

FAMILY DISCOUNT PORTFOLIO DST



PRIVATE PLACEMENT MEMORANDUM

For the exclusive use of: _____

Memorandum ID# _____

The Date of this Private Placement Memorandum is
October 12, 2012

CONFIDENTIAL



Investing in DST Interests involves a high degree of risk. Before investing you should review the entire Private Placement Memorandum including the "Risk Factors" beginning on page 25.



Family Discount Portfolio DST (the “Trust”), a Delaware statutory trust and an affiliate of Inland Private Capital Corporation, is hereby offering to sell to certain qualified, accredited investors 100% of the beneficial interests in the Trust which owns the real estate and improvements of three Family Dollar stores, two of which are located in Georgia and one in Texas. The tenant at the properties located in Georgia is Family Dollar Stores of Georgia, Inc. and the tenant at the property located in Texas is Family Dollar Stores of Texas, LLC. Family Dollar Stores, Inc. has guaranteed the payment of rent on all three of the leases and all other obligations in two of the leases.

Family Dollar Stores, Inc.

Family Dollar Stores, Inc. (NYSE: FDO) operates a chain of self-service retail discount stores in the United States. These stores offer consumables, including household chemicals, paper products, food products, health and beauty aids, hardware and automotive supplies, and pet food and supplies, and home products comprising domestics, which include blankets, sheets, and towels, as well as house wares, giftware products, and home decor products. The stores also offer apparel products, which consist of men’s and women’s clothing products, boys and girls clothing products, infants clothing products, shoes, and fashion accessories, and seasonal and electronics products, such as toys, stationery and school supplies, seasonal goods, and personal electronics, including pre-paid cellular phones and services. As of August 25, 2012 the company had approximately 7,400 stores in rural and urban settings across 45 states. Family Dollar Stores, Inc. was founded in 1959 and is headquartered in Matthews, North Carolina.

As of the date of this Offering, Family Dollar Stores, Inc. has a credit rating of BBB- updated May 23, 2011 by Standard & Poor’s and Baa3 updated January 25, 2011 by Moody’s.

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Business Strategy

Family Discount Portfolio is a portfolio which is offered to investors on an all-cash (no debt) basis.* An all-cash investment will not be subject to risks associated with refinancing the property. Those risks may include prepayment penalties, availability of financing and interest rate risk.

Family Dollar's credit strength and corporate-backed leases, combined with no debt encumbering the properties, will provide the Trust the flexibility to find an opportune time to dispose of the portfolio with a desirable amount of lease term remaining.

* The acquisition of the properties was partially funded by certain bridge loans (collectively, the "Bridge Loans") from the Bank of the Ozarks (the "Bridge Lender"). The Bridge Loans are secured by mortgages on the properties. As investors invest in the offering, the net proceeds of such investments will be used to pay off the Bridge Loans. Accordingly, no investor will be allocated a portion of the liability for the Bridge Loans in connection with the purchase of an interest. Although the Trust is not a borrower on the Bridge Loan, the properties will remain subject to the mortgages securing the Bridge Loans until approximately 61.20% of the interests are sold and the Bridge Loans are repaid in full. If the borrowers under the Bridge Loans fail to satisfy or violate the covenants and agreements under the Bridge Loans, then the Bridge Lender may declare the Bridge Loans in default. In the case of a default, the Trust will be prohibited from making any cash distributions to investors and the Bridge Lender could foreclose on the properties or declare the Bridge Loans due, and the investors could lose some or all of their investment in the properties.



The Properties

The properties each consist of a one-story, freestanding, single-tenant retail building (as identified in the chart below). The properties are each 100% leased and occupied by their respective tenant and operated as a Family Dollar Store. The leases are included on the enclosed CD, and a rent roll is attached hereto as Exhibit B showing additional information, including renewal term rent. See “*The Properties – Summary Description of the Properties,*” “*Summary of the Leases,*” and “*Risk Factors – Real Estate Risks.*”

Property & Address	Tenant	Lease Guarantor**	Building	Year Built	Lease Commencement/ Termination
Atlanta Property 2310 Martin Luther King Jr. Drive Atlanta, GA 30311	Family Dollar Stores of Georgia, Inc., a Georgia corporation	Family Dollar Stores, Inc.	9,192 Sq Ft	2007	3/27/2008 - 12/31/2022
Lawrenceville Property 2630 Old Norcross Road Lawrenceville, GA 30044	Family Dollar Stores of Georgia, Inc., a Georgia corporation	Family Dollar Stores, Inc.	8,400 Sq Ft	2011	6/1/2011 - 1/31/2022
San Antonio Property 9803 Potranco Road San Antonio, TX 78251	Family Dollar Stores of Texas, LLC, a Texas limited liability company	Family Dollar Stores, Inc.	9,230 Sq Ft	2011	2/14/2011-6/30/2021

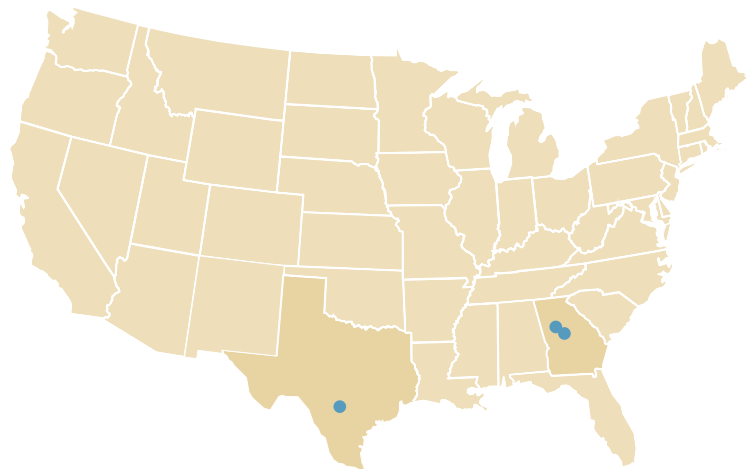
** Family Dollar Stores, Inc. has executed a guarantee of rent for all three leases and a guarantee of all other obligations under the leases for the Lawrenceville Property and the San Antonio Property.

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The Locations

The following market information is excerpted from Self Contained Appraisal Reports performed by CB Richard Ellis, Inc. with respect to the Properties, copies of which are included on the enclosed CD. See “*Market Analysis and Overview.*”

CBD = Central Business District



City, State	Location	Population within a 5 mile radius	2011 Estimated Average Household Income within a 5 mile radius
Atlanta, GA	4 miles west of Atlanta CBD	274,925	\$47,065
Lawrenceville, GA	22 mile NE of Atlanta CBD	217,570	\$70,389
San Antonio, TX	12 miles NW of San Antonio CBD	203,539	\$56,149

There is no guarantee that investment objectives will be achieved or that investors will receive a return of their capital or distributions. This investment is subject to risks including those real estate risks associated with operation and leasing of retail properties, including tenant defaults and environmental risks. Family Dollar Stores, Inc. may have proprietary interests in its trademarks and tradenames. Nothing herein shall be considered an endorsement, authorization or approval of Inland Private Capital Corporation, or the investment vehicles it may offer, by the aforementioned company. Further, the aforementioned company is not affiliated with Inland Private Capital Corporation in any manner. The Inland name and logo are registered trademarks being used under license.

The Offering

The Offering is designed for accredited investors seeking to participate in a tax-deferred exchange as well as accredited investors seeking a quality multiple owner real estate investment. See “*Summary of the Offering – Interest Offered*” and “*The Offering.*”

Beneficial Interests:	\$ 5,557,102
Minimum Purchase (1031):	\$ 25,000
Minimum Purchase (cash):	\$ 100,000