



Accredited Investor Use

Diversifying Your Portfolio with Inland DSTs

inlandprivatecapital.com

Disclaimers



This is neither an offer to sell nor a solicitation of an offer to buy any security in any program sponsored by Inland Private Capital Corporation ("IPC"), which can be made only by a private placement memorandum ("PPM") and sold only by broker dealers and registered investment advisors authorized to do so. An offering is made only by means of the applicable PPM in order to understand fully all of the implications and risks of the offering of securities to which it relates. A copy of the applicable PPM must be made available to you in connection with any offering.

This presentation includes a brief and general description of certain 1031 guidelines. Prospective investors should consult with their own tax advisors regarding an investment in an IPC-sponsored program.

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The properties shown in the photographs herein are properties that are owned by IPC-sponsored programs that have closed offerings.

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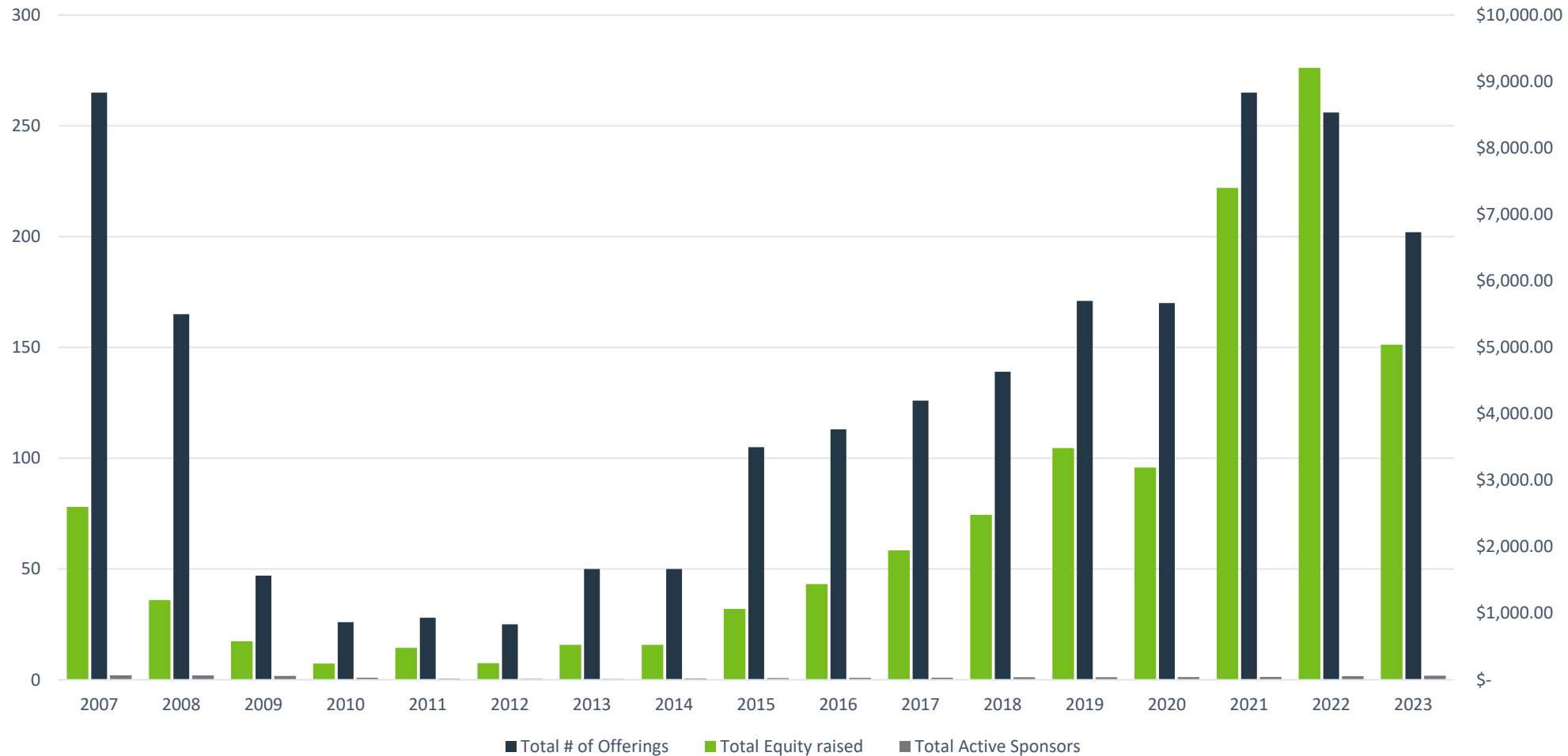
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Risk Factors



- No public market currently exists, and one may never exist, for the interests of any IPC-sponsored program. The purchase of interests in any IPC-sponsored program is suitable only for persons who have no need for liquidity in their investment and who can afford to lose their entire investment.
- IPC-sponsored programs offer and sell interests pursuant to exemptions from the registration provisions of federal and state law and, accordingly, those interests are subject to restrictions on transfer.
- There is no guarantee that the investment objectives of any particular IPC-sponsored program will be achieved.
- The actual amount and timing of distributions paid by IPC-sponsored programs is not guaranteed and may vary. There is no guarantee that investors will receive distributions or a return of their capital.
- Investments in real estate are subject to varying degrees of risk, including, among other things, local conditions such as an oversupply of space or reduced demand for properties, an inability to collect rent, vacancies, inflation and other increases in operating costs, adverse changes in laws and regulations applicable to owners of real estate and changing market demographics.
- IPC-sponsored programs depend on tenants for their revenue, and may suffer adverse consequences as a result of any financial difficulties, bankruptcy or insolvency of their tenants.
- IPC-sponsored programs may own single-tenant properties, which may be difficult to re-lease upon tenant defaults or early lease terminations.
- Disruptions in the financial markets and challenging economic conditions, including those resulting from the novel coronavirus and resulting pandemic, could adversely affect the operating results of properties owned by IPC-sponsored programs and the ability of such programs to service the indebtedness on their properties.
- The prior performance of other programs sponsored by IPC should not be used to predict the results of future programs.
- The IPC-sponsored programs do not have arm's length agreements with their management entities.
- The IPC-sponsored programs pay significant commissions and fees to affiliates of IPC, which may affect the amount of income investors earn on their investment.
- Persons performing services for the managers of the IPC-sponsored programs perform services for other IPC-sponsored programs, and will face competing demands for their time and service.
- The acquisition of interests in an IPC-sponsored program may not qualify under Section 1031 of the Internal Revenue Code of 1986, as amended (the "Code") for tax-deferred exchange treatment.
- Changes in tax laws may occur, and may adversely affect an investor's ability to defer capital gains tax and may result in immediate penalties.
- The DST structure is inflexible and, in certain events, may be converted to a LLC structure, which would have a tax impact on investors.

Securitized 1031 Industry Historical Sales



Source: Mountain Dell Consulting, LLC

What is a 1031 Exchange?



Multifamily
Brighton, CO

Section 1031 of the Internal Revenue Code provides an effective strategy to defer capital gains tax

- Exchange real property for like-kind real estate
- Like-kind real estate includes business/investment real property (not primary residence)
- Section 1031 does not apply to the exchange of stocks or bonds

Investors with Property to Exchange

A typical 1031 exchange involving the investment into a DST has three basic steps

01

Exchanger sells property, known as the relinquished property, and proceeds are escrowed with a Qualified Intermediary (QI)



02

Qualified Intermediary, through a written agreement with the investor, transfers funds for purchase of replacement property



03

Exchanger receives beneficial interest in a DST

Commercial Real Estate is Like-kind



Hospitality



Multifamily Housing



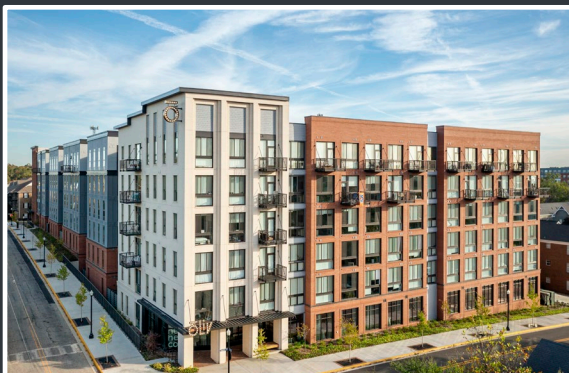
Healthcare



Self-Storage



Retail



Student Housing



Industrial



Office

*Vacation and second homes may qualify for exchange, if certain conditions are met.

1031 Exchange Guidelines

How to successfully execute a 1031 Exchange transaction

New asset value always must be $\Rightarrow$ Relinquished property

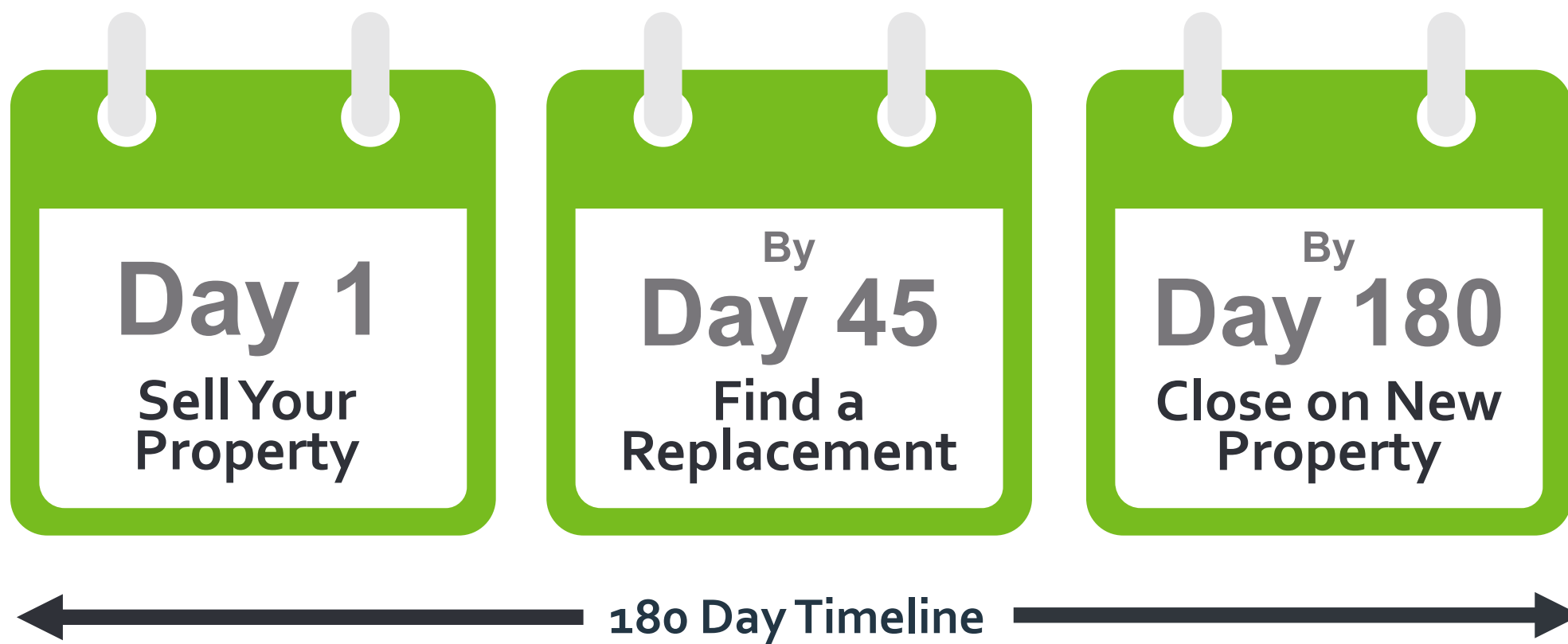
Cash invested in replacement property always **MUST** be $\Rightarrow$ Cash received from relinquished property sale

Debt on replacement property $\Rightarrow$ Value of debt from relinquished property
OR
Debt on replacement property plus additional cash $\Rightarrow$

Note: Additional debt cannot make up for a shortfall in cash invested in a replacement property

1031 Exchange Timeline

A 1031 Exchange must be completed within 180 days



Hypothetical Real Property Sale

Leveraging the 1031 exchange could lead to hundreds of thousands of dollars more for reinvestment

\$707,500



Sale without 1031 Exchange

Sale proceeds	\$1,000,000
Mortgage Balance	\$0
Net Sales Proceeds	\$1,000,000
Original Cost	\$100,000
Adjusted Cost	\$0
Capital Gain	\$1,000,000
Depreciation recapture	
(\$100,000 x 25%)	(\$25,000)
Fed tax on gain	
(\$900,000 x 20%)	(\$180,000)
State tax on gain	
(\$1,000,000 x 4.95%*)	(\$49,500)
Medicare tax (\$1,000,000 x 3.8%)	(\$38,000)
Funds available for reinvestment	\$707,500

*<https://taxfoundation.org/state/illinois/>

Hypothetical Real Property Sale

Leveraging the 1031 exchange could lead to hundreds of thousands of dollars more for reinvestment

\$707,500



Sale without 1031 Exchange



\$1,000,000

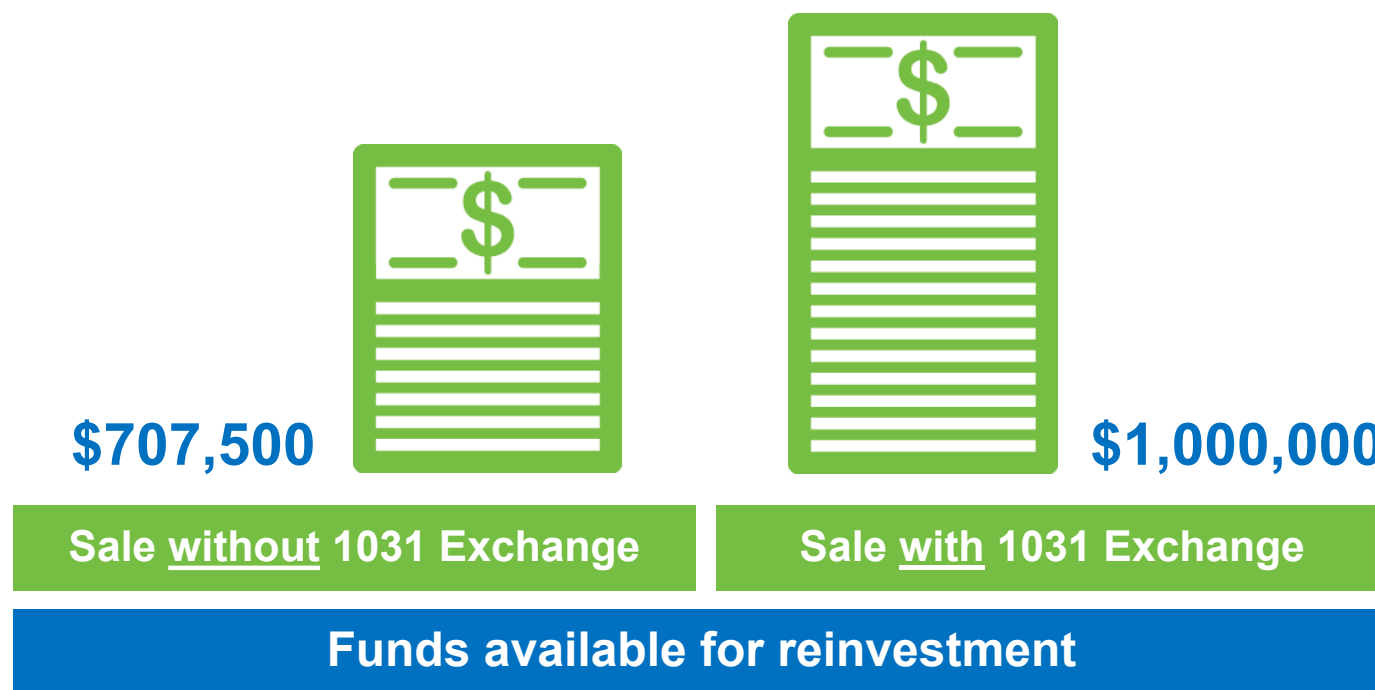
Sale with 1031 Exchange

Sale proceeds	\$1,000,000
Mortgage Balance	\$0
Net Sales Proceeds	\$1,000,000
Original Cost	\$100,000
Adjusted Cost	\$0
Capital Gain	\$0
Depreciation recapture (\$100,000 x 25%)	\$0
Fed tax on gain (\$1,000,000 x 20%)	\$0
State tax on gain (\$1,000,000 x 4.95%*)	\$0
Medicare tax (\$1,000,000 x 3.8%)	\$0
Funds available for reinvestment	\$1,000,000

*<https://taxfoundation.org/state/illinois/>

Hypothetical Real Property Sale

Leveraging the 1031 exchange could lead to hundreds of thousands of dollars more for reinvestment



Key Benefits of a DST 1031 Exchange

DST 1031 exchanges offer a variety of advantages



Potential Advantages

Cash investors may benefit from owning commercial real estate through fractional ownership

- Portfolio diversification
- Value tied to bricks and mortar
- May provide hedge against inflation
- Any generated income may be considered passive income
- Capital appreciation possible on sale
- Potential tax advantages through depreciation and other deductions may provide attractive taxable equivalent yields
- Possibility of deferring the tax on capital gain in the event of a profitable sale through an IRS section 1031 exchange

Inland Private Capital Corporation (IPC)

A leading sponsor* in
securitized 1031
exchanges

Data as of December 31, 2023.

*Source: Mountain Dell Consulting 1031 DST/TIC Market Equity Update 2023 year-end report. Statement based on total equity raised.

Track Record Since Inception

(Through December 31, 2023)

313

Sponsored Programs

More than

\$4.7 Billion

In full-cycle asset dispositions

930

Properties Acquired

More than

\$17 Billion

In Acquisitions

144

Completed Program Dispositions

The Inland 1031 Turnkey Solutions

IPC offers core sectors of commercial real estate



IPC Investment Product Performance*



IPC has completed 144 program dispositions since inception producing weighted average total returns¹ at more than 119 percent for each asset class.

Program Dispositions

	RETAIL	OFFICE	MULTIFAMILY	INDUSTRIAL	STUDENT HOUSING	HEALTHCARE	SELF-STORAGE
Cumulative Sales Price	\$1,404,844,323	\$503,700,165	\$1,771,432,000	\$148,370,041	\$196,321,250	\$467,675,001	\$276,850,000
Weighted Avg. Total Return ¹	134.73%	119.64%	159.01%	138.47%	131.15%	128.02%	168.48%
Weighted Avg. IRR ²	5.99%	3.89%	10.07%	5.75%	6.92%	7.66%	12.93%
Number of Programs	66	22	26	9	3	14	4

1 Weighted Average Total Return (TR) For each full-cycle program, the TR is calculated by dividing the sum of amounts distributed to investors plus the net sale proceeds returned to the investors, by such investors' capital invested in the program inclusive of all fees and expenses. To determine the weighted average Total Return in each asset class, the Total Return for each program within that asset class is multiplied by the capital invested in that program, divided by the total capital invested in all full-cycle programs within that asset class since inception (2001).

2 Weighted Average Annualized Rate of Return (ARR) For each full-cycle program, the ARR is calculated by dividing (a) the sum of (i) total cash flows distributed during the term of the investment program, plus (ii) any net sales proceeds distributed less the investors' original capital, by (b) the investors' original capital; with the result then further divided by (c) the investment period (in years) for that program. To determine the weighted average in each asset class, the ARR for each program within that asset class is multiplied by the capital invested in that program, divided by the total capital invested in all full-cycle programs within that asset class since inception (2001).

Full-Cycle Programs are those programs that no longer own any assets. However, in certain limited situations in which the subject property(ies) were in foreclosure, IPC has negotiated with the lenders and advanced funds to the investors to allow the investors to exchange their beneficial interest in the original program for a proportionate beneficial interest in a new program, in order to continue their Section 1031 exchanges and avoid potential capital gains and/or forgiveness of debt tax liabilities. Because such exchanges result in an investment continuation, the original programs are not considered full-cycle programs for these purposes.

¹⁷ Diversifying Your Portfolio with Inland DSTs

1031 Exchange Investor Profile

- Property owner who no longer wants to actively manage real estate
- Property owner who refrains from selling due to expected capital gains tax
- Investor who wants diversified ownership in commercial real estate
- Investor that may need a specific amount of leverage to avoid "boot"*
- Investor looking to facilitate estate planning
- Investor looking for a replacement property



Investor Profile

**Any sales proceeds received at the closing of the relinquished property that the taxpayer does not reinvest into replacement property during the 180-day 1031 exchange period will be considered "boot." These proceeds will become taxable unless they are reinvested in like-kind replacement property. The excess cash (boot) can be invested in a DST to avoid incurring tax. Investors should consult with their tax professional regarding the proper tax treatment of any such amounts.*

Dedicated Team of Private Placement Experts

Each Inland team has a dedicated private capital consultant available to ensure that advisors and financial planners have effective tools to grow their business and achieve results for their clients



QUESTIONS?