

Inland Institutional Capital, LLC

Client Brochure

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This Brochure provides information about the qualifications and business practices of Inland Institutional Capital, LLC. If you have any questions about the contents of this Brochure, please contact Suzanne Ballek, 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, LLC 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, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

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

March 27, 2023

ITEM 2 - Material Changes

Material Changes since the Last Update

Inland Institutional Capital, LLC (the “Adviser”) is required to identify and discuss any material changes made to its Brochure since the last update. During calendar year 2022, the sole client of Adviser, Inland Retail Property Fund, L.P., liquidated all of its properties and commenced dissolution. On December 31, 2022, the only assets of the client were cash held in reserve. The cash is to be applied and distributed on or before April 30, 2023, and the Adviser will be withdrawing as an investment adviser registered under the Investment Advisers Act of 1940, as amended by the filing of a Form ADV-W.

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	6
Item 6 -	Performance-Based Fees and Side-By-Side Management	7
Item 7 -	Types of Clients.....	7
Item 8 -	Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Item 9 -	Disciplinary Information.....	16
Item 10 -	Other Financial Industry Activities and Affiliations	16
Item 11 -	Code of Ethics	18
Item 12 -	Brokerage Practices	20
Item 13 -	Review of Accounts	20
Item 14 -	Client Referrals and Other Compensation	20
Item 15 -	Custody.....	20
Item 16 -	Investment Discretion.....	21
Item 17 -	Voting Client Securities	21
Item 18 -	Financial Information.....	22

ITEM 4 - Advisory Business

The Firm

The Adviser was established in May 2006 and provides investment advisory services on real estate investments. In this Brochure, all references to “we”, “our”, “us”, “ICAP” or “the Firm” refers to the Adviser. We currently have one staff member that is available to provide investment advisory services to clients, one shared staff member that attends to our regulatory compliance, a Controller shared with an affiliate, one officer who is responsible for leading the acquisition efforts for the separate accounts managed by ICAP. ICAP previously attended to the acquisition efforts of the Inland Retail Property Fund, LP, (“IRPF” or the “Fund”) that is managed by Inland Retail Property Fund GP, LLC, an affiliate of the Adviser. IRPF has liquidated all of its properties and is in the process of winding up its business and making distributions to its partners.

The Adviser is a wholly owned subsidiary of Investment Management Group, LLC (“IMGLLC”), a Delaware limited liability company, which is a wholly owned subsidiary of The Inland Real Estate Companies, LLC (“TIREC”), a Delaware LLC, which is a wholly owned subsidiary of The Inland Group, LLC (“TIG”), a Delaware limited liability company. The Adviser, IMGLLC, TIREC and TIG are part of The Inland Real Estate Group of Companies, Inc. (“TIREG”) which is comprised of a group of independent legal entities, some of which may be affiliates, share some common ownership or have been sponsored or managed by such entities or subsidiaries thereof. Hereinafter, “Inland” shall refer to some or all of the entities that are part of TIREG.

Advisory Services

The Adviser could provide investment management services to other private real estate investment funds and separate accounts.

Investment management services is an expansion beyond the Firms’ prior services of identifying institutional joint venture partners and large-scale real estate investment opportunities for the real estate companies and REITs that are part of The Inland Real Estate Group of Companies, Inc. Since 2005, ICAP has facilitated the formation of institutional investment vehicles with a gross asset value in excess of \$5.5 billion, including

numerous closed-end funds and joint ventures with domestic and international pension funds, as well as other institutional investors.

When providing investment management services for a client, the Adviser performs 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.

Affiliates of the Advisor can provide property management, construction and leasing services to clients and earn fees for performing such services at rates negotiated between the client and the service provider. In addition, the Fund uses Inland's in-house legal, real estate tax advisory and risk management departments in the operation of the Fund. The close working relationship between these departments and the acquisitions, capital markets, and property management teams helps streamline investment activity, reduce documentation errors, and improve overall asset and investment performance. The General Partner will submit the in-house legal fee schedules to the Fund's Investor Advisory Committee for its approval on an annual basis. Real estate tax advisory fees of its affiliate service provider will be charged to the property if the tax savings generated from their work exceeds their fee and the fee of any third-party tax service providers. The risk management department does not charge a fee; however, it is compensated by third party insurance brokers. Insurance costs are benchmarked to third party figures to confirm the value of using the in-house provider.

Client Tailored Services

In identifying acquisition opportunities as well as joint venture opportunities for our investment management clients, we would 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 included 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

Management Fees. Our clients compensate us for our services in the form of an investment management fee based upon assets under management. Such management fees are payable quarterly in arrears. Our fees may include the payment of incentive compensation based upon achieving actual returns to the client in excess of agreed upon rates of return. Our fees are negotiable

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

Clients incur expenses for maintenance of their books and records, custody fees, audit expense, tax preparation expense, legal, appraisal costs, and taxes. 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

IRPF through its affiliates acquired nine properties all of which have been sold. As a result of the sale of all the IRPF properties, the Fund has cash of approximately \$7,631,657 held in reserve that could constitute Assets under Management.

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

Our management fee for investment management services is based on the asset value of the client. In addition, the Adviser may be entitled to an incentive or performance-based fee at rates negotiated between the client and the Adviser.

ITEM 7 - Types of Clients

The Adviser is available to provide portfolio and asset management services to institutional separate accounts that are or will invest in real estate assets. The investors in such separate accounts may include large public and corporate pension plans and trusts, endowments, foundations, insurance companies, and other financial institutions. As of December 31, 2022, the Adviser provided portfolio and asset management services to one private real estate investment fund, IRPF.

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

Methods of Analysis and Investment Strategies

We target investments in specific asset classes.

Separately managed accounts will target investments in product type and geography as determined by the client.

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 also analyse valuation estimates based on replacement cost and comparable property transactions. Where we believe it to be necessary, we will give due consideration to the basic fundamentals of supply, demand, and sector type. We use research and other information obtained and prepared by Inland and its 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, growth potential, and market pricing. Depending on client requirements and the specifics of the transaction, the Adviser could 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 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.

Financing/Leverage

We provide ongoing advice to 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 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 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. Closing out 2022, the US economy grew by 2.9% in the fourth quarter, driving a growth rate of 2.1% in gross domestic product for the full year. However, year-over-year inflation was 6.5% in December 2022, relatively high compared to the recent past. When adjusted for inflation, average hourly earnings fell by 1.7% in December 2022, compared with a year earlier. The unemployment rate fell from 4.0% at the beginning of 2022 to 3.5% at the end of the year. The Federal Reserve raised interest rates seven times in 2022 and in February 2023, raising the target rate from near 0% to 4.5% to 4.75%. As a result, economic prospects in 2023 are difficult to predict. In the real estate market, certain sectors may perform relatively well due to current supply and demand conditions, while others will be under pressure due to the economy and tenant desires to optimize efficiency. Therefore, due to uncertainties in the economy and real estate markets, there can be no assurance 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 will 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, will 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.

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 can make investments in properties through joint ventures or other entities. Such investments involve risks not present in wholly-owned investments, including for example, the possibility that a joint venture partner might commit fraud, become bankrupt or have economic or business interests or goals which are inconsistent with those of the client, or that such partner is 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 limit the client's ability to protect its position and make decisions with respect to its investments. In addition, in certain circumstances, the client could rely upon the operating partner for operational expertise, which reliance could ultimately not be justified. Furthermore, if a joint venture partner defaults on its funding obligations, it could be difficult for the client to make up the shortfall from other sources. In addition, the client, in certain circumstances, could 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 is not always 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, subject to certain limitations, invest in properties that could 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 could provide management and other services to other properties located within or near the market areas where the client's properties are located, and 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 are not renewed, the space is not re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions, are 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

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 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 could be subject to relatively short maturities, which could 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 could 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. Alternatively, some mortgage loans have longer maturities and impose prepayment penalties if the loans

are paid off sooner. These prepayment penalties could impact the net sales proceeds of a property if the property is sold before the maturity date of the mortgage loan.

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

Conflicts of Interest

The Adviser's provided consulting and services to institutional clients include REITs and private real estate funds and investment partnerships that could be controlled by Inland. From time to time, the Adviser could offer its Advisory 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 could provide services to such joint ventures and/or funds, pursuant to separate institutional joint venture consulting and services agreements.

An affiliate of the Adviser could 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 could create conflicts of interest regarding decisions in managing, leasing, financing, and selling the property.

Inland established the Inland Investment Committee to review investment opportunities to determine if they are appropriate for an Inland entity to invest in. If the Inland Investment Committee approves of an opportunity, the portfolio managers for the Inland entities are asked to indicate their interest in acquiring the property. To determine if an investment opportunity is appropriate for one of its clients, the Adviser will consider each client's portfolio and investment criteria and investment objectives. Other factors considered 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. If only one Inland entity indicates interest in a property, that entity is awarded the opportunity. In the rare situation that more than one entity desires a property, the property is referred to the Inland Allocation Committee which will follow a rotational process whereby the entity that has had the longest period of time elapse since it was offered an investment opportunity is first offered such investment opportunity. Due to the differing investment parameters of the various Inland entities, the Adviser anticipates that relatively few conflicts will arise. This has been the case in the past with the Inland entities that participate in this allocation process.

The use of affiliates in certain transactions raises potential conflicts of interest in that there could be an incentive to favor affiliates over unaffiliated third parties. The Adviser will not engage affiliates to provide services unless it believes that the services provided by affiliates are comparable in quality to those that would be provided by third-party service providers providing similar services. Each investor acknowledges by investing with Adviser that these and other services will be provided by affiliates without necessarily the objectivity in evaluating quality that would apply if unaffiliated entities performed these services. Retention of such affiliates will not be on an arm's length basis given such affiliation. The Adviser will negotiate fees with Inland affiliates that it engages that it believes are commercially reasonable, but cannot confirm, and does not make any assurances that, such fees are at or below market rates. The use of Inland affiliates and the fees paid to such affiliates are part of the overall investment with the Adviser which clients and investors in clients accept.

Services. Affiliates of the Adviser provide property management, construction and leasing services and will earn fees for performing such services. In addition, the Adviser uses Inland's in-house legal, real estate tax advisory and risk management departments to provide services to clients. We believe that the close working relationship between these departments and the acquisitions, capital markets, and property management teams help streamline investment activity, reduce documentation errors, and improve overall asset and investment performance.

The Adviser recognizes that in selecting affiliates to perform services, it faces a conflict of interest in directing work and revenue to affiliates to their benefit, at the client's expense. The Adviser has an obligation to be sure that the client receives the services that the Adviser believes present the appropriate quality and cost. As for quality, the Adviser believes that the services provided by affiliates are comparable in quality to those that would be provided by third-party service providers providing similar services, but clients should recognize that these and other services will be provided by affiliates without necessarily the objectivity in evaluating quality that would apply if unaffiliated entities performed these services. As described above, the Adviser will negotiate fees with Inland affiliates that it engages that it believes are commercially reasonable, but cannot confirm, and does not make any assurances that, such fees are at or below market rates. The use of Inland affiliates and the fees paid to such affiliates should be viewed by clients as part of the overall investment when engaging the Adviser.

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 entity, 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. 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.

During 2022, the Fund's property portfolio was marketed by a national third-party brokerage firm. An Inland affiliate was the successful bidder, and the sale of the portfolio was approved by the Investment Advisory Committee of the Fund. The sale price of the property portfolio was in excess of its appraised value. The Fund also sold a joint venture interest to the co-partner in the joint venture that exercised its right of first offer to buy the

joint venture interest. That sale was also at a price in excess of the appraised value of the joint venture interest.

The officers of the Adviser also provide services to other IREIC companies. Those persons could devote significant time in the future to the management of their other professional activities.

Cyber Security Risk

With the increased use of technologies such as the Internet to conduct business, the Adviser and client accounts and properties are susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and can lead to the misappropriation or corruption of Adviser or client and property related data. Cyber security failures or breaches by a third-party service provider can cause disruptions and impact business operations and violations of applicable privacy and other laws. The Adviser has taken and continues to take steps that it deems commercially reasonable to mitigate the risk of a cyber-security failure or breach.

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. One employee of the Adviser is a Registered Representative currently sponsored by Inland Securities Corporation, an affiliated Broker Dealer of the Adviser.

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

Each of the Adviser, IREIC, Inland Securities Corporation ("ISC"), and Ensenia Wealth, LLC ("Ensenia") is a direct or indirect subsidiary of TIG. 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.

IREIC is 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 Inland.

From time to time, the Adviser could 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 and/or IMGLLC 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 and/or IMGLLC is the general partner/managing member of such fund or a part thereof. In addition, the Adviser also could provide services to such joint ventures and/or funds, pursuant to separate, written institutional services 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 has within any such investment structure(s). Any such investments will be made only if approved by the client.

The potential exists for material, non-public information to pass between Inland affiliates 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.

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 principals 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 could 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 Suzanne Ballek, 2901 Butterfield Rd., Oak Brook, IL 60523 or by phone 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 Inland 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 and will seek Investor Advisory Committee approval. 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. Howard Fields, 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 clients 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 does not have any solicitor or referral agreements with any third parties.

ITEM 15 - Custody

The Adviser does not have direct custody of client assets. The general partner of IRPF is an affiliate of the Adviser, thereby vesting the Adviser with "custody" of the Fund's cash within the meaning of SEC Rule 206(4) -2. The general partner controls the cash held in reserve pending application and distribution to investors in the Fund. As a result, the Adviser has custody of client assets. 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 and upon completion of the liquidation and dissolution of the Fund.

ITEM 16 - Investment Discretion

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 IRPF. Rather, any proxies received by the Adviser for the client will be delivered to the client, who will vote the proxies on behalf of the client. We will advise the client regarding any vote on 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 IRPF based on a determination of the best interest of IRPF, 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.

