



Investment Adviser Brochure

2901 Butterfield Road

Oak Brook, IL 60523

630-218-8000

www.inlandinstitutional.com

This Brochure provides information about the qualifications and business practices of Inland Institutional Capital Partners Corporation. If you have any questions about the contents of this Brochure, please contact Judith Fu, Chief Compliance Officer, at 630-218-8000. 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.

Inland Institutional Capital Partners Corporation is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The registration with the SEC does not imply a recommendation by the SEC or any state securities authority.

Additional information about Inland Institutional Capital Partners Corporation also is available on the SEC's website at www.adviserinfo.sec.gov.

This cover page constitutes item 1 to the Inland Institutional Capital Partners Corporation Investment Adviser Brochure, Form ADV Part 2A.

February 28, 2012

Item 2 - Material Changes

In February, 2012, Inland Institutional Capital Partners Corporation filed its initial application to register as an investment adviser under the Investment Advisers Act of 1940, as amended. Accordingly, this item is not applicable.

Item 3 - Table of Contents

Item 1	Cover Page	1
Item 2 -	Material Changes.....	2
Item 3 -	Table of Contents	3
Item 4 -	Advisory Business.....	4
Item 5 -	Fees and Compensation	7
Item 6 -	Performance-Based Fees and Side-By-Side Management	10
Item 7 -	Types of Clients.....	11
Item 8 -	Methods of Analysis, Investment Strategies and Risk of Loss.....	12
Item 9 -	Disciplinary Information.....	19
Item 10 -	Other Financial Industry Activities and Affiliations	19
Item 11 -	Code of Ethics	21
Item 12 -	Brokerage Practices	22
Item 13 -	Review of Accounts	22
Item 14 -	Client Referrals and Other Compensation	23
Item 15 -	Custody.....	23
Item 16 -	Investment Discretion.....	23
Item 17 -	Voting Client Securities	24
Item 18 -	Financial Information.....	24

Item 4 - Advisory Business

The Firm

Inland Institutional Capital Partners Corporation (the “Adviser”) was incorporated in May 2006 and provides investment advisory services on real estate investments. In this Brochure, all references to “we”, “our”, “us” or “the Firm” refer to the Adviser. We currently have two (2) full-time staff members that provide investment advisory services to clients, one shared staff member that attends to our regulatory compliance, and one staff member that provides administrative support.

The Adviser is a wholly owned subsidiary of Inland Real Estate Investment Corporation (“IREIC”), which is a wholly owned subsidiary of The Inland Group, Inc. (“TIGI”). Daniel L. Goodwin indirectly owns more than 25% of our firm through his ownership of TIGI.

Inland Affiliated Companies

TIGI and its related entities constitute a fully-integrated group of companies that are engaged in diverse facets of the real estate industry including, without limitation, property management, leasing, marketing, brokerage, acquisition, disposition, development, redevelopment, renovation, construction, finance, and sponsorship of investment products. TIGI, IREIC and the Adviser, are part of the Inland Real Estate Group of Companies, Inc., a group of separate legal entities, some of which may be affiliates, others have some common ownership with IREIC, and some have been sponsored and managed by IREIC or its subsidiaries. As used herein “Inland” refers to some or all of the entities that are a part of the Inland Group of Real Estate Companies, Inc.

In 2011, Inland was ranked¹ by various business and industry publications as the ninth largest property manager in the Chicago area, ninth top property manager in the Midwest and among the top 20 property managers in the United States; the second fastest growing acquirer of commercial properties in the United States; and the third top Midwest property owner. With respect to industry segments, publications in 2011 ranked Inland nationally as the sixth top shopping center owner, the sixteenth top hotel owner, the twenty-second top industrial property owner, and the twenty-fourth top office property owner. In October,

¹ Rankings are based upon industry standards including number of apartment units owned, number of hotel rooms owned, gross square feet of office properties owned, gross square feet of industrial property owned and gross leasable area of shopping centers owned.

2011, *Pensions & Investments* ranked Inland as the fourteenth largest real estate investment manager, based on total worldwide real estate assets. We note however, that these rankings do not indicate, and should not be relied upon as to, how we may perform in the future.

As of September 30, 2011, Inland had raised more than \$18.5 billion from investment securities sales to over 357,000 investors, many of whom have invested in more than one Inland-sponsored investment program. Through that date, Inland had completed 426 investment programs, comprised of eight public funds, 411 private partnerships, six 1031 exchange programs, and one publicly traded REIT. No completed investment program has paid total distributions less than the total contributed capital. For these purposes, Inland considers an investment program to be “completed” at the time that it no longer owns any assets.

As of September 30, 2011, Inland affiliates and related parties cumulatively had 1,625 employees, owned properties in 48 states, and managed assets with an aggregate book value of more than \$25.3 billion. As of September 30, 2011, IREIC, directly and indirectly, operated investment funds which owned in excess of 1,963 acres of pre-development land in the Chicago area, as well as over 2.1 million square feet of commercial property and 659 apartment units. Inland Real Estate Brokerage & Auctions, Inc., since 2000 has completed more than \$1.1 billion in commercial real estate sales and leases and has been involved in the sale of more than 7,000 multi-family units as well as the sale and lease of almost 100 million square feet of commercial property. As of September 30, 2011, Inland Mortgage Brokerage Corporation had originated more than \$17.9 billion in financing including loans to third parties and affiliated entities. Inland Mortgage Capital Corporation assembled a loan portfolio totaling approximately \$192.3 million. Inland Commercial Mortgage Corporation, had originated more than \$879 million in financing as of September 30, 2011. Inland Mortgage Servicing Corporation services a loan portfolio with a face value exceeding \$9.8 billion.

Over the years, through Inland Real Estate Acquisitions, Inc. and other Inland companies, Inland has acquired more than 2,902 properties. As of September 30, 2011, Inland was responsible for managing approximately 129.8 million square feet of commercial properties located in 48 states, as well as 10,052 multi-family units. A substantial portion of the

portfolio, approximately 36.3 million square feet, consists of properties leased on a triple-net lease basis. A triple-net lease means that the tenant operates and maintains the property and pays rent that is net of taxes, insurance, and operating expenses.

Advisory Services

Investment Opportunity Services.

We are engaged in the business of identifying investment opportunities for the real estate companies and real estate investment trusts that are part of Inland. We offer advice with respect to direct and indirect equity and debt investments in most major classes of real estate, with a primary focus on retail shopping centers and malls as well as large multi-family residential rental projects. We assist our clients in developing and implementing a strategy for expanding the client's institutional and operational joint venture relationships and assist them in establishing those relationships. In this Brochure, we refer to the Adviser's investment opportunity activities as "investment opportunity services."

Investment Management Services.

The Adviser intends to provide investment management services to one or more new private real estate investment funds to be sponsored by Inland. The first new private real estate investment fund is expected to be an open-end, commingled investment vehicle that will specialize in core stabilized retail shopping center real properties (the "Core Fund"). An affiliate of the Adviser will serve as the general partner (the "General Partner") of the Core Fund.

Investment management services will be an expansion beyond the Firm's investment opportunity services. When providing investment management services for a client, the Adviser may perform the following:

1. Identify investment opportunities;
2. Participate in monitoring and evaluating investments;
3. Make recommendations to the client regarding the financing, refinancing and/or sale of investments;
4. Provide asset management services with respect to the client's properties; and

5. Develop, implement and monitor portfolio objectives on a property-by-property basis.

Client Tailored Services

In identifying investment opportunities, including joint venture opportunities, for our investment opportunity services clients, and in identifying acquisition opportunities as well as joint venture opportunities for our investment management clients, we intend to tailor our advisory services to the particular client based on the client's business needs. We work within the investment objectives and investment restrictions set by the client to identify suitable joint venture partners, properties or both. The investment services used to implement any investment advice given to clients may include evaluating income and value growth potential, financial analysis and market pricing, as well as the client's portfolio objectives.

The individual needs of the investors in a client are not directly the basis of our investment decisions. We do not provide investment advice to the investors in any client.

Item 5 - Fees and Compensation

Investment Opportunity Clients

Our investment opportunity services clients pay us for the services we render pursuant to a written advisory agreement. Our fees are billed at rates ranging from \$100 to \$300 per hour for our investment opportunity services, offset against a fee ranging from 20 to 50 basis points of the non-Inland investor contributed capital for an investment opportunity services property. Some qualified clients may agree to pay us performance based fees as described in Item 6 below. The fees for our investment opportunity services are negotiable.

Advisory fees for investment opportunity services are accrued and billed in arrears. The Adviser will generally provide invoices quarterly and invoices are payable within 30 days of billing. Additional fees for investment opportunity advisory services beyond the initial time frame provided for such service for the specific project or assignment or beyond the scope of services for such project or assignment, such as extended negotiations and consultant advocacy, accrue at agreed-upon hourly rates as incurred, and are generally billed quarterly in arrears.

Third party fees, also known as "Project Expenses", include, but are not limited to, reasonable travel expenses, overnight document delivery, property inspection reports, appraisals, and other out-of-pocket items that will be passed through to the client. Project Expenses are expected to be paid or reimbursed within 30 days of billing.

Clients may also be subject to regulatory fees, transaction costs, custodian fees and other costs and expenses associated with acquiring, managing, leasing, operating, financing and disposing of real estate investments. Loan origination fees will be incurred in connection with the mortgage financing of a property. Real estate broker commissions may be payable in connection with a sale of a property. Such costs and expenses are incurred and payable whether or not the client realizes a profit. Such charges, fees and expenses are exclusive of, and in addition to, the Adviser's fee, and the Adviser shall not receive any portion of these charges, fees, and expenses. However, affiliates of the Adviser may receive compensation for arranging the financing or sale of a property and for property management and leasing services.

Investment Management Clients

Management Fees. We expect that investment management services clients will compensate us for our services in the form of an investment management fee that will be based upon assets under management, and that such management fees will be payable quarterly in arrears.

The investment management service fee will be based upon the net asset value ("NAV") of the client's assets under management at the end of the applicable calendar quarter. We intend to charge a fee of between 25 and 40 basis points per quarter. A management fee rate is negotiable at the discretion of the Adviser.

Additional Fees and Expenses. The Adviser will bear its own costs of compensation of personnel that provide services to it and related overhead expenses, except as described below.

Investors in clients that are commingled funds, such as the Core Fund, will bear indirectly as partnership expenses certain costs and expenses incurred by or allocated by the Adviser to the client. Such costs and expenses will vary, but typically include charges for professional services such as legal, accounting and appraisal activities.

Clients (including the Core Fund) will incur expenses for maintenance of their books and records, custody fees, audit expense, tax preparation expense, appraisal costs, and taxes. The clients that are commingled funds, such as the Core Fund, will also pay costs and expenses incurred in connection with board, advisory committee and investor meetings. Any client that seeks to leverage an investment with mortgage debt will incur interest expense and fees for credit primarily at the investment level but also at the client level. A client will also incur the cost of conducting its own due diligence on all prospective investments or joint venture opportunities including, without limitation, travel related costs and costs of investments and joint venture opportunities not pursued to acquisition, as well as closing costs for acquired investments.

Wrap Fee Programs

We do not currently participate in any wrap fee programs.

Assets under Management

As of December 31, 2011, we provided on-going investment opportunity advisory services solely to clients on a non-discretionary basis. We do not currently manage any client assets on a discretionary basis or have any investment management services clients. Thus, we currently have no assets under management. Once formed, we will have discretionary authority over most investments made by the Core Fund.

The Firm will seek to obtain its clients' permission to exercise a limited degree of discretionary control over select properties in the investment portfolio of an investment opportunity services client primarily for implementing major decisions (e.g., executing and delivering agreements on the client's behalf with respect to agreed upon investment opportunities, etc.). However, our investment opportunity services clients will retain discretionary control over all major decisions (e.g., whether or not to enter into a particular investment, etc.) with respect to their respective properties and portfolios. Areas of client control and the Firm's authority will be stated in each advisory agreement entered into between the client and the Firm.

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

Investment Opportunity Services Clients

As an "offset" to the advisory fee that may be charged to an investment opportunity services client, the Adviser may enter into a performance based fee arrangement with a qualified client: such fees, which typically range from 20 basis points to 50 basis points of investor contributed capital for a property, are subject to individualized negotiation with each such client. The Adviser will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The Adviser's performance fee, if any, is based on the funding of capital commitments to a joint venture or a specific investment by the subject investor as called for by the client and will be billed quarterly in arrears. Our performance based fees are negotiable.

Performance based fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying clients over other clients in the allocation of investment opportunities. When the Adviser considers investment opportunities, it will determine the client for which the investment opportunity is suitable based on the investment objectives, portfolio and investment criteria of each client. Other factors considered may include cash flow, the effect of the investment opportunity on portfolio diversification, the estimated income or unrelated business tax effects of the purchase, policies relating to leverage, regulatory restrictions, and the capital available for investment. In the event that an investment opportunity becomes newly available that is suitable, under the factors considered above, for more than one client, then the client that has had the longest period of time elapse since it was offered an investment opportunity (whether or not it accepted such offer) will first be offered the newly available investment opportunity.

Investment Management Clients

Our management fee for investment management services is expected to be based on the NAV of the client. Although this form of management fee will be affected by the performance of the assets under management, our base management fee to investment management services

clients will not be a performance fee, which is typically based on the client achieving net gains over a stated rate of return.

We may, in the future, decide to charge an incentive or performance fee to investment management service clients and to investors in commingled funds that become clients of the Firm.

Item 7 - Types of Clients

Investment Opportunity Services

The Adviser provides advisory services to investment programs including real estate investment trusts and commingled funds that own portfolios or interests in portfolios of real estate assets, sponsored by IREIC and its affiliates. In the future the Adviser may also offer its investment opportunity services to:

- corporate pension plans,
- Taft-Hartley plan,
- banking or thrift institutions,
- high net worth individuals,
- charitable institutions,
- foundations,
- endowments,
- state and municipal governments,
- private funds (including hedge funds),
- trust programs,
- sovereign funds,
- real estate operating companies,
- real estate owners and real estate developers,
- Other U.S. and international corporations, businesses and institutions.

Our investment opportunity services clients are generally seeking to invest \$1,000,000 or more in real estate assets.

Investment Management Services

The Adviser intends to provide portfolio and asset management services to one or more commingled funds sponsored by Inland that will invest in real estate assets. The investors in such commingled funds, including the Core Fund, are expected to include large public and corporate pension plans and trusts, endowments, foundations, insurance companies, and other financial institutions, as well as high net worth individuals who become limited partners in the client.

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

Methods of Analysis and Investment Strategies

For our investment opportunity services clients, we offer advice on a variety of joint venture and acquisition arrangements for investments in real estate which in some instances may be securitized. We offer advice with respect to direct and indirect equity and debt investments in most major classes of real estate.

For our investment management services clients, we will target investments in specific asset classes. For the Core Fund, we will target investments primarily in the retail shopping center sector of the commercial real estate market. The investment focus of the Core Fund is likely to be on what we believe to be stable, income-producing investments.

The geographic focus of investments for investment opportunity services clients and investment management services clients is throughout the United States.

Our real estate investment analysis methods include, without limitation, detailed financial analyses based on the target real estate investment, portfolio, market, economic, and tenant analyses, and evaluation of market trends. We may also analyze valuation estimates based on replacement cost and comparable property transactions. Where we believe it to be necessary we will give due consideration the basic fundamentals of supply and demand and sector type. We use research and other information obtained and prepared by IREIC and its other affiliates as well as research provided by third parties. Our investment advice to clients typically includes our financial analyses as well as our views on income and growth potential, and market pricing. Depending on client requirements and the specifics of the transaction, the Adviser may apply a discounted cash flow and/or capitalized income method to value and analyze the attractiveness of a real estate investment opportunity.

Assessing Operators and Joint Venture Partners

For our investment opportunity services clients who are seeking to invest capital in joint ventures without having direct operating responsibilities, we will seek to identify joint venture partners who possess compatible management and operating experience, along with a well-formulated and well-defined business strategy. We will evaluate each prospective joint venture partner's management organization and performance in historical relationships with other partners. For investment opportunity services clients who are seeking operating responsibilities as well as capital, we will evaluate each prospective joint venture partner's capability to provide the required capital as well as other factors.

Financing/Leverage

Upon request, we will advise an investment opportunity services client with respect to levels of mortgage financing of a property or its portfolio of properties.

We intend to provide ongoing advice to investment management services clients with respect to appropriate levels of financial leverage (mortgage debt) at both the property and the portfolio level.

Investment Strategies

The Adviser formulates investment strategies and identifies investment opportunities based on operational, geographic or property requirements that are consistent with the investment objectives of its clients.

Material Risks Involved

General Investment Risk. All purchases and sales of real estate and all trading in securities and other financial instruments, including real estate equity and debt instruments, involve substantial risk of loss (potentially resulting in rapid declines in market prices and significant losses) arising from any number of factors that are beyond Adviser's control such as: changes in market sentiment; changes in industry conditions, competition and technology; changes in inflation, exchange rates or interest rates; changes in domestic or international economic or political conditions or events; changes in tax laws and governmental regulation; and changes in trade, fiscal, monetary or exchange control programs or policies of governments or their agencies (including their central banks). Changes such as these, as well as innumerable other

factors, are often unpredictable and unforeseeable, rendering it difficult or impossible to predict or foresee future market movements.

General Risks. Our clients are, and will be, subject to risks incidental to the ownership of real estate, including: changes in general economic or local conditions, such as a decrease in demand due to a decline in population or employment, or changes in technology or adverse business developments affecting tenants that lease space; changes in tenant preferences that reduce the attractiveness of the client's properties to tenants; fluctuation in occupancy rates, operating expenses and rental schedules; costs associated with the need to periodically repair, renovate and re-lease space; withdrawal of tenants and difficulty of replacing tenants; tenant defaults; tenant bankruptcies; changes in supply or demand of competing properties in an area, such as an excess supply resulting from over-building; changes in interest rates and availability of mortgage funds as well as changes in zoning and other governmental regulations that may render the sale of a property difficult or unattractive; increases in maintenance, insurance and other operating costs, including real estate taxes, associated with one or more properties, which may occur as other circumstances such as market factors and competition cause a reduction in revenues from such properties; inflation; changes in tax laws and rates; and impositions by governmental authorities.

Current Economic Condition. An extraordinary market downturn began in mid-2008. Credit markets tightened, property transaction volumes slowed dramatically and real estate values experienced significant downward pressures. As a result, there can be no assurance that real estate prices will stabilize in the near term or that we will be able to make real estate investments that will generate the returns that a particular client is targeting.

Due Diligence and Analytic Risks. There is generally limited publicly-available information about real properties, and we must therefore rely on our own due diligence and that of our affiliates. Should the pre-acquisition evaluation of the physical condition of a new investment fail to detect certain defects or necessary repairs, the total investment cost could be significantly higher than expected. Furthermore, should our estimates of the costs of improving, repositioning or redeveloping an acquired property prove too low, or its estimates of the time required to achieve occupancy prove too optimistic, the profitability of the investment may be adversely affected.

Fixed and Variable Cost Risks. Many costs associated with a real estate investment, such as debt service, insurance and real estate taxes, are not reduced even when a property is not fully occupied, or other circumstances cause a reduction in income from the investment. These fixed costs intensify the risk to a client of a tenant default or an unanticipated delay in achieving occupancy of a redeveloped property or re-letting a property upon lease expiration. Some costs associated with a real estate investment, such as maintenance and repairs, may be subject to cost increases beyond the control of the client. Variable rate debt in a time of rising interest rates could also result in unanticipated costs increases.

Strategy Risk. The success of following our investment advice depends in large part on our ability to accurately assess the fundamental value of properties. An accurate assessment of fundamental value depends on a complex analysis of a number of financial factors. No assurance can be given that we will be in a position to assess the nature and magnitude of all material factors having a bearing on the value of a client's positions, or that we will accurately assess the impact of all factors of which it is aware.

For our investment management clients we will attempt to control strategy risks by utilizing such techniques as geographic diversification, tenant diversification, staggered lease expirations, and debt maturity sequencing within a portfolio of real estate assets.

Custodial Risk. The Adviser relies upon property managers, banks and other third parties to hold and manage client assets and to pay property operating and ownership costs and expenses. Property interests, including title, will be held by the client or the administrative partner of a joint venture. Financial difficulty, fraud or misrepresentation by persons holding title to real properties and to custodian institutions could impair the operational capabilities or capital position of a client.

Joint Venture Risks. Clients may make investments in properties through joint ventures or other entities. Such investments may involve risks not present in wholly-owned investments, including for example, the possibility that a joint venture partner might commit fraud, become bankrupt or may have economic or business interests or goals which are inconsistent with those of the client, or that such partner may be in a position to take action contrary to the instructions or the requests of the client or contrary to the client's policies or objectives or otherwise have certain rights with respect to the investment, which may limit the client's ability to protect its position and make decisions with respect to its investments. In addition, in

certain circumstances, the client may rely upon the operating partner for operational expertise, which reliance may ultimately not be justified. Furthermore, if a joint venture partner defaults on its funding obligations, it may be difficult for the client to make up the shortfall from other sources. In addition, the client, in certain circumstances, may be liable for actions of its joint venture partners. While we will attempt to limit the liability of our clients by reviewing qualifications and previous experience of joint venture partners, such action may not be sufficient to protect the client from liability or loss. We expect that our clients and their investors will be advised as to the tax matters relating to their investments by persons other than us.

Competition with Joint Venture Partners. Joint venture partners may, subject to certain limitations, invest in properties that may compete with properties owned directly or indirectly by a client or by the joint venture between the client and the partner. A joint venture partner also may provide management and other services to other properties located within or near the market areas where the client's properties are located, and may at times face conflicts of interest because of the competition for tenants between the joint venture's properties and the properties of such joint venture partners and/or their other clients.

Tenant Default and Bankruptcy. A tenant's default in performing its lease obligations, or the tenant's bankruptcy, could adversely affect cash flow from a real estate investment and cause the client to incur legal costs and other costs that would not likely be recouped. An early termination of a lease by a bankrupt tenant would result in unanticipated expenses to re-let the premises.

Non-Renewal of Leases. A client's real estate investments will be subject to the risk that, upon expiration, leases for space may not be renewed, the space may not be re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions, may be less favorable than current lease terms. In the event of any of these circumstances, cash flow from, and the value of, the client's real estate portfolio could be adversely affected.

Illiquidity Risk. We expect that substantially all of a client's investments will be in the form of real estate or interests in joint ventures, none of which will involve securities that are traded on organized exchanges or traded in the over-the-counter market. Accordingly, we do not expect to engage in frequent trading. This illiquidity could adversely affect our ability to close out a client's positions.

Additional Risks Regarding Investment Management Clients

Leverage Risks. The purchase price of each investment whether directly by a client or in a joint venture, is expected to be partially financed. The degree of leverage could have important consequences to a client and its investors, including limiting the ability of a commingled fund to obtain additional financing in the future for working capital, capital expenditures, acquisitions, or other general purposes and making the client more vulnerable to a downturn in business or the economy generally.

Loan Default Risks. The mortgage loan documents for a client's properties will generally contain customary covenants, such as requirements relating to the maintenance of the property securing the debt, restrictions on pledging and creating other liens on the property, restrictions on incurring additional indebtedness and restrictions on transactions with affiliates. Failure by the applicable client or joint venture partner to make timely payments of principal and interest on mortgage loans or to observe these loan covenants could result in the declaration of a default by the lender. The consequences of a declaration of default include foreclosure of the mortgage, resulting in loss of both the property and the income it produces, the incurrence of substantial legal costs, the imposition of a deficiency judgment if the foreclosure sale does not result in proceeds sufficient to satisfy the mortgage, and potential adverse tax consequences to the Investors. A default under one loan could result in default under other loans.

Refinancing Risks. Mortgage loans on properties may be subject to relatively short maturities, which may require refinancing before the properties are disposed of. There is no assurance that replacement financing can be obtained or, if it is obtained, that interest rates and other terms would be as favorable as the original loan. Inability to refinance a loan on favorable terms may compel a client to attempt to dispose of the property or other properties on terms less favorable than might be obtained at a later date.

Investment Policies and Strategies. We may not meet the stated investment strategy and goals of any client, including cash distributions and overall return targets.

Conflicts of Interest

The Adviser, as an indirect subsidiary of TIGI, is also a part of Inland. The Adviser's current clients include REITs and private real estate funds and investment partnerships that may be controlled by Inland. From time to time, the Adviser may offer its clients the opportunity to

invest in either (i) joint ventures (e.g., partnerships and limited liability companies, etc.) with one or more affiliates of Inland, which joint ventures will make investments in the types of real estate typically invested in by our clients, and (ii) commingled funds in which (A) IREIC owns an indirect interest, (B) one or more of the management personnel of the Adviser owns a direct or indirect interest in the general partner/managing member of such fund or a part thereof, and/or (C) an affiliate of IREIC is the general partner/managing member of such fund or a part thereof. In addition, the Adviser also may provide services to such joint ventures and/or funds, pursuant to separate advisory agreements.

An affiliate of the Adviser may have or may make investments in joint venture partners or in the operating companies of joint venture partners of a client. In such event, the client will own an interest in the property and an affiliate of the Adviser will own an interest in the joint venture partner, which may create conflicts of interest regarding decisions in managing, leasing, financing and selling the property.

Investment opportunities may be sought by more than one of the IREIC-sponsored investment vehicles and by more than one client. Thus, conflicts of interest may arise in the allocation of investment opportunities. When the Adviser considers investment opportunities, it will determine the client for which the investment opportunity is suitable based on the investment objectives, portfolio and investment criteria of each client. Other factors considered may include cash flow, the effect of the investment opportunity on portfolio diversification, the estimated income or unrelated business tax effects of the purchase, policies relating to leverage, regulatory restrictions, and the capital available for investment. In the event that an investment opportunity becomes newly available that is suitable, under the factors considered above, for more than one client, then the client that has had the longest period of time elapse since it was offered an investment opportunity (whether or not it accepted such offer) will first be offered the newly available investment opportunity.

The Adviser may propose that a client use affiliates of the Adviser for certain services including, but not limited to, acquisition, financing, leasing and property management. Affiliates of the Adviser may also be engaged as service providers by joint ventures in which investment opportunity services clients are parties. The Adviser may assist the applicable client in negotiating for the engagement of these affiliated entities. Conflicts of interest may arise in connection with decisions to engage, compensate and terminate such service providers.

The Adviser generally does not cause its clients to engage in any cross transactions. In the event that a client has an opportunity to purchase an investment from, or sell an investment to, another IREIC-sponsored fund, the Adviser will first verify that the investment meets the investment strategy of the client and is in the best interests of the client. The transaction price will be supported by a fair market valuation (or fairness opinion) made by an independent appraiser. The Adviser will provide appropriate due diligence information to the client and will not close a cross transaction without the consent of the client (who may seek the advice of an independent professional). Neither the Adviser nor any of its affiliates will be paid broker's commissions or similar compensation from a cross transaction. However, it is possible that a cross transaction will result in incentive compensation being paid to the Adviser or an affiliate of the Adviser from a selling client or party.

The officers of the Adviser also provide services to other clients. Those persons may devote significant time in the future to the management of their other existing investments and professional activities.

Item 9 - Disciplinary Information

As a registered investment adviser we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. Neither we nor any individual member of our management team is or has been the subject of any such legal or disciplinary events.

Item 10 - Other Financial Industry Activities and Affiliations

Registration as a Broker-Dealer or Broker-Dealer Registered Representative

Neither the Adviser nor any of its employees are registered, or have an application pending to register, as a broker-dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Supervisor

Neither the Adviser nor any of its employees are registered, or have an application pending to register, as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Adviser.

Relationships or Arrangements Material to our Advisory Business or Clients and Possible Conflicts of Interest

The Adviser is an affiliate of Inland Securities Corporation ("ISC") and Inland Investment Advisors, Inc. ("IIAI"). Both IIAI and ISC are wholly owned subsidiaries of IREIC and thereby TIGI. See the discussion under Item 8 above and 11 below for potential conflicts of interest that might result from our relationship to these entities and the real estate investment trusts and other real estate funds sponsored or managed by IREIC.

Our immediate parent company is IREIC, a Chicago area-based real estate investment firm. Since its formation in 1984, IREIC has sponsored various real estate investment trusts, private real estate investment funds and operating partnerships that have invested in all classes of real estate, in real estate development and in the real estate capital markets. Multiple subsidiaries and affiliates make and hold investments in retail shopping centers and malls throughout the United States; another subsidiary acquires and develops apartment complexes and acquires interests on other real estate assets in the United States. Affiliates of IREIC serve as property and asset managers of various real estate investment trusts and real estate investment private equity funds which are also sponsored by affiliates of TIGI.

From time to time, the Adviser may offer its clients the opportunity to invest in either (i) joint ventures (e.g., partnerships and limited liability companies, etc.) with one or more of affiliates of IREIC, which joint ventures will make investments in the types of real estate typically invested in by our clients, and (ii) commingled funds in which (A) IREIC owns an indirect interest, (B) one or more of the management team of the Adviser owns a direct or indirect interest in the general partner/managing member of such fund or a part thereof, and/or (C) an affiliate of IREIC is the general partner/managing member of such fund or a part thereof. In addition, the Adviser also may provide services to such joint ventures and/or funds, pursuant to separate, written agreements.

The Adviser will provide documents to disclose the foregoing structure(s), if applicable, prior to any investment therein by any of clients, which documents will note the ownership, managerial and/or service provision role that any management personnel or related party may have within any such investment structure(s).

The potential exists for material, non-public information to pass between IREIC and the Adviser. Procedural, physical and legal barriers have been put in place to minimize the likelihood of such

an event. More information is available to clients in the Adviser's Code of Ethics and Policies & Procedures Manual.

A. Recommendation or Selection of Other Advisers and How We Are Compensated for Those Recommendations or Selections

The Adviser does not recommend or select other investment advisers for our clients.

Item 11 - Code of Ethics

Code of Ethics

The Adviser has adopted a Code of Ethics (the "Code") for all of its Access Persons (as defined by Rule 204A-1 of the Advisers Act) including employees of affiliates of the Adviser that provide services to or for the benefit of the Adviser. The Code states that our business is to be conducted in accordance with high ethical standards, and that Access Persons must act in accordance with high standards of personal and professional integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, comply with all applicable federal securities laws, abide by Adviser's policies and procedures that govern the conduct of the Access Persons, and promptly report to the appropriate parties violations of the Code. The Code sets out the principles and rules to which all Access Persons are expected to adhere and advocate in satisfying and meeting these standards. The Code is intended to reflect fiduciary principles that govern the conduct of the Adviser and its Access Persons in those situations where the Adviser acts as an investment adviser as defined under the Advisers Act in providing investment advice to its clients.

It is impossible to anticipate, and the Code is not intended to address, all matters, decisions and circumstances with which the Access Persons may be confronted. If faced with any matter, decision or circumstance not addressed by the Code, the Access Persons is, nevertheless, expected to observe high standards of business and personal ethics in the performance of their duties and responsibilities. All Access Persons will be held accountable for their compliance with and adherence to this Code.

Adviser's clients or prospective clients may request a copy of the Code by contacting Judith Fu at (630) 218-8000.

Recommendations Involving Material Financial Interests

Adviser and related persons may recommend to clients that those clients participate in joint ventures in which IREIC or its affiliates have some financial or other interest. The Adviser will not make any such recommendations to a client, however, without first disclosing its financial or other interest to the client to obtain the client's informed consent to the recommended purchase, sale or partnership. More specifically, no Access Person shall recommend any transactions for a client without having disclosed IREIC's interest, if any, in such transaction or any party to the transaction, including without limitation:

- any direct or indirect beneficial ownership of any economic interest in any party to the transaction;
- any contemplated transaction by such person and any other party to the transaction;
- any position as an officer, director, general partner, manager or similar position that such person holds with a party to the transaction or any affiliate of a party to the transaction; and
- Any present or proposed business relationship or transaction between such person and any party to the transaction or any of its known affiliates.

Personal Trading Conflicts

The Adviser does not recommend the purchase or sale of securities to its clients. However, all Access Persons are required to abstain from trading on their own accounts in the securities of the Adviser's clients or their potential joint venture partners when they are in the possession of material, non-public information regarding such clients or joint venture partners.

Item 12 - Brokerage Practices

The Adviser does not direct securities brokerage transactions for its clients.

We have adopted policies and procedures that generally prohibit principal and agency cross transactions except in compliance with Section 206(3) of the Advisers Act.

Item 13 - Review of Accounts

Client accounts are reviewed quarterly by the Adviser to assess progress against business plans established with the client. George Pandaleon, President of the Adviser, conducts the review of

accounts. Other factors that could trigger a review of the client's account would be at the client's request or if there is a material change in the performance of assets being monitored for the client by the Adviser. These reviews are typically conducted via in person meetings or conference calls. Written materials are typically prepared to facilitate discussion, but they do not follow a standard format.

Item 14 - Client Referrals and Other Compensation

There are no economic benefits provided by third parties to the Adviser for advice rendered by the Adviser to any client.

The adviser may pay compensation to non-Adviser personnel for client referrals in a manner that is consistent with the requirements of Advisers Act Rule 206(4)-3.

The general partner of a commingled fund client, including the Core Fund, may retain placement agents to market the units in its fund from time to time. Any such placement agent's fee may be based on a percentage of the commitments of investors who they introduce to the commingled fund.

Item 15 - Custody

The Adviser does not have custody of client funds or securities.

Because the general partner of an Inland-sponsored commingled fund client will be an affiliate of the Adviser, we will be deemed to have "custody" of the client's assets within the meaning of SEC Rule 206(4)-2. In such instances, the general partner will be required to provide each investor in its commingled fund audited financial statements for the commingled fund that comply with U.S. generally accepted accounting principles within 120 days following the commingled fund's fiscal year end.

Item 16 - Investment Discretion

The Adviser does not manage any investment opportunity services client accounts on a discretionary basis.

We expect to have a written investment management agreement with each commingled fund client that grants us discretion to manage the fund investments. We expect to have

discretionary authority for the investments of the commitments and cash assets, subject to its specific investment guidelines and to the restrictions set forth in those agreements.

Item 17 - Voting Client Securities

As a matter of firm policy and practice, the Adviser does not have any authority to, and does not, vote proxies on behalf of any clients. Any matters to be voted or acted upon by a client are directed to the client for vote or other action.

In this regard, the Adviser does not intend to accept authority to vote proxies on behalf of any investment management services client including the Core Fund. Rather, any proxies received by the Adviser for the client will be delivered to the general partner of the client, who will vote the proxies on behalf of the client. We will instruct the general partner to vote proxies in accordance with policies and procedures which are designed to ensure compliance with Rule 206(4)-(6) of the Advisers Act. In this regard, proxies will be voted on behalf of the Core Fund based on a determination of the best interest of the Core Fund, consistent with the objective of maximizing long-term investment returns for the investors. No investor in a client may direct the voting of proxies on any particular matter. Investors in our clients may obtain information on how proxies have been voted by the general partner of the client upon written request addressed to us at our office.

Copies of our Proxy Voting Policy will be available upon request.

Item 18 - Financial Information

Balance Sheet

We do not require or solicit prepayment of fees from any client in advance and therefore do not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

The Adviser does not have, and does not foresee having any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

Bankruptcy Petitions in Previous Ten Years

We have not been the subject of a bankruptcy proceeding.