

# Elion Industrial Fund II

For the Rhode Island State Investment Commission Only

E L I O N



# Important Notice

The information contained herein is provided for informational and discussion purposes only and is not, and may not be relied on in any manner as legal, business, financial, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in Elion Industrial Fund II, LP, a Delaware limited partnership (together with any parallel investment vehicles, the "Fund"). A private offering of interests in the Fund will only be made pursuant to a confidential private placement memorandum (as amended or supplemented from time to time, the "Offering Memorandum") and the Fund's subscription documents (the "Subscription Documents"), which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering. The information contained herein will be superseded by, and is qualified in its entirety by reference to (i) the Offering Memorandum, which contains additional information about the investment objectives, terms and conditions of an investment in the Fund and also contains tax information and risk disclosures that are important to any investment decision regarding the Fund, (ii) the governing agreements of the Fund (as the same may be amended and/or modified from time to time, the "Fund Agreements") and (iii) the Subscription Documents. To the extent that there is any inconsistency between these materials and the Fund Agreements or the Subscription Documents, the provisions of the Fund Agreements and the Subscription Documents shall prevail. No person has been authorized to make any statement concerning the Fund other than as set forth in the Offering Memorandum and any such statements, if made, may not be relied upon. Elion Industrial Fund II GP, LLC (the "General Partner") is the sole General Partner of the offering of interests in the Fund. The interests in the Fund are subject to restrictions on transferability contained in the Fund Agreements and described in the Offering Memorandum. Neither the Fund nor the General Partner or any of their affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance. No representations are made as to the accuracy of any targets, estimates, approximates or projections or that such targets, estimates, approximates or projections will be realized. The information contained herein does not purport to contain all of the information that may be required to evaluate an investment in the Fund and any recipient of these materials is encouraged to read the Offering Memorandum, the Fund Agreements and the Subscription Documents, and should conduct its own independent analysis of the data referred to herein prior to making an investment in the Fund.

Prospective investors should make their own investigations and evaluations of the information contained herein. Prior to the sale of interests in the Fund, the General Partner will give investors the opportunity to ask questions and receive answers concerning the terms and conditions of an investment in the Fund and other relevant matters and to obtain any additional information (to the extent that the General Partner possesses such information or can obtain it without unreasonable effort or expense) necessary to verify the accuracy of the information in these materials. Each prospective investor should consult its own attorney, business adviser and tax adviser as to legal, business, tax and related matters concerning the information contained herein including the merits and risks involved with an investment in the Fund. Investment in the limited partnership interests of the Fund involves a high degree of risk due to among other things, the nature of the Fund's investments. Investment in the Fund is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in the Fund. Investors in the Fund must be prepared to bear such risks for an indefinite period of time. No assurance can be given that the Fund's investment objectives will be achieved or that investors will receive a return of their capital. There will be no public market for interests in the Fund, and interests in the Fund will be subject to strict limitations on transfer. Investors should regard their interests as illiquid, and investors should not invest in the Fund unless they are prepared to lose all or a substantial portion of their investment.

There can be no assurance that the Fund's investment objectives or target return will be achieved. The target IRR set forth herein is provided as an indicator as to how the Fund will be managed and is not intended to be viewed as an indicator of likely performance returns to investors. The target IRR is based upon estimates and assumptions that Elion believes to be reasonable under current market conditions and which are based on combination of factors, including real estate acquisitions, developments, redevelopments and other value-add projects, real estate operations and management, real estate financings and refinancing, and real estate dispositions observed in the industrial real estate market and expected to continue or commence through the term of the Fund with respect to real estate investment opportunities similar to those in which the Fund will seek to invest. There can be no assurance that Elion's return objectives will be realized or that Elion will be successful in finding investment opportunities that meet these anticipated return parameters. Elion's estimate of the return from an investment is not a guarantee as to the quality of the investment or a representation as to the adequacy of Elion's methodology or assumptions used in estimating returns.

The logos appearing herein or any other materials prepared in connection with the Fund are trademarks owned by Elion Partners, LLC ("Elion"). Elion's trademarks have been licensed to the General Partner solely for use in connection with the Fund. The personnel and facilities of Elion will be made available to the General Partner pursuant to contractual agreements with Elion.

**Key Risks:** Capital is at risk and any investment in Elion Industrial Fund II will involve significant risks, including risk of loss of the entire investment. There can be no assurance that Elion Industrial Fund II will achieve its objectives or avoid significant losses. The strategy of Elion Industrial Fund II does not guarantee a profit or ensure protection against losses.

***This presentation is provided by Elion Partners, LLC ("Elion") at the request of the Rhode Island State Investment Commission as a one-on-one communication in connection with our meeting and is only provided for informational purposes and is not, and may not be relied on in any manner as legal, business, financial, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment, fund, account, vehicle or product managed by Elion, including Elion Industrial Fund II, LP and its related parallel funds and feeder funds, or to otherwise participate in any investment strategy.***

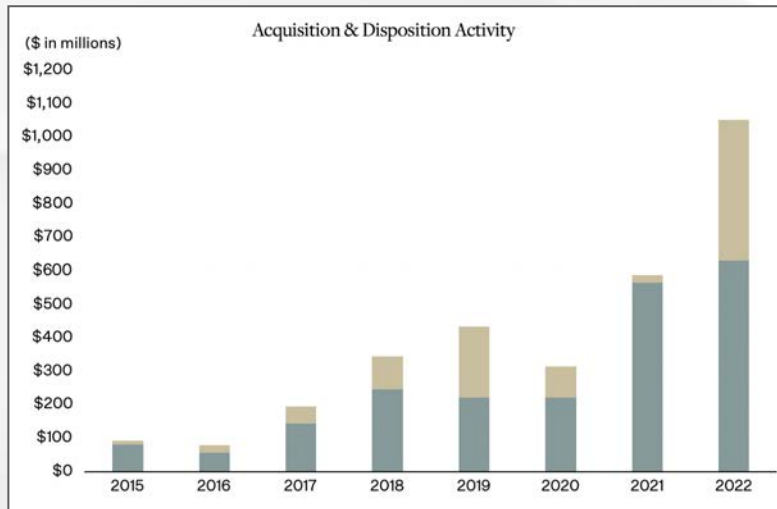
# The Firm

Elion Partners, LLC (“Elion”) is a vertically integrated investment manager powered by data, focused on the logistics real estate sector.

## INSTITUTIONAL MANAGER POWERED BY DATA

### \$3.6 Billion AUM<sup>1</sup>

- SEC Registered Investment Adviser<sup>2</sup>
- Privately-held, minority-owned firm
  - 75%+ of Elion team members are comprised of women or minorities
- Experienced senior leadership team
  - 23 years of average investment experience
- Elion Intelligence (“E.I.”)
  - In-house proprietary technology platform powering fund and property-level operations
- Focused product lines<sup>4</sup>
  - Six value-add funds and nine special situation vehicles
  - Dedicated vehicles, no competing value-add mandates
- Sector-specific expertise in industrial logistics real estate
  - \$2.8 B in gross industrial transaction volume since inception, representing 15.9 M sq. ft. across 75 assets
- Sustained Realizations and Exits
  - Elion has successfully exited \$454 M in industrial assets across 3.6 M square feet since 2015
  - As part of such exits, Elion executed a portfolio sale of 12 last-mile logistics warehouses in South Florida, spanning 650k square feet, returning a 20.1% net IRR and 1.35 net MOIC to investors<sup>5</sup>



## VERTICALLY INTEGRATED OPERATOR WITH NATIONAL PRESENCE

### 175+ Property Investments<sup>3</sup>

- U.S. footprint
  - Offices in Miami (HQ), New York, and Washington D.C., with a presence in Seattle, Boston, and Chicago
- *In-house capabilities:* construction/capital improvements, leasing, property management, property-level accounting, and operations
- *Targeted value-add initiative:* Asset repositioning, lease-up/re-tenanting, lease restructuring, capital improvement, construction/expansion of space

## LAST-MILE LOGISTICS REAL ESTATE SPECIALIST

### Targeting Core, Coastal Markets

- Last-mile focus in supply-constrained target markets: New York City Boroughs/New Jersey, Washington, D.C., South Florida, Seattle, Bay Area, and Southern California
- Elion sourcing advantage:
  - 90% of assets historically acquired pre-market, providing access to opportunities significantly below replacement cost
  - Network of leasing brokers, tenants, owners, and operators

<sup>1</sup>Gross real estate assets under management as of September 30, 2023. AUM calculation is valued internally and includes uninvested capital commitments. AUM includes industrial properties in addition to historical investments in other commercial real estate property types. <sup>2</sup>Registration does not imply a certain level of skill or training. <sup>3</sup>Represents individual building count within Elion's total portfolio/industrial portfolio as of September 30, 2023 <sup>4</sup>The investment strategies of certain value-add funds was to target value-add investments in commercial real estate generally, not industrial real estate specifically. Nevertheless, this information is included to demonstrate Elion's capabilities, deep experience and established track record in developing portfolios of real estate investments within a discretionary close-end fund structure. <sup>5</sup>Please refer to the Notes on Slide 8 for important disclosure information on "Industrial Assets Only" return information.

# Focused on Real Estate Fundamentals

Elion's differentiated investment strategy leverages industrial domain knowledge and a deep understanding of real estate fundamentals, capitalizing on the growth potential of e-commerce, supply chain diversification, and supply/demand imbalances.

In evaluating investment opportunities, Elion focuses on real estate fundamentals, guided by three key pillars:

## 1. SUPPLY-CONSTRAINED MARKETS

- Focus on high-density, **coastal infill markets**, allowing the Fund to benefit from supply/demand imbalances independent of market cycles
- Aim to acquire assets with **superior logistics functionality** at acquisition, which demands higher rent premiums, outperforming the asset class, such as efficient access to highways, an abundance of parking, loading docks, and appropriate clear heights
- Focus on specific streets or lots within sub-markets that will provide efficient access to major cities and ports, reducing a tenant's transportation cost and time

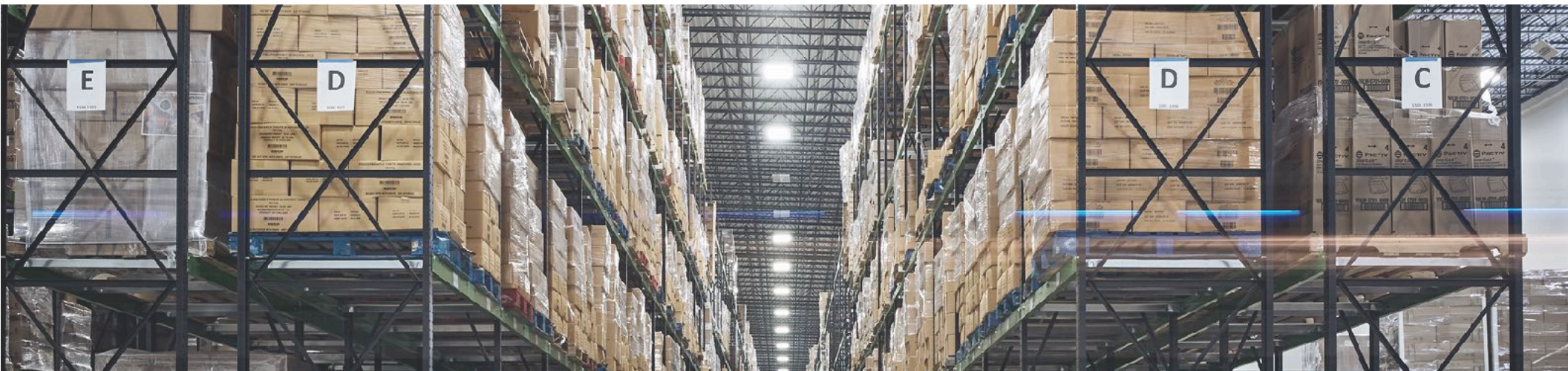
## 2. REPLACEMENT COST & BUILDING FUNCTIONALITY

- Since its inception, Elion and its affiliates have sourced more than 90% of all investments pre-market through its network of owners, owner/occupiers, and leasing brokers, accessing opportunities at a lower basis before they are broadly marketed
- Elion believes that adherence to this principle provides downside protection against increases in competitive supply while offering an attractive basis for future owners of the asset
- In-house development and construction team validates replacement cost as a standard part of the underwriting process, performing a site inspection of all assets before acquisition

## 3. CONSERVATIVE USE OF DEBT

- Risk-averse approach to real estate investing, protecting against market downturns and providing for attractive risk-adjusted returns
- Return attribution focused on the merits of the underlying real estate instead of financial engineering, seeking to reduce the risk of loss
- Utilize a diversified lender base with varied costs of capital, seeking the most efficient financial and non-financial terms from lenders
- Since inception, loan-to-cost across industrial assets averages **50.4%**, with Industrial Fund I loan-to-value at **45.1%** as of the third quarter 2023

Past performance is no guarantee of future results. There are no guarantees that Elion will successfully execute on the investment strategy described herein in respect of the Fund, or in any investment vehicle.



# Coastal Portfolio Supported by a National Footprint

Headquartered in Miami, with offices in New York and the greater Washington D.C. area, Elion's national footprint supports its industry domain knowledge providing on-the-ground expertise across its target core, coastal U.S. markets.



Note: Market vacancy rates as of October 2023, sourced from Costar, CBRE, Colliers, JLL, and KBC Advisors.

There can be no assurances that the Fund will be able to pursue such investment opportunities or that the Fund will successfully execute on such investment strategies.

# Industrial Fund II Portfolio Strategy

Targeting Infill, Core Coastal Markets



## Summary

*By the Numbers*

50k-200k

Square Feet

\$40-\$60M

Gross Transaction Value

40-50

# of Assets

≤10%

Single Investment  
Concentration

Target Gross IRR/MOIC

15.0-17.0%/1.60X-1.80X

Target Net IRR/MOIC

13.0-15.0%/1.50X

# Elion's Real Estate Investment Fund History

Since the firm's founding in 2010, Elion has transacted on more than \$4.1 B<sup>1</sup> in gross real estate asset value across six value-add funds and nine special situation vehicles, with over 65% of the firm's portfolio concentrated in the industrial logistics asset class.

## VALUE-ADD SERIES

Elion's flagship value-add series comprises closed-end commingled funds, with Elion Industrial Fund I and II tailored to institutional investors

<b>Elion Real Estate Fund I</b> \$11.0 M, Fully Realized Retail	2010	<b>Elion Real Estate Fund II</b> \$24.0 M, Fully Realized Retail	2012	<b>Elion Real Estate Fund III</b> \$93.1 M, Fully Realized Multisector	2013
<b>Elion Real Estate Fund IV</b> \$145.0 M, 90.8% of Capital Returned 60% Industrial, 40% Multifamily <sup>2</sup>	2017	<b>Elion Industrial Fund I</b> \$500.0 M, Fully Invested Industrial	2019	<b>Elion Industrial Fund II</b> \$750.0 M Target, Fundraising/Investing Industrial	2022

Elion Industrial Fund II is targeting \$750.0 million in capital commitments to continue Elion's thematic, thesis-driven strategy focused on last-mile logistics real estate in supply-constrained, infill core coastal markets

Targeting a 13.0% – 15.0% Net IRR<sup>3</sup>

Fundraise Status: Approx. \$400 million (closed)

Final Closing: June 2, 2024

<sup>1</sup> Total gross portfolio asset value since inception, includes assets that have been sold. <sup>2</sup> While most of the investments made by Elion Real Estate Fund IV were value-add investments in industrial real estate, the investment strategy of Elion Real Estate Fund IV was to target value-add investments in commercial real estate generally. Specifically, Elion Real Estate Fund IV acquired value-add investments in multifamily investments and such investments would not be consistent with the investment strategy of the Fund. Nevertheless, information regarding Elion Real Estate Fund IV is included to further demonstrate Elion's capabilities, deep experience and established track record in developing portfolios of industrial real estate investments within a discretionary closed-end fund structure. Additional information regarding Elion Real Estate Fund IV's asset composition is available upon request <sup>3</sup> The Fund will target to achieve, over its term and at the Fund-level, gross levered annual internal rate of return (IRR) of 15% – 17% (net IRR of 13% – 15%) and gross MOIC of 1.6x – 1.8x (net MOIC of 1.5x). There can be no assurance that the Fund's investment objectives or target return will be achieved. The target IRR set forth herein is based upon estimates and assumptions that Elion believes to be reasonable under current market conditions, is provided as an indicator as to how the Fund will be managed and is not intended to be viewed as an indicator of likely performance returns to investors. See Important Notice on Page 2 regarding target returns.

# Industrial Investment Performance Overview

As Requested by Rhode Island State Investment Commission

## VALUE-ADD VEHICLES

As of  
September 30, 2023

Elion Real Estate Fund III (2013) Fully Realized \$93.1 M	Elion Real Estate Fund IV (2017) 90.8% of Capital Returned \$145.0 M	Elion Industrial Fund I (2019) Fully Invested \$500.0 M	Elion Industrial Fund II (2022) Fundraising/Investing \$750.0 M Target
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### Industrial Assets Only

Realized/Current Gross IRR	29.1%	27.4%	21.6%	N/A
Realized/Current Net IRR	19.0%	21.8%	14.6%	N/A
Realized/Current Gross MOIC	1.65x	1.78x	1.55x	N/A
Realized/Current Net MOIC	1.55x	1.57x	1.39x	N/A
No. of Industrial Investments	1	16	35	2
No. of Realized Industrial Investments	1	16	1	0

### Fund-Level Returns

(Including non-industrial real estate)

Realized/Current Gross IRR	15.8%	5.5%	N/A	N/A
Realized/Current Net IRR	10.3%	0.0% <sup>1</sup>	N/A	N/A
Realized/Current Gross MOIC	1.63x	1.14x	N/A	N/A
Realized/Current Net MOIC	1.53x	1.00x	N/A	N/A
Total No. of Investments	17	19	N/A	N/A
Realized No. of Investments	17	17	N/A	N/A

Notes: The "Industrial Investment Performance Overview" set forth herein has been prepared in response to Rhode Island State Investment Commission's request to receive prior performance information regarding the funds included above (collectively, the "Funds"), on a fund-level basis but differentiated between industrial assets and all assets for the prior Funds which invested in both industrial assets and other commercial real estate. This chart is included to illustrate the Investment Manager's prior investment management experience on a holistic basis; however, the overall investment strategy, structure, approach to leverage, management fees, expenses, carried interest and material terms of the prior Funds differ from those of Elion Industrial Fund II, LP ("EIF II") and such differences are material in some cases. As such, this presentation is being provided solely at Rhode Island State Investment Commission's request as an indication of Elion's capabilities in acquiring, developing, redeveloping, managing and disposing of industrial real estate investments ("Investments") similar to those targeted by EIF II, but such performance information is not indicative of EIF II's expected performance or portfolio composition as a whole. Past performance is not a guarantee of future results. Because the IRRs included herein are based on a hypothetical liquidation of unrealized investments as of September 30, 2023, these figures do not account for actual target holding periods, the ultimate impact of ongoing business plans or the potential for appreciation and/or depreciation in the portfolio after September 30, 2023. "Realized/Current Gross LIRR" represents an internal rate of return on the basis of daily cash inflows and outflows through September 30, 2023, and assuming a hypothetical liquidation of all unrealized investments as of September 30, 2023, based on the current fair market value determined by Elion in accordance with its internal valuation policy (the "Valuation Policy") which takes into consideration various factors, including, but not limited to internal unaudited valuations and internal pro-forma calculations; appraisals prepared by external third-party valuation firms and cost-basis calculations. Realized/Current Gross IRR is calculated at the investment level and aggregated to the fund level, gross of fund level expenses, management fees and carried interest. "Realized/Current Gross MOIC" reflects a multiple on invested capital calculated as a quotient of the total capital returned assuming a hypothetical liquidation of the unrealized investments as of September 30, 2023 as described above, divided by the total capital invested. Realized/Current Gross Equity Multiple is calculated at the investment level and aggregated to the fund level, gross of fund level expenses, management fees and carried interest. If fund level expenses, management fees and carried interest were taken into account, projected fund level returns would be materially reduced. "Realized/Current Net LIRR" represents Realized/Current Gross IRR described above, net of actual and projected fund level expenses, management fees and carried interest. The Realized/Current Net IRR is calculated using the "blended" management fee and carried interest arrangement for each particular investment vehicle, which was determined with reference to the actual economic terms agreed upon with the investors in such investment vehicle. Accordingly, certain investors may be subject to higher management fee and carried interest arrangements which would result in lower returns. In addition, certain of the investment vehicles utilized a subscription-based credit facility, which in some cases delayed the actual funding date by investors relative to the timing of acquisition of underlying investments, which has the effect of increasing the Current Net IRR to investors. "Realized/Current Net MOIC" represents Realized/Current Gross Equity Multiple, net of actual and projected fund level expenses, management fees and carried interest. The Realized/Current Net MOIC for each of the prior investment vehicles is calculated using the "blended" management fee and carried interest arrangement for each particular investment vehicle, which was determined with reference to the actual economic terms agreed upon with the investors in such investment vehicle. With respect to the "Industrial Assets Only" the Net IRR and Net MOIC have been calculated on a pro forma basis by (x) determining the proportion by which Fund-Level Gross IRR or Fund-Level Gross MOIC, as applicable, for the relevant investment vehicle exceed the Fund-Level Net IRR or Fund-Level Net MOIC respectively, and (y) reducing each Industrial Assets Only Gross IRR and Gross MOIC, respectively, by a corresponding amount. Industrial Assets Only net returns are presented for informational purposes to provide an illustration of the potential impact of fund-level fees, expenses and carried interest on the gross returns derived from investments. However, such investment-level net returns have necessarily been calculated on a pro forma basis, given that the applicable investment vehicles do not in practice allocate specific fund-level fees, expenses or carried interest to specific investments, and therefore such returns reflect certain implicit assumptions that are not true in all cases. "N/A" - As the portfolio of these Fund(s) are comprised solely of industrial assets, there is no IRR or MOIC to report in respect of non-industrial assets. Additionally, for purposes of clarity, the performance information in respect of Elion Industrial Fund II, LP ("EIF II") is marked as N/A, given that (x) the time duration for the assets held by EIF II is relatively de minimis and (y) as it represents EIF II's seed portfolio, Elion does not believe that current performance information in respect of EIF II is relevant information for purposes of this presentation.

<sup>1</sup> Elion is available to discuss the Current IRR described herein in respect of Elion Real Estate Fund IV upon further request.



# Corporate Governance

Elion's Senior Management Committee acts as the leadership of the firm and makes executive decisions on its strategic direction. The Committee meets monthly.

## SENIOR MANAGEMENT COMMITTEE MEMBERS



Jack Azout  
Managing Partner

Shlomo Khoudari  
Managing Partner

Juan DeAngulo  
Managing Partner

Sylvain Argy  
Managing Partner

Dalia Pearson  
Partner, CCO

James Lambert  
Sr. Managing Director  
Industrial Investments

Michael Stellino  
Sr. Managing Director  
Development



Jonathan Kotler  
Sr. Managing Director  
General Counsel,  
Real Estate

Andrew Rohacik  
Sr. Managing Director  
Real Estate Investments

Kaylee McCall Correa  
Managing Director  
Capital Markets

Peter Wang  
Managing Director  
Portfolio Management

Daniel Belecen  
Managing Director  
Asset Management

David Vaisberg  
Managing Director  
Data Science

Sam Ash  
Managing Director  
Capital Markets

60%  
Diversity within  
Senior Management  
Committee

# Elion Team

75%+ diversity among 68 team members

## Executive Leadership

**Jack Azout**  
Managing Partner

**Shlomo Khoudari**  
Managing Partner

**Juan DeAngulo**  
Managing Partner

**Sylvain Argy**  
Managing Partner

**Dalia Pearson**  
Partner, CCO

### Acquisitions

**James Lambert**  
Senior Managing Director  
Industrial Investments

**Greg Skaler**  
Managing Director  
Acquisitions

**Dana Parker**  
Managing Director  
Data Analytics

**Jhon Mosley**  
Regional Managing Director  
Acquisitions

+1 VP

### Asset Management

**Andrew Rohacik**  
Senior Managing Director  
Real Estate Investments

**Jonathan Kotler**  
Senior Managing Director  
& General Counsel, Real Estate

**Daniel Belecen**  
Managing Director  
Asset Management

**Colin Dove**  
Managing Director  
Real Estate Investments

+1 VP

### Capital Markets

**Kaylee McCall Correa**  
Managing Director  
Capital Markets

**Samuel Ash**  
Managing Director  
Capital Markets

+1 VP, +1 Analyst

### Finance/Administration

**Stephanie Butler**  
Managing Director  
Corporate Finance

**Brandon Dicks**  
Director  
Fund Accounting

+2 Senior VPs, +2 VPs,  
+6 Accounting, +2 Administration

### Portfolio Management

**Peter Wang**  
Managing Director  
Portfolio Management

+1 VP

### Development/Construction

**Michael J. Stellino**  
Senior Managing Director  
Development

**Jessica Lamb**  
Director  
Development & Construction

**Derek Tam**  
Director  
Development & Construction

**Peter Vega**  
Director  
Development

### Technology<sup>1</sup>

**David Vaisberg**  
Managing Director  
Data Science

**Jared Stufft**  
Director  
Data Science

+4 Application Development,  
+3 Product & Quality,  
+2 Data Science & Engineering,  
+3 Backend Engineers  
+1 Information Technology

### Property Management

**Aleksandra Gluhcheva**  
Director  
Property Management

**Regine Elibert**  
Investment Controller

+1 General Manager,  
+2 Maintenance Tech, +1 Operations,  
+1 Maintenance Engineer,  
+2 Assistant Property Management,  
+3 Accounting

Note: The list of individuals included herein may not be a complete list and is subject to change at any time. No assurance can be given that particular individuals will remain in their current positions or retain their current functions.

<sup>1</sup>The Team Members of E.I. are not employees of Elion Partners; they serve as Elion's captive technology innovation team, but are employed by a third-party vendor.

# Sustainability

Operating business sustainability is embedded in Elion's corporate culture and its management strategy.

## Monitoring Environmental Footprint

# 1.5 M sq. ft.

LEED Certified

Elion is committed to considering environmental risks as part of its initial due diligence and ongoing monitoring. Elion implemented Measurabl as part of its overall sustainability risk assessment program. The firm is a proud signatory to the United Nations Principles for Responsible Investment ("UN PRI").

## Social Responsibility & Inclusion

# 75%+

Diverse Workforce

# FCC USA

Corporate Philanthropy

Elion strives to empower its people by creating a culture of inclusion, diversity and social responsibility. Elion was recognized as a 2020, 2021, and 2022 "Best Places to Work in Money Management" by Pensions & Investments and is a proud signatory of CEO Action for Diversity & Inclusion™. The firm is a minority, Latino-owned organization and more than 75% of the team is comprised of women and minorities.

## Purpose-Driven Governance

# Top-Down Implementation

# The Elion Way

Elion has an established Impact Steering Committee that integrates relevant sustainability and DEI factors into the firm's culture and prioritizes initiatives based on the value it can create for its stakeholders. Elion has a Code of Ethics, Cybersecurity, Sexual Harassment, ESG/DEI, Cash Management and Real Estate Asset Valuation Policy.



# Social Impact

Through a philanthropic partnership, Elion provides resources and funding to support the domestic expansion of FCC USA, a not-for-profit that utilizes soccer as a tool for educating underprivileged youth on racial equity, gender equality, and mental health.



Fútbol Con Corazón (FCC) USA is a 501(c)(3) non-profit social enterprise that uses soccer to educate young people, giving them a fun, safe place to thrive and grow into young adults.

FCC is well established in five Latin American countries, and Elion assisted FCC USA in launching domestically in 2020. FCC USA provides after-school programming geared toward violence prevention, skills for mental and emotional wellbeing, social-emotional education, and civic engagement. Each student is given over 206 instructive hours throughout each academic year, ensuring close attention and support from the FCC USA team. Since launching domestically, over 1,000 students from under-resourced communities have been impacted, who otherwise may not have had access to or the ability to engage with dependable after-school programs. Elion continues to dedicate its time and resources in support of FCC USA.

**21**

FCC USA sites in Miami-Dade and Broward County

**83%**

Increase and enhancement of parental involvement in the lives of children and youth

**93%**

Increase in the development of socio-emotional skills

## Elion's Support Framework

~ **\$50 K** in contributions and pro-bono support across four pillars:

### **Economic Development**

Sponsoring and participating in the Corporate Soccer Tournament and Gala for Goals

### **Infrastructure**

Providing office space, as well as HR, legal, accounting, and book-keeping services

### **Marketing/PR**

Supporting website, video, and communication efforts

### **Data/Reporting**

Creating a standardized system for reporting the organization's educational results



## SEED ASSET

# 1301 Deerfield Beach

1301 NW 3rd Street, Deerfield Beach, FL 33442

### INVESTMENT SUMMARY

Property Type	Industrial	Investment Vehicle	Industrial Fund II
Execution Type	Value-Add	Fund Ownership	100.0%
Location	Deerfield Beach, FL	Sq. Ft.	78,581
LTC	46.7%	Current Occ/ WALT	100.0% / 2.1 years

### PERFORMANCE

### AT ACQUISITION

Date	Nov-2022
Price	\$15.6 M
PSF	\$199
Occupancy	100.0%
NOI	\$800,000

### Investment Overview

- The asset is a 78,581 square foot warehouse building located in Deerfield Beach, FL, sourced pre-market through a leasing broker relationship.
- The asset is strategically located in the supply-constrained Broward County sub-market with close proximity to large population centers via Interstate 95 and Florida Turnpike, and is compelling due to the portfolio's location, functionality, and near-term lease expiration.
- The sub-market reported a low vacancy rate of 3.5% at the time of acquisition.
- The facility is situated on a 3.29-acre lot, including five dock doors, 20'5" clear heights, and a newly installed roof in 2020.

### Value Creation Potential

- There exists a significant opportunity to enhance the asset's value through targeted capital expenditure improvements. The plan includes re-leasing the property at a competitive market rate post the current lease's expiration in July 2025, capitalizing on the under-market rent of the incumbent tenant by 16.8%.

### Investment Strategy & Execution

- The asset was acquired for \$199 per square foot, significantly below the replacement cost of \$337 per square foot.
- With an existing tenant in place, the strategy revolves around adjusting the rental income to align with market rates upon lease renewal.



This case study is intended solely as an illustrative example of the strategies employed by Elion and its affiliates. Past performance is no guarantee of future results, and there are no guarantees that Elion Industrial Fund II will successfully execute on its investment strategy.

# Key Fund Terms

<b>THE FUND</b>	Elion Industrial Fund II, LP, a limited partnership organized under the laws of the State of Delaware, together with any parallel, feeder or alternative investment vehicles.
<b>INVESTMENT MANAGER</b>	Elion Partners, LLC
<b>TARGET FUND SIZE</b>	\$750 million
<b>INVESTMENT OBJECTIVE</b>	The Fund will target to achieve, over its term and at the Fund-level, gross levered annual internal rate of return (IRR) of 15% – 17% (net IRR of 13% – 15%) and gross MOIC of 1.6x – 1.8x (net MOIC of 1.5x) <sup>1</sup>
<b>LEVERAGE</b>	The maximum fund-level leverage is 65%, measured by loan-to-value of the portfolio after the commitment period.
<b>MINIMUM CAPITAL COMMITMENT</b>	\$5 million; provided that the General Partner reserves the right to accept Capital Commitments of lesser amounts
<b>SPONSOR CAPITAL COMMITMENT</b>	At least five percent (5.0%) of the Fund's total Capital Commitments, up to \$32.5 million
<b>CLOSINGS</b>	The final closing of the Fund (the "Final Closing") will occur no later than June 2, 2024
<b>INVESTMENT PERIOD</b>	Three (3) years from the final closing, subject to one (1) additional one (1)-year extension with the approval of the LP Advisory Committee
<b>TERM</b>	Eight (8) years from the final closing, subject to one (1) one (1)-year extension at the sole discretion of the GP, an additional one (1) one(1)-year extension with the consent of the LP Advisory Committee and thereafter
<b>MANAGEMENT FEE</b>	For Limited Partners that make a Capital Commitment of more than \$5 million: 1.5% annually of aggregate Capital Commitments during the Investment Period; and 1.5% annually of invested capital after the Investment Period  For Limited Partners that make a Capital Commitment equal to or less than \$5 million: 2.0% annually of aggregate Capital Commitments during the Investment Period; and 2.0% annually of invested capital after the Investment Period
<b>PREFERRED RETURN</b>	Eight percent (8.0%) per annum
<b>DISTRIBUTIONS</b>	(a) 100% to the Limited Partners, until each Limited Partner receives an amount equal to such Limited Partner's aggregate unreturned Capital Contributions (b) 100% to the Limited Partners until each Limited Partner receives an annual compounded preferred return of eight percent (8.0%) per annum (c) 50% to the Limited Partners and 50% to a Special Limited Partner established by the General Partner to receive Carried Interest Distributions until such Special Limited Partner has received 20% of cumulative profits (d) 80% to the Limited Partners and 20% to the Special Limited Partner

<sup>1</sup>There can be no assurance that the Fund's investment objectives or target return will be achieved. The target IRR set forth herein is based upon estimates and assumptions that Elion believes to be reasonable under current market conditions, is provided as an indicator as to how the Fund will be managed and is not intended to be viewed as an indicator of likely performance returns to investors.



*Inquiries:*

Kaylee McCall Correa

Managing Director  
Capital Markets  
[kc@elionpartners.com](mailto:kc@elionpartners.com)

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**Miami**  
3323 NE 163rd Street  
Suite 600  
Miami, FL 33160

**New York**  
445 Park Avenue  
Suite 16E  
New York, NY 10022

**Washington D.C.**  
909 Rose Ave  
Suite 400 #60  
North Bethesda, MD 20852

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