

Elion Partners, LLC

Part 2A of Form ADV

The Brochure

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March 24, 2019

This brochure provides information about the qualifications and business practices of Elion Partners, LLC (“Elion” or “we” or “us” or the “Adviser”). If you have any questions about the contents of this brochure, please contact us at 305-933-3538, jrd@elionpartners.com or dp@elionpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

Elion is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC or with any state securities authority does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure dated March 24, 2019 amends the brochure dated March 29, 2018. The material changes since the brochure dated March 29, 2018 are the addition of information related to certain affiliates and the fees that they may receive. See Items 5, 10 and 14 for further details.

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Item 4. Advisory Business

Elion is an investment advisory firm with its principal place of business in Aventura, Florida. 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 and Shlomo Khoudari.

Elion provides discretionary advisory services to private investment vehicles (collectively, the “Funds”). As of December 31, 2018, Elion had regulatory assets under management of approximately \$472 million. All assets are managed on a discretionary basis.

In providing 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 investors. Investment advice is provided directly to the Funds and not individually to the limited partners of the Funds (the “Investors” or “Limited Partners”). 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 (the “Governing Documents”). Approval is required of the respective Fund’s Investor Advisory Committee (“IAC”), which consists of appointed representatives of Investors in the Fund (as set out in the Governing Documents) who are independent of Elion, for any action that is beyond the guidelines prescribed in the Governing Documents.

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

Shares or limited partnership interests in the Funds will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”); nor will the Funds be registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests or shares in the Funds will be offered and sold exclusively to Limited Partners satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

Item 5: Fees and Compensation

Current and prospective Investors should consult the Governing Documents applicable to each Fund for more details regarding the calculation of fees and expenses. A brief summary of such fees and expenses is provided below.

General

Elion generally receives compensation from fees based on capital contributions outstanding, carried interest and certain other fees or expenses related to transactions (see below). Each Fund assesses fees and expenses in a specific manner pursuant to its Governing Documents and

Investors are required to review the Governing Documents applicable to each Fund to understand all fees and expenses charged by Elion.

Management Fees

Certain of the Funds pay Elion or its affiliated entities an annual management fee (the “Management Fee”), payable monthly or quarterly, in advance or in arrears, equal to one to two percent (1% to 2%) of each Investor’s capital contributions, which is generally reduced, on each disposition of an investment. Certain other Funds pay Elion or its affiliated entities a Management Fee quarterly, in advance that consists of a fixed asset management fee plus a variable amount based on square footage of space leased. Fund Investors are generally not permitted to redeem partially or completely prior to the scheduled termination of a Fund; however, to the extent an Investor were to redeem their participation in a Fund or the Fund were to terminate early, such Investor will be entitled to a refund of a portion of any prepaid fee on a pro-rata basis. Such refunded fee will be paid directly to the Investor’s account as specified by the Investor.

Carried Interest

A portion of each Fund’s distributable proceeds will be allocated to the capital account of the General Partner or an entity affiliated with Elion as “carried interest.” The manner of calculation of such carried interest is disclosed in the Governing Documents of each Fund, and varies by Fund. Generally, however, twenty percent (20%) of the Distributable Cash (as defined in the Governing Documents) of the Funds are allocated as carried interest to each Fund’s General Partner or Managing Member after the Fund achieves a preferred return between five to eight percent (5% to 8%) and all investor contributions have been returned. Incentive distributions to the General Partner or its affiliates are at times subject to clawback provisions which include the return of any incentive based distributions received by the General Partner or its affiliates for re-distribution to Investors.

Acquisition Fees

Certain of the Funds will pay Elion or its affiliated entities a fee in the amount of one percent (1%) of the gross cost upon the initial acquisition of a target real estate asset by the Fund.

Agreements with Affiliates

Certain properties of the Funds pay Elion Services, LLC, an affiliate of Elion, to provide property-level accounting services.

Certain properties of the Funds pay Elion Development, LLC, an affiliate of Elion, to provide development services on certain investments, which may include, but are not limited to, construction services, construction management and development oversight.

Formation Expenses

Each Fund will generally bear all reasonable legal and other organizational and offering expenses incurred in the formation of the Fund and related entities (the “Formation Expenses”). The Formation Expenses will include travel and accommodation expenses, legal and accounting expenses, filing fees and expenses and printing costs, or other similar amounts, paid by Elion with respect to the offering of and subscription for interests in the Fund. Certain Funds limit Formation Expenses. Amounts in excess of this limit and any placement agent fees paid by the Funds as described in each Fund’s Governing Documents are reduced from Management Fees.

Other Expenses

Each Fund will generally bear its own operating expenses, including all expenses in connection with the Fund's investment activities (including financing and consulting fees, travel, property management fees, brokerage commissions and transaction fees) including any expenses related to unconsummated transactions. Each Fund will generally pay for all of its operating and fund administration expenses and for expenses incurred on its behalf, including expenses of custodians, auditors, outside counsel and accountants, on-going reporting, any insurance, indemnification or litigation expense and any taxes, fees or other governmental charges levied against the Fund or its investments. Expenses will vary by Fund as described in each Fund's Governing Documents.

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

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

As described in Item 5 above, Elion receives performance-based compensation in the form of "carried interest," which calculation is based on the Distributable Cash (as defined in the Governing Documents). Investors receive a preferential return on their investments and their outstanding capital contributions prior to any incentive compensation paid to Elion or its affiliates. Any incentive compensation paid to Elion or its affiliates will be subject to clawback provisions. 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, since Elion and its affiliated entities are entitled to receive compensation that is derived from the basis of profits generated by the sale or disposition of Fund assets, an incentive to make more speculative investments can be perceived to exist.

Elion also faces a potential conflict of interest arising from the fact that the Funds may be subject to different management and/or performance-based fees. This could create an incentive for Elion to provide preferential treatment in terms of investment opportunities to a Fund subject to higher management and/or performance-based fees. 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 to address the fair allocation of investment opportunities.

Elion faces a potential conflict of interest in hiring its affiliates, such as Elion Services, LLC and/or Elion Development, LLC, to provide certain services to certain investments, 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 have better control 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, and is not driven by the fees that are generated by such engagements. However, Elion further addresses any such conflicts of interest by taking steps to ensure that the fees paid to such affiliates do not exceed the fees that the Funds would need to

pay an independent third-party for the same or similar services on materially the same terms and in the same location as the subject property.

Item 7. Types of Clients

As described in Item 4, above, Elion provides investment advice to the Funds. Each of the Funds is a private investment fund exempt from registration as an investment company under Section 3(c)(1) and/or 3(c)(7) of the Investment Company Act. Certain Funds have a minimum investor commitment requirement. The minimum investor commitment is generally \$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, institutional investors, foreign investors, and corporate or business entities.

The General Partner of the Funds will, at times, enter into side letters or other writings with Investors which have the effect of establishing rights under, or altering or supplementing, the terms of, the Governing Documents. Any rights established, or any terms of the applicable Governing Documents altered or supplemented in a side letter or other writing with an Investor will govern solely with respect to such Investor notwithstanding any other provision of such Governing Document.

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) organized to invest and develop a single property ("Single Property Funds"); or (ii) organized to invest and develop multiple properties ("Multiple Property Funds").

The investment strategy of the Single Property Funds is generally to acquire and develop a single property with the investment objective of generating attractive cash-on-cash returns and net asset appreciation over the life of each Single Property Fund.

The investment strategy of the Multiple Property Funds is generally to invest primarily in the acquisition and build-to-core development of retail, office, industrial, and multifamily properties that are situated in desirable locations. The Funds seek to use Elion's extensive network of developers, brokers and banks to access "offmarket" investment opportunities at attractive capitalization rates. With respect to build-to-core development properties, 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 Funds to acquire properties at below market rates for stabilized

products. The investment objective is to generate attractive internal rates of return over the life of each Multiple Property Fund primarily through net asset appreciation.

Elion upon acquisition of a property performs asset management and other related functions at the property. Elion seeks to implement and execute an operating plan designed to maximize overall returns. Elion believes it is well positioned to address strategic elements including; development and redevelopment, design and construction, deal structure, debt financing and hands-on-operations necessary to expand revenue and reduce operating expenses. Elion continually reviews the operating plans for each property in light of actual results and changing circumstances.

Elion conducts a detailed analysis of each individual project that it undertakes on behalf of each Fund, utilizing its extensive insight and experience. After identifying potential investment opportunities, Elion will conduct an in-depth scenario analysis under differing economic conditions to understand what the potential returns will be for the investment. Once an investment is made, the General Partner will manage the project from start to finish. The estimated holding period for each investment in the Multiple Property Funds is approximately five (5) years. Single Property Funds hold the investment indefinitely until the General Partner deems that an opportunity to exit the investment has presented itself.

Investment Risks

All investing involves a risk of loss and the investment strategies offered by Elion could lose money over short or even long periods. An investment in the Funds should be deemed to be a speculative investment and is not intended as a complete investment program. It is 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. Given the speculative nature of the investments, there is a possibility for a partial or total loss of 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 risks related to Elion's investment strategies; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that will 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 Risks

Real property investments, like all investments, are subject to varying degrees of risk. The yields available from investments depend on the amount of revenue generated and expenses incurred. If investments do not generate sufficient revenues to meet their acquisition and operating expenses, the Fund's cash flow and ability to pay distributions to its investors will be adversely affected. The revenues generated by, and the value of, a particular Investment may be adversely affected by a number of factors, including: the cyclical nature of the real estate market; national, regional and local economic climates; local real estate market conditions; fluctuations in operating costs; changes in interest rates; and the availability, cost and terms of financing. Real estate values are also affected by such factors as government regulations (including those governing usage, improvements, zoning and taxes), interest rate levels, the availability of financing and potential liability under changing environmental and other laws.

Past Results Not Indicative of Future Results

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 the General Partner, whether on an aggregated portfolio basis or an individual investment by investment basis. Although affiliates of the General Partner may have achieved favorable returns with some of their previous investments, performance of past investments (whether or not of the type and scope of the Fund) cannot be relied upon to predict a Fund's success. 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 the General Partner will be repeated with a Fund.

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.

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.

Risks of Environmental Liabilities

Under various laws, ordinances and regulations, an owner or operator of real property may become liable for the costs of removal or remediation of certain hazardous substances released on, about, under or in its property. Environmental laws often impose this liability without regard to whether the owner or operator knew of, or was responsible for, the release of hazardous substances. The presence of hazardous substances, or the failure to remediate hazardous substances properly, may adversely affect a Fund's ability to sell, use or finance real estate. 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.

Development Risks

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 the 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.

Lack of Liquidity

Investors will not be able to redeem or withdraw their interests in a Fund. Any transfer of interests will require the consent of the General Partner. In addition, the interests in a Fund of the Investors have not been registered under the Securities Act and no such registration is contemplated.

Investment Strategy

The Fund's current strategy for Multiple Property Funds is to make private equity and equity-oriented investments in a diversified portfolio of real estate (and interests in real estate) located throughout the United States. Accordingly, the General Partner 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. The General Partner may not be able to develop and maintain the level of expertise, relationships and market knowledge required for the Fund to succeed with this strategy in a variety of geographic locations.

Possible Lack of Diversification

While diversification is an objective of the Multiple Property Funds, there is no assurance as to the degree of diversification that will actually be achieved in the Fund's Investments, either by geographic region or asset type. If the Fund makes an Investment in a single transaction with the intent of refinancing or selling a portion of the Investment, there is a risk that the Fund will be unable to successfully complete such a financing or sale. This could lead to increased risk as a result of the Fund having an unintended long-term Investment and reduced diversification. After the Fund has had its Initial Closing, there is no assurance that the Fund will have a Subsequent Closing. If the Fund raises less capital than anticipated, the Fund will likely be less diversified than the General Partner intends, which would increase the risk of an investment in the Fund.

Risks Involved in Acquisitions through Ventures with Third Parties

The Funds may invest in properties as a partner or a co-venturer with various third parties. Such investments may, under certain circumstances, involve risks not otherwise present, including the possibility that a third party might become bankrupt, a Fund may be required to make capital contributions in the underlying investment for cost overruns and other unforeseen expenses, and that a third party partner might at any time have economic or other business interests or goals that are inconsistent with the business interests or goals of the Fund.

Significant Vacancies

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 Limited Partners. 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 a Limited Partner's return.

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. The General Partner 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 Limited Partners, could suffer a loss. In addition, if a tenant defaults or goes bankrupt, a Fund may experience delays in enforcing its rights as landlord and may incur substantial costs in protecting its Investment and re-letting the property. 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.

Leverage

A Fund may utilize a leveraged capital structure, in which case a third party would be entitled to cash flow generated by such Investments prior to the Fund or the investors, as applicable, receiving a return. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss of principal. Rising interest rates, downturns in the economy and other factors may adversely affect the ability of a Fund to successfully acquire investments and may also adversely affect the performance of the investments.

Reliance on Key Persons

The success of a Fund is substantially dependent on certain key individuals. While not expected, should one or more of the General Partner's or Managing Member's key individuals become incapacitated or in some other way cease to participate in a Fund, its performance could be adversely affected.

Third Party Involvement

Funds may co-invest with third parties, through joint ventures, a programmatic venture or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that any co-venturer or partner of a Fund may, at any time, have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the Fund's investment objectives. As a result, a Fund may be unable to fully realize its expected return on any such investment and may not have control over the management of these properties or the exits from these investments. In addition, in certain circumstances, a Fund may be liable for actions of its co-venturers or partners.

The preceding discussion identifies only some of the potentially applicable risks. Current and prospective Investors should consult the applicable Fund's Governing Documents for a more detailed description of the relevant risks.

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 or Managing Members of the Funds are related entities of Elion. Additionally, the Funds themselves may be considered as related entities of Elion.

Notwithstanding the foregoing, as discussed elsewhere in this brochure (see, e.g., Items 5 and 14), Elion and/or the Funds may hire affiliates of Elion to provide certain services, including property-level accounting services and development services. Elion faces a potential conflict of interest in hiring its affiliates, such as Elion Services, LLC and/or Elion Development, LLC, to provide certain services to certain investments, 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 have better control 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, and is not driven by the fees that are generated by such engagements. However, Elion further addresses any such conflicts of interest by taking steps to ensure that the fees paid to such affiliates do not exceed the fees that the Funds would need to pay an independent third-party for the same or similar services on materially the same terms and in the same location as the subject property.

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

Elion has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act.

This Rule requires Elion to adopt a Code of Ethics that sets forth a standard of business conduct and compliance with federal securities laws by our employees. Our 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 Investors, upon request. Please contact Juan DeAngulo (jrd@elionpartners.com) or Dalia Pearson (dp@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 for each Fund is comprised of related persons of the Adviser 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 in transactions effected for 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.

Principal or Cross Transactions

Elion generally does not cause the Funds to engage in any principal or cross transactions. In the event that Elion does so, Elion will first consider and determine that the transaction is in the best interests of both participating Funds. Elion will obtain consent from the IAC or the Investors of the Funds engaging in such principal or cross transaction, to the extent deemed necessary or appropriate.

Allocation of Investment Opportunities

Elion is aware of the importance of treating all Funds fairly. As a general practice, Elion allocates investment opportunities to a Fund(s), unless: (i) at such time as seventy-five percent (75%) of the Fund's capital has been committed to real estate investments; (ii) prior approval of the Limited Partners holding at least a majority of the percentage Interests has been received; (iii) the Fund's commitment period has expired or otherwise terminated, or (iv) the Fund has been terminated or dissolved. Elion will not organize a multiple-investor Fund with substantially similar investment objectives that competes directly with the investment strategy of the current Fund. If an investment

opportunity has return characteristics that could fit more than one Fund, Elion's Investment Committee will offer the opportunity to a Fund in accordance with the Governing Documents of the applicable Funds involved.

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

All investments are carefully reviewed and approved by the Elion 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 the Investment Committee meetings.

Elion provides Limited Partners with reporting information in accordance with the terms of the applicable Governing Documents for each respective Fund. Examples of such reports include the following: (i) Fund audited annual financial statements; (ii) Fund unaudited quarterly financial statements together with an investment memorandum describing the major events that occurred; (iii) quarterly and annual capital account statements; and (iv) annual tax information necessary to complete any applicable tax returns.

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	Accounting services
Elion Development, LLC	Development services

Item 15. Custody

Elion has access to client accounts (i.e., the Funds) since it or an affiliate serves as the General Partner or Managing Member of the Funds. Funds are subject to an annual audit by an independent public accountant and the audited financial statements are distributed to each Limited Partner. The

audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed 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 the General Partner or Managing Member of each Fund, Elion generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Limited Partners, 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. Approval is required of the respective IAC for any action that is beyond the guidelines prescribed in the Governing Documents.

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 duty.

For any applicable proxies, Elion will maintain a record of any proxy votes executed on behalf of Clients. Investors can contact Juan DeAngulo (jrd@elionpartners.com) or Dalia Pearson (dp@elionpartners.com) or by telephone at (305) 933-3538 to obtain a copy of Elion's proxy voting policy or to obtain information with respect to any applicable proxy votes submitted on behalf of the relevant Fund.

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.