Inland Private Capital Corporation

Self-Storage Portfolio II DST

Executive Overview

www.inlandprivatecapital.com

CONFIDENTIAL

This material is neither an offer to sell, nor the solicitation of an offer to buy any security, which can be made only by a Private Placement Memorandum (the Memorandum), and sold only by broker/dealers authorized to do so. All potential investors must read the Memorandum, and no person may invest without acknowledging receipt and complete review of the Memorandum. Investments are suitable for accredited investors only. **Please see page 9 of this Executive Overview for important disclosures.**

Self-Storage Portfolio II DST

A Portfolio of Self-Storage Properties in the Knoxville, Tennessee Metro Area

Self-Storage Portfolio II DST, a newly formed Delaware statutory trust (DST), also known as the Trust, and an affiliate of Inland Private Capital Corporation (IPCC), is hereby offering (the Offering) to sell to certain qualified, accredited investors (Investors), pursuant to a Private Placement Memorandum dated November 1, 2016 (the Memorandum), 100% of the beneficial interests (Interests) in the Trust. **You should read the Memorandum in its entirety before making an investment decision.**

The Trust will acquire eight (8) self-storage properties (each, a Property and collectively, the Properties) located in the Knoxville, Tennessee metro area. The Properties are comprised of approximately 3,452 storage units and 101 rentable parking spaces. Once acquired, each of the Properties will be operated as a self-storage facility under the Metro Self Storage® name.

The Properties

In the aggregate, there are approximately 3,452 storage units accounting for 415,616 square feet of self-storage space and 101 rentable parking spaces totaling 23,350 square feet of outside parking space at the Properties. The table on the next page summarizes certain information about each Property. See *"The Properties"* for additional detail. Also see *"Risk Factors – Risks Related to the Properties."*

The Properties offer self-storage facilities for storing various household and commercial items as well as parking and/or storing a boat, RV or any motorized vehicle, with customizable storage options. The structure of the buildings vary from concrete block and metal with brick finish to steel structures with prefabricated metal rib roofing.

Property	Storage Units	Rentable Parking Spaces	Physical Occupancy[1]	Population (within 5 miles)[2]	Household Income (within 5 miles)[2]
Alcoa Property 142 Airport Plaza Boulevard Alcoa, TN 37701	324	30	91.5%	50,132	$42,068
Central Property 4811 Central Avenue Pike Knoxville, TN 37912	567	18	94.0%	156,356	$34,797
Chapman Property 4709 Chapman Highway Knoxville, TN 37920	451	0	95.5%	94,499	$29,918
Kingston Property 8848 Kingston Pike Knoxville, TN 37923	300	0	95.5%	127,610	$62,116
Linden Property 1700 Linden Avenue Knoxville, TN 37917	375	0	90.9%	138,695	$31,397
Middlebrook Property 4318 Middlebrook Pike Knoxville, TN 37921	279	2	91.8%	156,679	$35,385
Unicorn Property 8713 Unicorn Drive Knoxville, TN 37923	737	25	90.5%	131,598	$61,204
Walker Property 4540 Walker Boulevard Knoxville, TN 37917	419	26	87.8%	143,382	$33,087

Following the acquisition, Metro Self Storage® will be re-branding the Properties by installing new signage and integrating their web-based Customer Relationship Management system, Velocify. The system tracks customer inquiries through various channels including Metro's website, call-center leads, property-level phone calls, and walk-ins at the property. Metro Self Storage® prides itself on industry-leading security and a well-trained staff.

[1] Physical occupancy is reported as of September 30, 2016.
[2] Colliers International; appraisal report dated September 30, 2016.

The Location

The eight self-storage Properties encircle Knoxville, Tennessee and are located within a 20-mile radius of one another. The Properties offer convenient access to major north-south and east-west thoroughfares, including Interstate 275 and Interstate 40, and provide unlimited visibility from surrounding highways. The Properties are also located along heavy retail corridors with high traffic counts.

Knoxville Metropolitan Statistical Area (MSA) has one of the nation's strongest labor forces with a low unemployment rate of 4.7%[3]. The annual population growth rate is 0.6% and the number of households in Knoxville is projected to grow at a 0.7% rate annually[4].

Knoxville is home to University of Tennessee, the state's flagship university. The University is in the process of implementing capital improvements on its campus to the tune of approximately $1.2 billion. As the overall infrastructure of the University continues to improve, enrollment continues to grow and jobs are created at the nearby facilities. Other top employers in the area include the U.S. Department of Energy and Covenant Health. Knoxville has also become a tourist hotspot, being voted a top-10 city in "America's Favorite & Friendliest Places", by Travel + Leisure magazine[5].

Tennessee's economy benefits tremendously from its strong infrastructure and transportation system. The state is home to the second busiest cargo airport in the word, the third largest railroad center in the United States and the nation's fourth largest inland port. Over the past year, Tennessee has added over 83,300 jobs and maintains an impressive state unemployment rate of 4.3%. The state was ranked as the fourth "Best State in the Country for Business" by Chief Executive magazine 2016, measuring quality of workforce, tax and regulatory regime and quality of life, and ranked sixth on overall economic performance of the 50 states by Governing Magazine in October 2016.

[3] Bureau of Labor Statistics website, August 2016.
[4] Colliers International; appraisal report dated September 30, 2016.
[5] TravelAndLeisure.com; May & July 2016.

The Property Manager

Each of the Properties will be managed by Metro Storage LLC, operating as Metro Self Storage® (Metro Storage), an established operator of self-storage properties. Metro Storage built the first self-storage facility located in the Midwest in 1973 and as of 2016 had over $1 billion of assets under management or development. Metro Storage is one of the top 10 largest owner/operators of self-storage facilities in the United States with over 100 properties covering 12 states. Metro Storage has positioned itself as one of the nation's premier self-storage operators and, as of 2016, was the third largest private self-storage company in the country and the ninth largest among private and public self-storage companies. As of September 30, 2016, Metro Storage operated over 6.4 million rentable square feet of self-storage space, consisting of over 56,000 self-storage units.

Metro Storage's property management philosophy reflects its belief that the self-storage business is, first and foremost, a customer service business. Metro Storage therefore combines a disciplined approach to financial and operational management of its self-storage properties with an operation strategy that emphasizes customer service as a differentiating characteristic of the Metro Storage brand name. Metro Storage manages its properties with experienced, professionally trained, full-time employees. This full-time staffing philosophy differentiates Metro Storage from its peers.

Metro Storage has a seasoned senior management team averaging more than 15 years of experience, both in the self-storage industry and with Metro Storage. See "*Property Management*" for the biographies of Metro Storage's senior management.

Snapshot

Self-Storage Sector

The self-storage industry has been the fastest growing segment of the commercial real estate industry over the last 40 years and has been considered by certain Wall Street analysts to be “recession resistant” based on its performance since the economic recession of September 2008.

The self-storage industry in the United States generated $31.6 billion in annual U.S. revenues (2015).

Consistent Demand

Healthy in a strong economy	Resilient in a weak economy	Highest demand in spring/summer

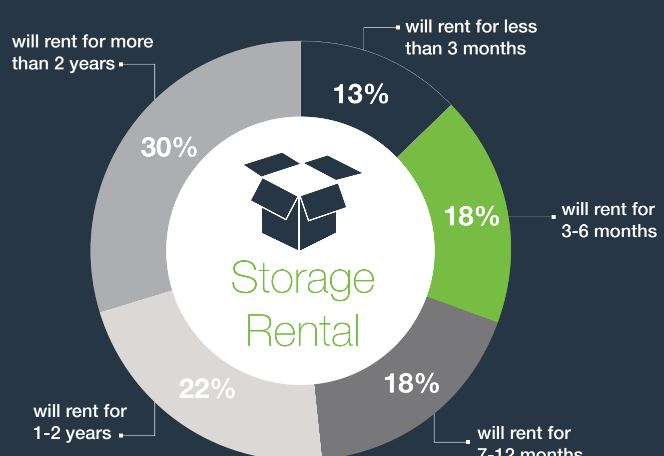
Reasons for Demand

Marriage, Divorce, Birth, Death	Relocation, Moving, College, Military	Extra garage, basement	Mini Warehouse for commercial business

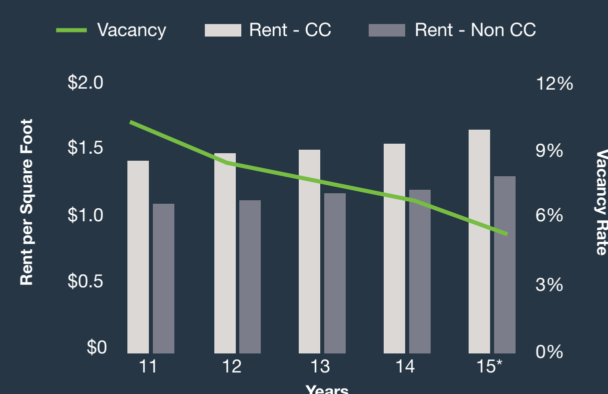
In fact, about **9.5% of all American households currently rent a self-storage unit**; an increase from 1 in 17 American housholds **(6%) in 1995** (20 years ago).

9.5% **Currently**

6% **1995**



National Vacancy and Rent Trends



* Forecast
Note: CC - Climate Control
Source: REIS Services, Inc.

Self-Storage Outlook

Self-Storage Outlook
Demand for storage intensifies as U.S. households increase by 1.1% from previous year
Strong job growth is driving demand forward for self-storage
Rents increasing by up to 4% as compared to last year

Source: Marcus & Millichap Special Research Report 2016

Self-Storage Benefits

Self-Storage Benefits
Strong net operating income growth
Low capital expenditure costs associated with tenant turnover

Source: selfstorage.org

An investment in Self-Storage Portfolio II DST may offer the following benefits:

- **Opportunity to Invest in Self-Storage Assets** – According to the Self-Storage Association, a not-for-profit trade association representing the self-storage industry, the self-storage industry has been the fastest growing segment of the commercial real estate industry over the last 40 years. The U.S. self-storage industry generated approximately $31.6 billion in annual revenues in 2015.

- **Property Locations in an MSA Boasting Superior Economic Growth with Strong Property Occupancy and Operating History** – The Knoxville MSA's unemployment rate has remained low and it is expected to continue to improve from the recent recession much faster than other metro areas. As of September 30, 2016, the average physical occupancy rate for the Properties, based on rentable square footage, was approximately 92.2%.

  The Offering consists of eight separate assets strategically positioned within the Knoxville MSA. This dominant geographic positioning creates management efficiencies while allowing for favorable pricing power and control of the Knoxville MSA which should drive Metro Storage's ability to maximize rent, minimize discounts, and establish significant influence over rental rates.

- **Experienced Property Management** – Each of the Properties will be managed by Metro Storage, an established operator of self-storage properties. Metro Storage has positioned itself as one of the nation's premier self-storage operators. As of 2016, Metro Storage was the third largest private self-storage company in the country and the ninth largest among private and public self-storage companies. Metro Self Storage operates 100 locations in 12 states serving 75,000 customers annually.

- **Long-term, Fixed Rate, Amortizing Loan** – The Properties will be financed with a loan that is expected to have a term of 10 years, with principal amortizing in years six through 10 on a 30-year schedule. The loan is expected to bear interest at a variable rate, which will be fixed at an estimated rate of 4.0% per annum pursuant to a swap agreement. The loan may be prepaid, in full or in part at any time, without penalty, subject to the breakage costs associated with terminating the swap agreement. See *"Financing Terms."*

- **Master Lease Structure** – The Trust will lease each of the Properties to an affiliate of IPCC (the Master Tenant), pursuant to a master lease agreement (the Master Lease). The Master Tenant will sublease or rent the storage units and the rentable parking spaces, if any, at each of the Properties to space tenants pursuant to rental agreements. The Master Lease structure will allow the Master Tenant to operate the Properties on behalf of the Trust and to enable actions to be taken with respect to the Properties that the Trust would be unable to take due to tax law-related restrictions, including, but not limited to, a restriction against re-leasing the Properties. See *"Summary of the Leases – Master Lease."*

About Inland Private Capital Corporation

The Inland Real Estate Group of Companies, Inc. (Inland) is one of the nation's largest commercial real estate and finance groups, representing nearly 50 years of expertise and integrity in the industry. As a business incubator, Inland specializes in creating, developing and supporting member companies that provide real estate-related investment funds – including limited partnerships, institutional funds and nonlisted real estate investment trusts (REITs) – and real estate services for both third parties and Inland-member companies.

In March 2001, Inland Private Capital Corporation was formed to provide replacement properties for investors wishing to complete a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986, as amended, as well as investors seeking a quality, multiple-owner real estate investment. The programs sponsored by IPCC offer securities to accredited investors on a private placement basis.

Track Record Since Inception

(THROUGH SEPTEMBER 30, 2016)

Sponsored **193** private placement programs

513 properties in 43 states

Offered more than **$2.99** billion in equity

More than **$6.2 billion** of assets acquired

More than **30.87** million square feet of gross leaseable area

$1,195,109,867 cumulative distributions to investors

70 assets sold

Full Cycle Programs

(AS OF DECEMBER 31, 2015)

	RETAIL	OFFICE	MULTIFAMILY	INDUSTRIAL
Number of Programs	26	5	2	4
Weighted Avg. Total Return*	141.21%	143.91%	140.19%	136.76%
Weighted Avg. IRR*	8.67%	7.54%	21.47%	6.19%

BBB

The Inland Real Estate Group of Companies, Inc.

2X RECIPIENT

of the Torch Award for Ethics in the Marketplace

* Internal Rate of Return (IRR) is calculated using the time value of money, the cash flow from property operations and proceeds from a sale to determine an annualized compounded rate of return, inclusive of all fees and expenses. The weighted average is the IRR for each program multiplied by the capital invested in that program, divided by total capital invested in all full cycle programs represented in the analysis. For these purposes, full cycle refers to programs that no longer own any assets. Total Return is calculated by dividing the sum of amounts distributed to investors over the hold period of the investment plus the sale proceeds returned to the investors, by such investors' capital invested in the program inclusive of all fees and expenses. The weighted average is the Total Return for each program multiplied by the capital invested in that program, divided by total capital invested in all full cycle programs represented in the analysis. In certain situations, in which the subject property(ies) were in foreclosure, IPCC has negotiated with the lenders and advanced funds to the investors to allow the investors to exchange their beneficial interests in the original program for a proportional beneficial interest in a new program. Because such exchanges result in an investment continuation, the original programs are not considered full cycle programs.

Alcoa Property

The Financing

The Trust expects to finance the Properties with a loan in the original principal amount of $18,975,000 (the Loan) from First Merchants Bank, an Indiana chartered banking institution (the Lender). The Loan will be secured by a deed of the trust on the Properties. Although financing arrangements for the Properties have yet to be finalized, the Trust anticipates that the Loan will have a 10-year term, maturing in 2026, and will bear interest at a variable rate equal to LIBOR plus 2.25%. Concurrent with obtaining the Loan, the Trust expects to enter into an interest rate swap agreement with the Lender. For purposes of the Memorandum, the effective fixed interest rate pursuant to the swap has been estimated at 4.0% per annum. The Loan may be prepaid, in full or in part at any time, without penalty, subject to the breakage costs associated with terminating the swap agreement.

The Offering

The Offering is designated for accredited investors seeking to participate in a tax-deferred exchange as well as those seeking a quality, multiple-owner real estate investment. Only accredited investors may purchase interests in this Offering. For more information, see *"Summary of the Offering"* and *"The Offering."*

Beneficial Interests:	$21,827,931
Loan Proceeds:	$18,975,000
Offering Price:	$40,802,931
Loan-to-Offering Price Ratio:	46.50%
Minimum Purchase (1031):	$100,000
Minimum Purchase (cash):	$25,000
Current Cash Flow:	5.00%

Summary Risk Factors

An investment in the Interests of the Trust involves significant risk and is suitable only for Investors who have adequate financial means, desire a relatively long-term investment and who will not need immediate liquidity for their investment and can afford to lose their entire investment. Investors must read and carefully consider the discussion set forth in the section of the Memorandum captioned “Risk Factors.” The risks involved with an investment in Self-Storage Portfolio II DST include, but are not limited to:

- The Interests may be sold only to accredited investors, which, for natural persons, are investors who meet certain minimum annual income or net worth thresholds.
- The Interests are being offered in reliance on an exemption from the registration requirements of the Securities Act of 1933, as amended, and are not required to comply with specific disclosure requirements that apply to registration under the Securities Act of 1933, as amended.
- The Securities and Exchange Commission has not passed upon the merits of or given its approval to the Interests, the terms of the offering, or the accuracy or completeness of any offering materials.
- The Interests are subject to legal restrictions on transfer and resale and Investors should not assume they will be able to resell their Interests.
- Investing in Interests involves risk, and Investors should be able to bear the loss of their investment.
- Investors will have limited control over the Trust.
- The Trustees (as defined in the Memorandum) will have limited duties to Investors and limited authority.
- There are inherent risks with real estate investments.
- Certain risks are inherent to the self-storage industry, such as significant occupancy rate fluctuations and relatively low capital requirements or other barriers to entry for competing properties.
- The Trust will depend on the Master Tenant for revenue and the Master Tenant will depend on the tenants under the rental agreements, and any default by the Master Tenant or the tenants will adversely affect the Trust’s operations.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trust.
- The terms of the Loan may be different than what is discussed herein.
- The Loan will reduce the funds available for distribution and increase the risk of loss.
- Because the Loan is expected to be cross-collateralized, an event of default under the Loan may result in the Lender initiating a foreclosure action against all of the Properties.
- If the Trust is unable to sell or otherwise dispose of the Properties before the maturity date of the Loan, it may be unable to repay the Loan and may have to cause a Transfer Distribution (as defined herein).
- The Loan Agreement (as defined herein) contains various restrictive covenants, and if the Trust fails to satisfy or violates these covenants, the Lender may declare the Loan in default.
- To hedge against interest rate fluctuations, the Trust expects to enter into derivative financial instruments, which may be ineffective.
- The Property Manager will be subject to certain conflicts of interest.
- There is no public market for the Interests.
- The Interests are not registered with the Securities and Exchange Commission or any state securities commissions.
- Investors may not realize a return on their investment for years, if at all.
- The Trust is not providing any prospective Investor with separate legal, accounting, or business advice or representation.
- Various tax risks, including the risk that and acquisition of an Interest may not qualify as a Section 1031 Exchange.

Important Notes:
The Inland name and logo are registered trademarks being used under license. “Inland” refers to some or all of the entities that are part of The Inland Real Estate Group of Companies, Inc. which is comprised of a group of independent legal entities some of which may be affiliates, share some common ownership or have been sponsored and managed by Inland Real Estate Investment Corporation or its subsidiaries.

Each prospective Investor should consult with his, her or its own tax advisor regarding an investment in the Interests and the qualification of his, her or its transaction under Internal Revenue Code Section 1031 for his, her or its specific circumstances.

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