management services to multiple Funds and may sponsor and provide investment management services to new investment vehicles in the future in addition to the Funds; and (ii) such investment vehicles may have one or more overlapping investment strategies.

As a general matter, Elion will determine the suitability of an investment opportunity for the applicable Fund's investment strategy. In determining the suitability of an investment opportunity for such Fund, Elion will consider such factors as it deems appropriate, including: the investment objectives and strategies of such Fund, such Fund's available capital, the expected hold period for the investment, such Fund's target returns profile, the diversification of such Fund's existing real estate portfolio and regulatory and other legal considerations that are applicable to such Funds and its investments.

The investment strategies, fee arrangements and other circumstances of each Fund or investment vehicle that Elion currently sponsors, or will sponsor in the future, will vary, and it is possible that certain Funds or investment vehicles will compensate Elion in ways that are preferential to Elion (including, for example, with respect to Carried Interest or similar promote compensation). In addition, Elion and/or its principals may have proprietary capital interests in certain Funds or investment vehicles but not others. The manner in which investment opportunities are sourced, allocated and ultimately managed may be impacted by either circumstance. While Elion will seek to manage such potential conflicts of interest in good faith, situations are expected to arise from time to time in which the interests of a particular Fund, with respect to a particular investment or other matter, conflict with the interests of one or more other Funds.

In the event that Elion determines that an investment opportunity is potentially suitable for, and available to be made by, one or more other Funds or, investment vehicles managed or advised by Elion, such investment opportunity will be allocated between such Funds and investment vehicles in a manner Elion determines to be fair and equitable over time taking into account each such entity's capital available for investment at the time of such allocation, investment focus, capacity for new investments, diversification requirements, scheduled termination date, target return profile and any other factors Elion reasonably determines to be relevant to the allocation decision.

Elion may acquire investments for its own account (or a different Fund account) without LPAC approval if the applicable investment is not suitable for the applicable Fund based upon such Fund's investment objectives, restrictions and limitations and other circumstances including, without limitation, if Elion is obligated to offer such investment opportunity to another investment vehicle marketed by Elion concurrently with the marketing period of such Fund and/or if such investment opportunities fall outside such Fund's investment mandate. By investing in the Funds, each Investor will be deemed to have acknowledged and consented to the existence any actual, apparent or potential conflicts of interest related to the allocation of investment opportunities (including the potential loss of investment opportunities).

To the extent an advisory opportunity is received that is unsuitable for a Fund, in Elion's sole discretion, Elion and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity.

New Accounts. Elion may in the future form one or more separately managed accounts ("Managed Accounts") to accommodate the particular needs of a small number of large institutional Investors that are interested in pursuing the same or similar investment strategies and objectives as those of the Funds. A Managed Account may invest with the Funds in some or all of the Funds' investments, which investments would then be subject to the investment management discretion of Elion. Alternatively, Elion may form a Managed Account whose investment mandate does not overlap with those of the existing Funds whatsoever. While these Managed Accounts may have the same investment objectives and strategy as the Funds, investors in any Managed Accounts may have the right to opt-in or opt-out of joint investment opportunities with the Funds. Managed Account investors may also have different voting and economic rights compared to direct Investors in the Funds. For example, Elion may require the consent

of certain Managed Account investors to engage in certain transactions, including in connection with investments alongside the Funds, which may limit Elion's ability to execute exit strategies or take other actions that would be in the Funds' best interest.

Co-Investment Opportunities. From time to time, Elion may present opportunities to co-invest in investments alongside the Funds to certain Investors, partners, members, officers or employees of Elion or its affiliates or other persons (including vendors, consultants, other service providers, lenders and/or other third parties). Elion and its affiliates are permitted to earn fees and carried interest with respect to co-investment capital raised to invest alongside the Funds, and such fees and carried interest may differ from those payable by the Funds. Although such co-investments would generally provide for co-investors to make investments in underlying assets on substantially similar terms as are available to the Funds, potential conflicts are inherent in, or arise from, Elion's discretion in determining when to make such opportunities available, which potential co-investors are offered such opportunities and the economic and other terms of such co-investments. In addition, once such co-investments are made, the interests of the Funds and the interests of co-investors may subsequently diverge, and the economic terms (including carried interest terms) associated with the Funds and/or the co-investors may create conflicts in ongoing management and operation of certain investments. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and because co-invest opportunities generally appeal to Fund investors and third parties, Elion expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund. Co-investment opportunities may, and typically will, be offered to some and not all Investors in Elion's sole discretion, and an Investor may be offered fewer co-investment opportunities than other Investors in the same Fund, with the same, larger, or smaller capital commitments to such Fund, and some Investors expressing interest in co-investments have the potential to receive none.

Elion and its affiliates typically will consider various factors in connection with allocation of a co-investment opportunity, such as a potential co-investor's (i) expressed interest in co-investment opportunities, (ii) capacity to evaluate the merits and risks of a prospective investment, based on such person's knowledge and experience in financial and business matters; (iii) expertise of the prospective co-investor in the industry to which the investment opportunity relates; (iv) perceived ability to quickly execute on transactions; (v) tax, regulatory and/or securities law considerations (e.g., qualified purchaser or qualified institutional buyer status); (vi) confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vii) Elion's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Elion's ability to execute the relevant transaction in the desired time or on desired terms; and (viii) whether Elion believes that allocating investment opportunities to an investor or other person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Fund and/or to Elion. Although Elion reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Elion in identifying co-investors. Elion reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund investments or otherwise to have priority in co-investment opportunities.

Activities of the LPAC. The LPAC(s) will have authority to approve certain matters relating to the Funds as set forth in the Governing Documents (as applicable), including for example waiving of certain investment restrictions and approving transactions with affiliates of Elion. To the extent that Investors do not have the right to appoint a member of the LPAC, such Investors will have limited control over such major decisions and changes in such Funds' policies.

The Governing Documents typically will provide that, to the fullest extent permitted by applicable law, none of the members of the LPAC members shall owe any fiduciary duties to the Funds or any other Investors. In addition, members of the LPAC (and investors appointing such members) may have various business and other relationships with Elion and its partners, employees and affiliates. These relationships may influence their decisions as members of the LPAC.

Tax Considerations. Each Fund's Investors include persons or entities resident in various jurisdictions, including the United States and other countries, who may have conflicting investment, tax and other interests with respect to their investments. The conflicting interests of individual Investors may relate to or arise from, among other things, the

nature of investments made by each Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. Such structuring of investments may result in different after-tax returns being realized by different Investors. Consequently, conflicts of interest may arise in connection with decisions made by Elion that may be more beneficial for one Investor than another Investor, especially with respect to Investors' individual tax situations. Elion considers the investment and tax objectives of each Fund as a whole, and not the individual investment, tax or other objectives of any particular Investor.

Side Letters. Elion and/or its affiliates reserve the right to enter into side letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's LPAC, and liquidity or transfer rights. Side letters may also relate to strategic relationships under which an investor agrees to make commitments to multiple Funds, serve as an anchor investor or agree to fund a portion of the General Partner's capital commitment. Except where required by the Governing Documents or applicable regulatory provisions, other investors will not necessarily receive copies of side letters or related provisions, and as a general matter, such other investors have no recourse against a Fund, Elion, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such side letters. Side letters subject Elion to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's LPAC results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors also potentially will be subject to increased losses, or be required to bear an increased portion of indemnification amounts.

Valuation Matters; Management Fees. The fair value of investments will be determined by the Elion in accordance with the Governing Documents and Elion's valuation policy and procedures. It will, in certain circumstances, be the case that the carrying value of an investment may not reflect the price at which the investment is ultimately sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation methodologies used to value any investment will involve subjective judgments and projections and may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Elion's control. Generally, there will be no retroactive adjustment in the valuation of any investment, the offering price at which interests in a Fund were purchased by Investors, or the fees and/or performance-based compensation paid to Elion to the extent any valuation proves to not accurately reflect the realizable value of an asset held by a Fund. The valuation of investments will affect the amount and timing of Elion's compensation in certain Funds, including, under certain circumstances, the amount of Management Fees payable to Elion.

Certain Governing Documents provide that a Fund's Management Fees will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value. As further specified in the applicable Governing Documents, following the end of the investment period for certain Funds, Management Fees will be calculated in part based on invested capital. As a result, and unlike certain other investment products, the amount of Management Fees generally will not correspond with fluctuations in a Fund's net asset value, including following the investment period, and will not be increased to reflect appreciation in an investment's value or reduced in connection with depreciation in an investment's value, except for limited exceptions set forth in the Governing Documents, such as, for example, in the case of investments that have been completely written off and abandoned.

The Governing Documents provide Elion with some discretion in determining the amount of invested capital upon which Management Fees are based. For example, and without limitation, Elion has the ability determine whether capital contributions in respect of certain investment costs are directly attributable to an investment and thereby should be included in the amount of invested capital. Additionally, Elion has the ability to determine whether an investment has been, for example, completely written off and abandoned and thereby whether to exclude capital contributions with respect to such an investment from the amount of invested capital. "Completely written off and abandoned" is not a defined term under legal or accounting principles. For Governing Documents which include this or any other similar standard, any such determination is made in the discretion of Elion and its view of the relevant facts and circumstances. While Elion maintains methodologies in its valuation policies and procedures intended to help with the determination regarding whether a writedown affecting the Management Fee is required, there can be

no assurance as to if and when particular assets are subject to such writedowns. Such determinations are expected to have an impact on the amount of Management Fees payable by a Fund to Elion. As such, Elion is subject to potential conflicts of interest when making such a determination and in some instances has an incentive to delay or avoid, for example, writing off and abandoning an asset in order to receive higher Management Fees.

Elion retains the discretion (and reserves the right) to make different determinations with respect to invested capital under seemingly similar circumstances that it considers reasonable. Elion also reserves the right to make such determinations regarding invested capital in consultation with its accounting, legal or tax advisors and/or in a manner that accords with its related valuation procedures. Accordingly, where an asset or investment is troubled or subject to ongoing distress, a Fund's Management Fee attributable to such asset will not necessarily be reduced.

A Fund's Governing Documents set forth the full terms under which Management Fees will be reduced or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein

Collection and Use of Data Sourced from Investment Activities. Elion may (and currently expects that it will) establish formal or informal arrangements to receive data from its Funds, Fund projects, third party service providers and others, or otherwise collect data already in it or its affiliate's possession, including information relating to business operations, property management, construction activity, market trends, budgets, tenants, customers, and other metrics. Subject to applicable legal, regulatory, fiduciary, and contractual requirements, these information sharing arrangements may be used for various purposes, to include direct or indirect monetization with unrelated third parties, and, subject to the limitations of the applicable Fund's Governing Documents, with the Funds, an underlying property owned by the Funds, Investors, or affiliated and unaffiliated service providers. If Elion enters such an arrangement with an underlying property or one of its service providers and receives compensation from such property or service provider, the Fund will indirectly bear its share of such compensation based on its pro rata ownership of such property, or any amounts the service provider directly or indirectly charges such property.

In addition to monetization, Elion believes collection of this information will benefit the Funds by providing insight into opportunities for operational improvements with regards to its investments and in connection with the investment management activities of the Funds. Such information sharing and monetization activity involves conflicts of interest among the Funds and/or between the Funds and Elion. For example, the benefits received by Elion through its monetization of Fund data may exceed the benefits realized by the Funds and/or Fund properties that are expected to come in the form of operational improvements and enhanced investment management activities. Elion and its affiliates' monetization of data is expected to include, but may not be limited to, licensing, direct selling, and development of new products or services. Such utilization or monetization could provide to Elion a material economic benefit, which would not be shared with the Funds or Investors or offset or otherwise reduce the management or other fees. As noted, the intellectual property, goodwill, and other assets (tangible or intangible) created by Elion are property of Elion and not the Funds, and the Funds have no right, title, or interest in any such assets. As a result, Elion will have an incentive to pursue investments based on the data or information that could be available or accessible as a result of the ownership of those investments or to utilize that data in a manner that benefits Elion and/or investments held by other Funds.

Other Potential Conflicts of Interest. Except as expressly prohibited by the Governing Documents, from time to time Elion and its affiliates will engage in, and intend to spend substantial business time in connection with, other businesses or activities, including, but not limited to, making or managing investments for their own accounts, for their respective family members or for other clients, including clients currently being marketed or within their investment period, advising or managing entities whose investment objectives are the same as or overlap with those of a Fund, participating in actual or potential projects, serving as officers of companies involved in such projects, providing consulting or advisory services, including with respect to actual, contemplated or potential projects, or acting as an adviser to, or participant in, any person. In addition to the investment vehicles and accounts that Elion currently manages or is marketing, it may form, sponsor, manage or advise other investment vehicles or accounts in the future, which invest within the real estate sector, which will require an allocation of Elion and its principals' and their respective affiliates' time, resources and investment opportunities.

Strategic Partners. In connection with Elion's arrangement with the Strategic Partner, the Strategic Partner owns minority participation in Elion's economic right to investment management fee revenue and carried interest

distributions from certain Funds. Elion may enter into similar relationships with other strategic partners in the future. Although these relationships do not include management rights, these relationships could result in Elion having insufficient investment management fee revenue to support its business operations and will result in less carried interest available to distribute to the Elion investment team members who are actively involved in the day-to-day operations of the Funds and their investments.

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

Pursuant to Rule 204A-1 of the Advisers Act, Elion has adopted a written Code of Ethics (“Code of Ethics”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1. The Code of Ethics sets forth standards of conduct expected of supervised persons and addresses conflicts that can arise from personal trading. The Code of Ethics requires all supervised persons to place Fund interests ahead of the Firm’s interests, to avoid taking advantage of their position and to maintain full compliance with the federal securities laws.

Elion’s Code of Ethics contains policies and procedures that require the following: (i) pre-clearance before any securities in initial public offerings or private placements; (ii) periodic reporting of employees’ personal securities transactions and holdings; and (iii) prompt internal reporting of any violations of the Code of Ethics.

Elion will provide a copy of our Code of Ethics to any current or prospective Investor, upon request. Please contact Elion via email at investorrelations@elionpartners.com or compliance@elionpartners.com or by phone at 305-933-3538 should you have any questions concerning our Code of Ethics or wish to obtain a copy.

Elion, its related persons and affiliated entities will have an investment in each Fund. For example, the General Partner and/or the Special Limited Partner for each Fund is comprised of related persons of Elion and its affiliated entities. Elion will participate in the Fund’s investment program by agreeing to commit a certain percentage of the Fund’s total capital commitments or a certain amount as defined in the Fund’s Governing Documents. Therefore, Elion and/or its related entities participate through the Funds in transactions effected for the Funds.

Interest in Client Transactions – Affiliate Transactions. Elion will not affect any principal or agency cross securities transactions for the Funds without the proper consent of the LPAC or the Investors, as applicable, as further described in the Governing Documents of the applicable Fund. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. In the context of Elion’s business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future Fund or selling an investment from one Fund to another. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. In the context of Elion’s business, an agency cross transaction would most likely refer to the practice of selling an investment from one Fund to another or selling down an interest in one of its investments to co-investors. The Funds may charge (or may decide not to charge) a co-investor (such as a Fund Investor or a third party) interest costs for the time period between the closing of the Fund’s acquisition of the investment to the date of the transfer of interests in such investment to the applicable co-investor.

Additionally, notwithstanding the foregoing, one of the Funds may sell one or more of its investments to other vehicles or accounts managed or advised by Elion or its affiliate without the consent of any Investor to the extent permitted by applicable law including in connection with a Rollover Transaction or Recapitalization Transaction (each as defined in the Governing Documents of such Fund). The interests of Elion and/or its affiliates may not be fully aligned with those of the Investors of such Fund in connection with any such action. In connection with any Rollover Transaction or Recapitalization Transaction, to the fullest extent permitted by applicable law, Elion, its affiliates or their respective officers or employees may receive a fee or other forms of compensation for their own account. Each Investor, by investing in such Fund, will be deemed to have consented to such affiliate transactions

notwithstanding any conflicts of interest that may exist between the Elion, the General Partner, the Special Limited Partner, and their respective affiliates, on the one hand, and such Fund or its investments, on the other hand, in connection with such transactions.

Secondary Transactions. While there is generally no market for interests in the Funds, Elion or its affiliates may purchase interests from Investors in accordance with the applicable Governing Documents and also may directly or indirectly acquire an interest in the Funds' interests through a secondary transaction. In each case, by virtue of their relationship to Elion or its affiliates purchasing the Fund interests would be in possession of material information regarding investments of the Fund that are not disclosed to Investors because such disclosure may be prohibited and would generally have more detailed information regarding the value of the investments of the Fund. Accordingly, Elion or its affiliates will have more information regarding the market value of the Fund interests than the Investors selling its interest and any other potential buyer, thereby disadvantaging either the seller or other potential buyer in the course of the sale.

In addition, to the extent Elion has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Governing Documents, or is asked to identify potential purchasers in a secondary transfer, Elion will do so in its sole discretion, generally taking into account the following factors: Elion's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations; Elion's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen, and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or Elion; whether the potential purchaser would subject Elion, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media, or other burdens; a potential purchaser's investment into another Fund (including any commitment to a future fund); requirements in such Fund's Governing Documents; and such other facts as Elion deems appropriate under the circumstances in exercising such discretion.

Personal Trading. The personal trading policy for all Elion personnel is set forth in Elion's Code of Ethics and is acknowledged as received and understood by each supervised person. Elion's personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by any supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Fund.

The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Under the Code of Ethics, Elion employees are required to file certain periodic reports with the Chief Compliance Officer.

Elion's employees are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding publicly traded securities or communicating material nonpublic information about such securities to others. The Firm maintains a restricted list regarding issuers about whom it has material nonpublic information. Pre-clearance is required for certain personal securities transactions, including restricted list securities, initial public offerings and certain limited offerings. In addition, supervised persons are required to submit their brokerage account statements for review.

Subject to compliance with the Code of Ethics and applicable law, the principals and employees of Elion may carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend investments to vehicles which may differ from advice given to the Funds, even though their investment objectives may be the same or similar. In addition, principals, employees and affiliates may purchase investments in transactions offered to but rejected by the Funds or that are outside the investment mandate of the Funds. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds.

Item 12. Brokerage Practices

Elion does not currently have a contractual relationship with or utilize the services of any securities broker-dealers in connection with the real estate transactions in which it engages on behalf of the Funds. Elion's advisory business

generally does not involve securities, broker dealers, or directing the Funds to execute transactions (through broker dealers or otherwise), nor do Investors direct Elion to engage securities broker dealers.

Elion generally engages a real estate broker in connection with the disposition, financing, or leasing of a real estate asset held on behalf of the Funds. Elion selects the brokerage company and the particular real estate broker that Elion believes will best represent the interests of the Funds. Elion and its affiliates do not engage in any trade aggregation practices.

Soft Dollars. Elion does not receive “soft dollars” in connection with its use of broker-dealers. Elion receives real estate market data research from real estate brokers. Elion also uses the services of those real estate brokers to buy or sell real estate investments for the Funds. Elion and its affiliates do not have any formal soft dollar arrangements to compensate the brokers for the research that is provided. Elion and its affiliates receive real estate-related research and market data from third party service providers. The Funds will bear the expense for the research obtained from such third parties.

Client Referrals. As described in further detail in Item 14 below, Elion engages placement agents from time to time to introduce Investors to the Funds. However, such placement agents are not used to effect transactions in real estate on behalf of the Funds.

Item 13. Review of Accounts

The investment portfolios of each Fund are generally private, illiquid and long-term in nature, and accordingly, Elion’s review of them is not directed toward a short-term decision to dispose of such assets. Elion closely monitors each Fund’s investments and maintains an ongoing oversight position with respect to such investments. Such reviews include, without limitation, leasing trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and management.

All investments are carefully reviewed and approved by the Fund’s Investment Committee. The acquisitions team observes transactions on an ongoing basis in the target markets to identify potential transactions. Potential investments are reviewed typically on a weekly basis in Investment Committee meetings.

Annually, Elion provides Investors on behalf of each of its Funds: (i) audited financial statements prepared in accordance with generally accepted accounting principles (“GAAP”), accompanied by the report of its independent certified public accountants within 120 days of fiscal year end; (ii) unaudited financial statements for the first three quarters of each fiscal year; (iii) tax information (K-1s) necessary for the completion of tax returns; and (iv) a statement of the determination of the value of each of investment as of the end of the preceding calendar year. All reports are sent to Investors in writing and are delivered electronically through the Firm’s investor portal. The Firm also has contact with Investors (personal visits, telephone, and email) throughout the year as conditions warrant.

In the course of conducting due diligence or otherwise, Fund Investors periodically request information pertaining to their investments. Elion responds to these requests, and in answering these requests provides information that is not generally made available to other Fund Investors who have not requested such information. Upon request, certain Investors may receive additional information and reporting that other Investors may not receive. While Elion does not have an obligation to update any such information provided, the Firm endeavors to provide the information requested in the most current form available. Certain Investors may have the right to obtain information relating to a Fund. Accordingly, such Investors may possess information regarding the business and affairs of Fund that may not be known to other Investors. As a result, certain Investors may be able to take actions on the basis of such information which, in the absence of such information, other Investors do not take.

Item 14. Client Referrals and Other Compensation

Elion will periodically engage third-party placement agents (i.e., solicitors) to introduce prospective Investors to the Funds. The fees and expenses of any third-party placement agents will be paid by the Funds, but will be reimbursed to the Funds by Elion by offsetting its Management Fees. As described in Item 5 above, the following affiliated entities will receive fees from certain properties of the Funds:

Affiliated Entity	Services Provided
Elion Services, LLC	Property management, property accounting, leasing, brokerage, closing, advisory and underwriting, or any other similar services
Elion Development, LLC	Development and construction management services
EP EI, LLC	Technology platform specializing in data analytics and software for real estate asset managers

Such fees and any conflicts of interests associated with the receipt of such fees are detailed in each Fund's Governing Documents.

Item 15. Custody

Rule 206(4) (the "Custody Rule") under the Advisers Act requires that each pooled investment vehicle which Elion advises and is deemed to have custody of must either undergo an annual audit or be subject to a surprise custody examination by a Public Company Accounting Oversight Board ("PCAOB") registered auditing firm. Although Elion does not have physical possession of any of the assets of the Funds, Elion is deemed to have custody of the Funds' assets under the Custody Rule because of its affiliation with each Fund's General Partner. In order to comply with the Custody Rule, Elion has elected to undergo an annual GAAP financial statement audit by a PCAOB registered audit firm for each of the Funds. Copies of these annual audited financial statements are (or will be, for newly closed Funds) delivered to the Funds and their respective Investors within 120 days of each Fund's fiscal year end.

Item 16. Investment Discretion

In accordance with the terms and conditions of the Governing Documents, and subject to the direction and control of Elion, the General Partner, the Special Limited Partner, the Managing Member and/or the similar equivalent of each Fund, Elion generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Investors, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds. To become an Investor in a Fund, an Investor must execute, among other documents, a subscription agreement and the Governing Documents with such Fund. Such governing documents generally contain a power of attorney that grants Elion or its affiliates certain powers related to the orderly administration of the affairs of the Funds. Once an Investor executes these documents, Elion is not required to contact an Investor prior to transacting any business. An Investor may impose limitations on Elion's authority through a side letter agreement and the Firm may choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed by an Investor must be presented to Elion in writing and agreed to by Elion and such Investor. Other Investors are not provided with consent rights regarding such side letter agreements. Once invested in a Fund, Investors generally cannot impose additional investment guidelines or restrictions on such Fund. Otherwise, for specific actions described in the Governing Documents that require approval of each respective Fund's IAC or LPAC, Elion solicits IAC or LPAC consent for the Funds to engage in such actions, transactions or activities. The IAC and LPAC are independent of Elion.

Item 17. Voting Fund Securities

Elion does not generally transact in publicly-traded securities, nor does Elion anticipate the receipt of proxy materials for investments held by the Funds. In the event that a Fund acquires equity positions or other positions that solicit proxies in the future, Elion will develop and implement policies and procedures to vote such proxies in accordance with its fiduciary duties to the Funds.

Item 18. Financial Information

A balance sheet is not required to be provided as Elion (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to Investors, or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.