FORM 10-K

Annual report pursuant to section 13 and 15(d)

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INLAND CAPITAL FUND L P

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For The Fiscal Year Ended December 31, 1998

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File #0-21606

InLand Capital Fund, L.P.
(Exact name of registrant as specified in its charter)

Delaware	36-3767977
(State of organization)	(I.R.S. Employer Identification Number)

2901 Butterfield Road, Oak Brook, Illinois	60523
(Address of principal executive office)	(Zip Code)

Registrant's telephone number, including area code: 630-218-8000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
None	None

Securities registered pursuant to Section 12(g) of the Act:
LIMITED PARTNERSHIP UNITS
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

State the aggregate market value of the voting stock held by nonaffiliates of the registrant. Not applicable.

The Prospectus of the Registrant dated December 13, 1991, filed pursuant to Rule 424(b) and 424(c) under the Securities Act of 1933 is incorporated by reference in Parts I, II and III of this Annual Report on Form 10-K.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

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PART I

Item 1. Business

The Registrant, InLand Capital Fund, L.P. (the "Partnership"), is a limited partnership formed on June 21, 1991 pursuant to the Delaware Revised Uniform Limited Partnership Act, to invest in multiple parcels of land on an all-cash basis. The Partnership intends to engage in a number of preliminary development activities with the objective of maximizing the resale value of the land parcels. On December 13, 1991, the Partnership commenced an Offering of 60,000 Limited Partnership Units ("Units") at $1,000 per Unit, pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933. The Offering terminated on August 23, 1993, with total sales of 32,399.28 Units, at $1,000 per Unit, resulting in $32,399,282 in gross offering proceeds, not including the General Partner's capital contribution of $500. All of the holders of these Units have been admitted to the Partnership. Inland Real Estate Investment Corporation is the General Partner. The Limited Partners of the Partnership will share in their portion of benefits of ownership of the Partnership's real property investments according to the number of Units held. As of December 31, 1998, the Partnership has repurchased a total of 47.17 Units for $45,967 from various Limited Partners through the Unit Repurchase Program. Under this program, Limited Partners may under certain circumstances have their Units repurchased for an amount equal to their Invested Capital.

The Partnership is engaged in the business of real estate investment. A presentation of information about industry segments would not be material to an understanding of the Partnership's business taken as a whole.

The Partnership acquired fee ownership of the following real property investments:

Parcel & Location	Gross Acres Purchased/Sold	Purchase/Sales Date
Parcel 1, Kendall County, Illinois	108.8960	07/22/92
Parcel 2, McHenry County, Illinois	201.0000	11/09/93
	(17.7420	sold 08/02/95)
	(8.6806	sold Var 1997)
	(1.9290	sold Var 1998)

Parcel 3, Will County, Illinois	34.0474	03/04/94
Parcel 4, Will County, Illinois	86.9195	03/30/94
	(2.3050	sold Var 1997)
	(3.3600	sold Var 1998)
Parcel 5, LaSalle County, Illinois	190.9600	04/01/94
	(2.0600	sold 04/08/98)
Parcel 6, DeKalb County, Illinois	59.0800	05/11/94
	(4.9233	sold Apr 1998)
	(54.1567	sold 07/23/98)

Parcel & Location	Gross Acres Purchased/Sold	Purchase/Sales Date
Parcel 7, Kendall County, Illinois	200.8210	07/28/94
Parcel 8, Kendall County, Illinois	133.0000	08/17/94
Parcel 9, LaSalle County, Illinois	335.9600	08/30/94
Parcel 10, Kendall County, Illinois	230.7860	09/16/94
	(7.0390	sold 04/21/95)
Parcel 11, Kane County, Illinois	123.0000	09/26/94
Parcel 12, Kendall County, Illinois	110.2530	09/28/94
Parcel 13, LaSalle County, Illinois	352.7390	10/06/94
	(10.0000	sold 07/27/98)
	(342.7390	sold 08/31/98)
Parcel 14, Kendall County, Illinois	134.7760	10/26/94
Parcel 15, McHenry County, Illinois	169.5400	10/31/94
Parcel 16, McHenry County, Illinois	207.0754	11/30/94
Parcel 17, LaSalle County, Illinois	236.4400	12/07/94
Parcel 18, Kendall County, Illinois	386.9900	11/02/95
	(386.9900	sold 08/31/98)

Reference is made to Note 4 of the Notes to Financial Statements (Item 8 of this Annual Report) for additional descriptions of the Partnership's real property investments.

The Partnership purchased, primarily on an all-cash basis, eighteen parcels of undeveloped land and one building and is engaged in the rezoning and resale of the parcels. All of the investments were made in the collar counties surrounding the Chicago metropolitan area. The anticipated holding period of the land is approximately two to seven years from the completion of the land portfolio acquisitions. As of December 31, 1998, the Partnership has had multiple sales transactions through which it has disposed of the building and approximately 842 acres of the approximately 3,302 acres originally owned.

The General Partner anticipates that land purchased by the Partnership will produce sufficient income to pay property taxes, insurance and other miscellaneous expenses, with surplus funds, if any, to be retained in the working capital reserve for pre-development activities. Income is expected to be derived from leases to farmers or from other activities compatible with the the Partnership's business plan for land parcels. Although the General Partner believes that leasing the Partnership's land will generate sufficient revenues to pay these expenses, there can be no assurance that this will in fact occur.

However, the General Partner has agreed to make a Supplemental Capital Contribution to the Partnership if and to the extent that real estate taxes and insurance payable with respect to the Partnership's land during a given year exceed the revenue earned by the Partnership from leasing its land during such year. Any Supplemental Capital Contribution will be repaid only after Limited Partners have received, over the life of the Partnership, a return of their Original Capital plus the 15% Cumulative Return. All of the parcels purchased by the Partnership consist of land which generates revenue from farming or other leasing activities. It is not expected that the Partnership will generate cash distributions to the partners from farm leases or other activities.

The Partnership had no employees during 1998.

The terms of transactions between the Partnership and Affiliates of the General Partner of the Partnership are set forth in Item 11 below and Note 3 of the Notes to Financial Statements (Item 8 of this Annual Report) to which reference is hereby made for a description of such terms and transactions.

Item 2. Properties

The Partnership owns directly the parcels of land referred to in Item 1 and in Note 4 of the Notes to Financial Statements (Item 8 of this Annual Report) to which reference is hereby made for a description of said parcels.

Item 3. Legal Proceedings

The Partnership is not subject to any material pending legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during 1998.

PART II

Item 5. Market for the Partnership's Limited Partnership Units and Related Security Holder Matters

As of December 31, 1998, there were 2,666 holders of Units of the Partnership. There is no public market for Units nor is it anticipated that any public market for Units will develop.

Although the Partnership has established a Unit Repurchase Program, funds for repurchase of Units are limited. Reference is made to "Unit Repurchase Program" on page 61 of the Prospectus of the Partnership dated December 13, 1991, as amended, which is incorporated herein by reference. As of December 31, 1998, the Partnership had approximately $161,000 available for the repurchase of Units.

Item 6. Selected Financial Data

INLAND CAPITAL FUND, L.P.
(a limited partnership)

For the years ended December 31, 1998, 1997, 1996, 1995 and 1994

(not covered by the Report of Independent Accountants)

	1998	1997	1996	1995	1994
Total assets.......	$25,966,480	28,953,356	29,381,700	28,884,088	29,636,310
Total income.......	$ 5,259,595	1,717,766	410,743	1,102,930	744,291
Net income.........	$ 1,207,517	1,066,944	94,338	368,124	501,310
Net income allocated to the one General Partner Unit.....	$ 44	635	943	1,393	5,013
Net income allocated per Limited Partnership Unit (b).........	$ 37.32	32.94	2.88	11.32	15.32
Distributions per Limited Partnership Unit from sales (b)(c):..........	$ 130.39	30.89	-	19.90	-
Weighted average Limited Partnership Units...........	32,352.11	32,368.73	32,388.75	32,397.11	32,397.46

(a) The above selected financial data should be read in conjunction with the financial statements and related notes appearing elsewhere in this Annual Report.

(b) The net income per Unit, basic and diluted, and distributions per Unit are based upon the weighted average number of Units outstanding.

(c) Distributions from sales represents a return of Invested Capital, as defined in the Partnership Agreement.

(d) Reference is made to Note 4 of the Notes to Financial Statements (Item 8 of this Annual Report) for a description of the Partnership's land acquisitions and dispositions.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this annual report on Form 10-K constitute "forward-looking statements" within the meaning of the Federal Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Partnership's actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by these forward-looking statements. These factors include, among other things, federal, state or local regulations; adverse changes in general economic or local conditions; uninsured losses; and potential conflicts of interest between the Partnership and its Affiliates, including the General Partner.

Liquidity and Capital Resources

On December 13, 1991, the Partnership commenced an Offering of 60,000 Limited Partnership Units ("Units") at $1,000 per Unit, pursuant to a Registration Statement on Form S-11 under the Securities Act of 1933. The Offering terminated on August 23, 1993, with total sales of 32,399.28 Units, at $1,000 per Unit, resulting in $32,399,282 in gross offering proceeds, not including the General Partner's capital contribution of $500. All of the holders of these Units have been admitted to the Partnership. The Limited Partners of the Partnership will share in their portion of benefits of ownership of the Partnership's real property investments according to the number of Units held.

The Partnership used $25,945,989 of gross offering proceeds to purchase, on an all-cash basis, eighteen parcels of land and one building. These investments include the payment of the purchase price, acquisition fees and acquisition costs of such properties. One of the parcels was purchased during 1992, one during 1993, fifteen during 1994 and one during 1995. As of December 31, 1998, the Partnership has had multiple sales transactions through which it has disposed of the building and approximately 842 acres of the 3,302 acres originally owned. As of December 31, 1998, cumulative distributions to the Limited Partners have totaled $5,864,621 (which represents a return of Invested Capital, as defined in the Partnership Agreement). Through December 31, 1998, the Partnership has used $3,355,914 of working capital reserve for rezoning and other activities and such amount is included in investment properties.

The Partnership's capital needs and resources will vary depending upon a number of factors, including the extent to which the Partnership conducts rezoning and other activities relating to utility access, the installation of roads, subdivision and/or annexation of land to a municipality, changes in real estate taxes affecting the Partnership's land, and the amount of revenue received from leasing. As of December 31, 1998, the Partnership owns, in whole or in part, fifteen of its original parcels, the majority of which are leased to local farmers and are generating sufficient cash flow from farm leases to cover property taxes and insurance.

At December 31, 1998, the Partnership had cash and cash equivalents of $569,663, of which approximately $161,000 is reserved for the repurchase of Units through the Unit Repurchase Program. The remaining $408,663 is available, upon maturity, to be used for Partnership expenses and liabilities, cash distributions to partners, and other activities with respect to some or all of its land parcels. The Partnership plans to maximize its parcel sales effort in anticipation of rising land values.

The Partnership plans to enhance the value of its land through pre-development activities such as rezoning, annexation and land planning. The Partnership has already been successful in, or is in the process of pre-development activity on a majority of the Partnership's land investments. Parcel 2, annexed to the village of McHenry and zoned for a business park, has one phase of improvements complete and sites are being marketed to potential buyers, of which eleven of the 190 lots were sold as of December 31, 1998. (See Note 4 of the Notes to Financial Statements.) Parcel 4, zoned for a variety of business uses, has improvements underway and sites are being marketed to potential buyers, of which one site consisting of .87 acres was sold to a hotel chain on June 6, 1997, another site consisting of 1.435 acres was sold to a combination gas station/convenient store on August 12, 1997, a third site consisting of 1.5 acres was sold to a national fast-food chain on August 13, 1998, and a fourth site consisting of 1.86 acres was sold to a different national fast-food chain on October 16, 1998. (See Note 4 of the Notes to Financial Statements.) Parcels 15 and 16 have been annexed to the village of Huntley and zoned for residential and commercial development. The Partnership sold Parcels 13 and 18 and the remaining acres of Parcel 6 to unaffiliated third-parties. (See Note 4 of the Notes to Financial Statements.)

Results of Operations

As of December 31, 1998, the Partnership owned fifteen parcels of land consisting of approximately 2,460 acres. Of the 2,460 acres owned, approximately 2,084 acres are tillable and leased to local farmers and are generating sufficient cash flow to cover property taxes, insurance and other miscellaneous property expenses. Income from the sale of investment properties and the cost of investment properties sold for the year ended December 31, 1998 is the result of the sale of Parcels 6, 13 and 18, additional sales at Parcels 2 and 4 and an easement sale on Parcel 5. Income from the sale of investment properties and cost of investment properties sold for the year ended December 31, 1997 is the result of the sale of .87 acres of Parcel 4 on June 6, 1997, the sale of 1.435 acres of Parcel 4 on August 12, 1997, the sale of 1.929 acres of Parcel 2 on September 2, 1997 and the sale of 6.7516 acres of Parcel 2 on November 7, 1997. (See Note 4 of the Notes to Financial Statements.)

Rental income decreased for the year ended December 31, 1998, as compared to the year ended December 31, 1997, due to the decrease in tillable acres due to land sales and pre-development activity on the Partnership's land investments. This decrease was partially offset by the annual increase in lease amounts from tenants. Rental income increased for the year ended December 31, 1997, as compared to the year ended December 31, 1996, due to the annual increase in lease amounts from tenants.

Interest income increased for the year ended December 31, 1998, as compared to the year ended December 31, 1997, due primarily as a result of the interest income earned on the mortgage loan receivable the Partnership received from the sale of the remaining acreage of Parcel 6. See Note 6 of the Notes to Financial Statements for further discussion of the terms of the mortgage loan receivable received from this sale. Interest income decreased for the year ended December 31, 1997, as compared to the year ended December 31, 1996, due primarily to the Partnership utilizing its working capital reserve to fund pre-development activity on its land parcels.

The other income recorded for the year ended December 31, 1998 is the result of the Partnership receiving non-refundable extension fees from the potential buyer of Parcel 3. See Note 7 of the Notes to Financial Statements for further discussion on the sale of Parcel 3. The other income recorded for the year ended December 31, 1997 is the result of the Partnership receiving a non-refundable deposit on a land sale which did not occur.

Professional services to non-affiliates decreased for the year ended December 31, 1998, as compared to the year ended December 31, 1997, due to a decrease in legal services. This decrease was partially offset by an increase in accounting fees. Professional services to non-affiliates increased for the year ended December 31, 1997, as compared to the year ended December 31, 1996, due to an increase in legal services.

General and administrative expenses to Affiliates decreased for the years ended December 31, 1998 and 1997, as compared to the year ended December 31, 1996, due to decreases in data processing and investor services expenses. The decrease for the year ended December 31, 1998 was partially offset by an increase in postage expenses. General and administrative expenses to non-affiliates increased for the year ended December 31, 1998, as compared to the years ended December 31, 1997 and 1996, due primarily to an increase in the Illinois Replacement Tax.

Marketing expenses to Affiliates and non-affiliates increased for the year ended December 31, 1998, as compared to the years ended December 31, 1997 and 1996, due to increases in marketing, advertising and travel expenses relating to marketing the land portfolio to prospective purchasers.

Land operating expenses to Affiliates decreased for the year ended December 31, 1998, as compared to the years ended December 31, 1997 and 1996, due to a decrease in tillable acres due to land sales. Land operating expenses to non-affiliates increased for the year ended December 31, 1998, as compared to the years ended December 31, 1997 and 1996, due to an increase in real estate taxes and maintenance expenses of the Partnership's land investments.

Year 2000 Issues

GENERAL

Many computer operating systems and software applications were designed such that the year 1999 is the maximum date that can be processed accurately. In conducting business, the Partnership relies on computers and operating systems provided by equipment manufacturers, and also on application software developed internally and, to a limited extent, by outside software vendors. The Partnership has assessed its vulnerability to the so-called "Year-2000 Issue" with respect to its equipment and computer systems.

STATE OF READINESS

The Partnership has identified the following two areas for "Year-2000" compliance efforts:

Business Computer Systems: The majority of the Partnership's information technology systems were developed internally and include accounting, lease management, investment portfolio tracking, and tax return preparation. The Partnership has rights to the source code for these applications and employs programmers who are knowledgeable regarding these systems. The process of testing these internal systems to determine year 2000 compliance is nearly complete. The Partnership does not anticipate any material costs relating to its business computer systems regarding year 2000 compliance since the Partnership's critical hardware and software systems use four digits to represent the applicable year. The Partnership does use various computers, so-called "PC's", that may run software that may not use four digits to represent the applicable year. The Partnership is in the process of testing the PC hardware and software to determine year 2000 compliance, but it must be noted that such PC's are incidental to the Partnership's critical systems. The Partnership is considering independent testing of its critical systems.

Suppliers and other Parties: The Partnership is in the process of surveying suppliers and other parties with whom the Partnership does a significant amount of business to identify the Partnership's potential exposure in the event such parties are not year 2000 compliant in a timely manner. At this time, the Partnership is not aware of any party that is anticipating a material Year 2000 compliance issue. However, since this area involves some parties over which the Partnership has no control, such as public utility companies, it is difficult, at best, to judge the status of the outside companies' year 2000 compliance. The Partnership is working closely with all suppliers of goods and services in an effort to minimize the impact of the failure of any supplier to become year 2000 compliant by December 31, 1999. The Partnership's investigations and assessments of possible year 2000 issues are in a preliminary stage, and currently the Partnership is not aware of any material impact on its business, operations or financial condition even if one or more parties is not Year 2000 compliant in a timely manner, due to the number and nature of the Partnership's diverse supplier base.

YEAR 2000 RISKS

The most reasonable likely worst case scenario for the Partnership with respect to the year 2000 non-compliance of its business computer systems would be the inability to access information which could result in the failure to issue financial reports.

YEAR 2000 COSTS

The Partnership's General Partner and its Affiliates estimate that costs to achieve year 2000 compliance will not exceed $100,000. However, only approximately 1% of these costs will be directly allocated to and paid by the Partnership. The balance of the year 2000 compliance costs, approximately 99%, will be paid by the General Partner and its Affiliates. Total year 2000 compliance costs incurred through December 31, 1998 are estimated at approximately $5,000.

CONTINGENCY PLAN

The Partnership is expects to be Year 2000 compliant in advance of the year 2000. The Partnership will continue to monitor its progress and state of readiness, and is in the process of formulating a contingency plan which the Partnership will be prepared to adopt with respect to areas in which evidence arises that it may not become Year 2000 compliant in sufficient time. With respect to its suppliers and other parties with whom the Partnership conducts business, the Partnership does not yet have sufficient information to identify the types of problems it may encounter in the event these third parties are not Year 2000 compliant. As information is obtained that may indicate such parties may not become Year 2000 compliant in sufficient time, the Partnership is prepared to develop contingency plans, accordingly.

Inflation

Inflation in future periods may cause capital appreciation of the Partnership's investments in land. Rental income levels (from leases to new tenants or renewals of existing tenants) are expected to rise and fall in accordance with normal agricultural market conditions and may or may not be affected by inflation. To date, the operations of the Partnership have not been significantly affected by inflation.

Item 7(a). Quantitative and Qualitative Disclosures About Market Risk

Not Applicable.

Item 8. Financial Statements and Supplementary Data

INLAND CAPITAL FUND, L.P.
(a limited partnership)

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Schedules not filed:

All schedules have been omitted as the required information is inapplicable or the information is presented in the financial statements or related notes.

REPORT OF INDEPENDENT ACCOUNTANTS

The Partners of InLand
Capital Fund, L.P.

In our opinion, the accompanying balance sheets and the related statements of operations, partners' capital and cash flows present fairly, in all material respects, the financial position of Inland Capital Fund, L.P. (the "Company") at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PRICEWATERHOUSECOOPERS LLP

Chicago, Illinois
March 15, 1999

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Balance Sheets

December 31, 1998 and 1997

Assets

	1998	1997
Current assets:		
Cash and cash equivalents (Note 1).............	$ 569,663	304,452
Investments in marketable securities (Note 1)...	-	174,800
Accrued interest and other receivables..........	44,801	1,018
Other current assets............................	2,406	2,632
Total current assets.............................	616,870	482,902
Other assets.....................................	3,074	169,139
Mortgage loans receivable (Note 6)...............	400,000	-
Investment properties and improvements (including acquisition fees paid to Affiliates of $1,187,120 and $1,409,967 at December 31, 1998 and 1997, respectively) (Notes 3 and 4)..................	24,946,536	28,301,315
Total assets.....................................	$25,966,480	28,953,356

See accompanying notes to financial statements.

(a limited partnership)

Balance Sheets
(continued)

December 31, 1998 and 1997

Liabilities and Partners' Capital

	1998	1997
Current liabilities:		
Accounts payable	$ 18,124	8,590
Accrued real estate taxes	80,989	73,097
Due to Affiliates (Note 3)	19,796	10,343
Unearned income	15,012	20,802
Total current liabilities	133,921	112,832
Deferred gain on sale (Note 6)	2,805	-
Partners' capital (Notes 1 and 2):		
General Partner:		
Capital contribution	500	500
Cumulative net income	13,719	13,675
	14,219	14,175
Limited Partners:		
Units of $1,000. Authorized 60,000 Units, 32,352.11 outstanding at December 31, 1998 and 1997 (net of offering costs of $4,466,765, of which $3,488,574 was paid to Affiliates)	27,886,551	27,886,551
Cumulative cash distributions	(5,864,621)	(1,646,334)
Cumulative net income	3,793,605	2,586,132
	25,815,535	28,826,349
Total Partners' capital	25,829,754	28,840,524
Total liabilities and Partners' capital	$25,966,480	28,953,356

See accompanying notes to financial statements.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Statements of Operations

For the years ended December 31, 1998, 1997 and 1996

	1998	1997	1996
Income:			
Sale of investment properties	$ 4,812,864	1,328,482	-
Rental income	273,188	298,616	288,338
Interest income	133,043	57,643	121,660
Other income	40,500	33,025	745
	5,259,595	1,717,766	410,743
Expenses:			
Cost of investment properties sold	3,609,742	325,044	-
Professional services to Affiliates	36,583	36,820	35,354
Professional services to non-affiliates	24,655	45,112	27,016

	1998	1997	1996
General and administrative expenses to Affiliates..........	23,174	22,472	30,131
General and administrative expenses to non-affiliates......	19,139	12,558	11,895
Marketing expenses to Affiliates..	76,926	10,812	26,628
Marketing expenses to non-affiliates..................	60,702	48,084	37,628
Land operating expenses to Affiliates......................	61,445	63,744	63,835
Land operating expenses to non-affiliates..................	139,712	86,176	81,566
Amortization of deferred organization costs.............	-	-	2,352
	4,052,078	650,822	316,405
Net income..........................	$ 1,207,517	1,066,944	94,338

See accompanying notes to financial statements.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Statements of Operations
(continued)

For the years ended December 31, 1998, 1997 and 1996

	1998	1997	1996
Net income allocated to (Note 2):			
General Partner...................	$ 44	635	943
Limited Partners..................	1,207,473	1,066,309	93,395
Net income..........................	$ 1,207,517	1,066,944	94,338
Net income per the one General Partner Unit......................	$ 44	635	943
Net income per Unit, basic and diluted, allocated to Limited Partners per weighted average Limited Partnership Units (32,352.11, 32,368.73 and 32,388.75 for the years ended December 31, 1998, 1997 and 1996, respectively)	$ 37.32	32.94	2.88

See accompanying notes to financial statements.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Statements of Partners' Capital

For the years ended December 31, 1998, 1997 and 1996

	General Partner	Limited Partners	Total
Balance January 1, 1996............	$ 12,597	28,710,437	28,723,034
Repurchase of Limited Partnership Units............................	-	(19,600)	(19,600)
Foreign Partners' withholding (Note 1)	-	(140)	(140)
Net income.........................	943	93,395	94,338
Balance December 31, 1996..........	13,540	28,784,092	28,797,632
Repurchase of Limited Partnership Units............................	-	(24,192)	(24,192)
Distributions to Partners ($30.89 per weighted average Limited Partnership Units of 32,368.73) (Note 2)......	-	(999,860)	(999,860)
Net income.........................	635	1,066,309	1,066,944
Balance at December 31, 1997.......	14,175	28,826,349	28,840,524
Distributions to Partners ($130.39 per weighted average Limited Partnership Units of 32,352.11) (Note 2)......	-	(4,218,287)	(4,218,287)
Net income.........................	44	1,207,473	1,207,517
Balance at December 31, 1998.......	$ 14,219	25,815,535	25,829,754

See accompanying notes to financial statements.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Statements of Cash Flows

For the years ended December 31, 1998, 1997 and 1996

	1998	1997	1996
Cash flows from operating activities:			
Net income	$ 1,207,517	1,066,944	94,338
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Amortization of deferred organization costs	-	-	2,352
Gain on sale of investment properties	(1,203,122)	(1,003,438)	-
Changes in assets and liabilities:			
Accrued interest and other receivables	(43,783)	3,885	36,159
Other current assets	226	70	(1,423)
Accounts payable	9,534	(465,468)	1,256
Accrued real estate taxes	7,892	66	(4,784)
Due to Affiliates	9,453	3,892	(20,080)
Unearned income	(5,790)	(9,726)	3,097
Deferred gain on sale	(5,084)	-	-
Net cash provided by (used in) operating activities	(23,157)	(403,775)	110,915
Cash flows from investing activities:			
Additions to investment properties	(254,963)	(911,759)	(1,140,659)
Sale (purchase) of marketable securities, net	174,800	903,002	922,198
Other assets	166,065	(169,139)	-
Principal payments collected on mortgage loans receivable	725,000	-	-
Proceeds from sale of investment properties	3,695,753	1,328,482	-
Net cash provided by (used in) investing activities	4,506,655	1,150,586	(218,461)

See accompanying notes to financial statements.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Statements of Cash Flows
(continued)

For the years ended December 31, 1998, 1997 and 1996

	1998	1997	1996
Cash flows from financing activities:			
Repurchase of Limited Partnership Units	$ -	(24,192)	(19,600)
Distributions paid	(4,218,287)	(999,860)	(140)
Net cash used in financing activities	(4,218,287)	(1,024,052)	(19,740)
Net increase (decrease) in cash and cash equivalents	265,211	(277,241)	(127,286)
Cash and cash equivalents at beginning of year	304,452	581,693	708,979
Cash and cash equivalents at end of year	$ 569,663	304,452	581,693

Supplemental schedule of noncash investing activities:

Mortgage loans receivable..........	$(1,125,000)	-	-
Reduction of investment properties..	3,609,742	-	-
Deferred gain on sale...............	7,889	-	-
Gain on sale of land................	1,203,122	-	-
Proceeds from sale of investment properties........................	$ 3,695,753	-	-

See accompanying notes to financial statements.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Notes to Financial Statements

For the years ended December 31, 1998, 1997 and 1996

(1) Organization and Basis of Accounting

InLand Capital Fund, L.P. (the "Partnership") was organized on June 21, 1991 by the filing of a Certificate of Limited Partnership under the Revised Uniform Limited Partnership Act of the State of Delaware. On December 13, 1991, the Partnership commenced an Offering of 60,000 Limited Partnership Units pursuant to a Registration under the Securities Act of 1933. The Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") provides for Inland Real Estate Investment Corporation to be the General Partner. The Offering terminated on August 23, 1993, with total sales of 32,399.28 Units, at $1,000 per Unit, resulting in $32,399,282 in gross offering proceeds, not including the General Partner's capital contribution of $500. All of the holders of these Units have been admitted to the Partnership. The Limited Partners of the Partnership will share in their portion of benefits of ownership of the Partnership's real property investments according to the number of Units held. As of December 31, 1998, the Partnership has repurchased and canceled a total of 47.17 Units for $45,967 from various Limited Partners through the Units Repurchase Program. Under this program, Limited Partners may under certain circumstances have their Units repurchased for an amount equal to their Invested Capital.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Deferred organization costs are amortized over a 60-month period. Offering costs have been offset against the Limited Partners' capital accounts.

The Partnership considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments purchased with an original maturity of three months or more are considered to be investments in marketable securities.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Notes to Financial Statements
(continued)

For vacant land parcels and parcels with insignificant buildings and improvements, the Partnership uses the area method of allocation, which approximates the relative sales method of allocation, whereby a per acre price is used as the standard allocation method for land purchases and sales. The total cost of the parcel is divided by the total number of acres to arrive at a per acre price. For parcels with significant buildings and improvements (Parcel 10, described in Note 4), the Partnership recorded the buildings and improvements at a cost based upon the appraised value at the date of acquisition. Repair and maintenance expenses are charged to operations as incurred. Significant improvements are capitalized and depreciated over their estimated useful lives.

Statement of Financial Accounting Standards No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("SFAS 121") requires the Partnership to record an impairment loss on its property to be held for investment whenever its carrying value cannot be fully recovered through estimated undiscounted future cash flows from their operations and sale. The amount of the impairment loss to be recognized would be the difference between the property's carrying value and the property's estimated fair value. The adoption of SFAS 121 did not have any effect on the Partnership's financial position, results of operations or liquidity. As of December 31, 1998, the Partnership has not recognized any such impairment.

Statement of Financial Accounting Standards No. 128 "Earnings per Share" was adopted by the Partnership for the year ended December 31, 1998 and has been applied to all prior earnings periods presented in the financial statements. The Partnership has no dilutive securities.

The Partnership is required to pay a withholding tax to the Internal Revenue Service with respect to a Partner's allocable share of the Partnership's taxable net income, if the Partner is a foreign person. The Partnership will first pay the withholding tax from the distributions to any foreign person, and to the extent that the tax exceeds the amount of distributions withheld, or if there have been no distributions to withhold, the excess will be accounted for as a distribution to the foreign person. Future withholding tax payments will be made every April, June, September and December.

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Notes to Financial Statements
(continued)

No provision for Federal income taxes has been made as the liability for such taxes is that of the Partners rather than the Partnership.

The Partnership records are maintained on the accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP"). The Federal income tax return has been prepared from such records after making appropriate adjustments, if any, to reflect the Partnership's accounts as adjusted for Federal income tax reporting purposes. Such adjustments are not recorded on the records of the Partnership. The net effect of these items is summarized as follows:

	1998		1997	
	GAAP Basis	Tax Basis	GAAP Basis	Tax Basis
Total assets...............	$25,966,480	25,966,480	$28,953,356	28,953,426
Partners' capital:				
General Partner...........	14,219	14,219	14,175	14,175
Limited Partners..........	25,815,535	25,815,604	28,826,349	28,826,421
Net income:				
General Partner...........	44	44	635	635
Limited Partners..........	1,207,473	1,207,473	1,066,309	1,066,309
Net income per Limited Partnership Unit, basic and diluted..............	37.32	37.32	32.94	32.94

The net income per Limited Partnership Unit is based upon the weighted average number of Units of 32,352.11 and 32,368.73 during 1998 and 1997, respectively.

(2) Partnership Agreement

The Partnership Agreement defines the allocation of profits and losses, and available cash. If and to the extent that real estate taxes and insurance payable with respect to the Partnership's land during a given year exceed revenues of the Partnership, the General Partner will make a Supplemental Capital Contribution of such amount to the Partnership to ensure that it has sufficient funds to make such payments.

Distributions of Net Sale Proceeds will be allocated between the General Partner and the Limited Partners based upon both an aggregate overall return to the Limited Partners and a separate return with respect to each parcel of land purchased by the Partnership.

Profits and losses from operations (other than capital transactions) will be allocated 99% to the Limited Partners and 1% to the General Partner. The net gain from a sale of Partnership properties is first allocated among the Partners in proportion to the negative balances, if any, in their respective capital accounts. Thereafter, except as provided below, net gain is allocated to the General Partner in an amount equal to the proceeds distributable to the General Partner from such sale and the balance of any net gain is allocated to the Limited Partners. If the amount of net gain realized from a sale is less than the amount of cash distributed to the General Partner from such sale, the Partnership will allocate income or gain to the General Partner in an amount equal to the excess of the cash distributed to the General Partner with respect to such sale as quickly as permitted by law. Any net loss from a sale will be allocated to the Limited Partners.

As a general rule, Net Sale Proceeds will be distributed 90% to the Limited Partners and 10% to the General Partner until the Limited Partners have received from Net Sale Proceeds (i) a return of their Original Capital plus (ii) a noncompounded Cumulative Preferred Return of 15% on their Invested Capital. However, with respect to each parcel of land, the General Partner's 10% share will be subordinated until the Limited Partners receive a return of the Original Capital attributed to such parcel ("Parcel Capital") plus a 6% per annum noncompounded cumulative preferred return thereon.

At the conclusion of Partnership operations, after all Parcels have been sold, if Limited Partners have not received the return of their Original Capital, plus a 6% annual, noncompounded return on their Invested Capital, the General Partner has agreed to rebate to the Partnership, for distribution to the

Limited Partners, sales proceeds received by the General Partner in an amount equal to the deficiency in the Limited Partners' return, plus 6% noncompounded annual interest. The amount of this rebate by the General Partner, exclusive of the 6% noncompounded annual interest to be paid on the rebate, will not exceed the amount of sales proceeds received by the General Partner over the life of the Partnership.

After the amounts described in items (i) and (ii) above and any previously subordinated distributions to the General Partner have been paid, and the amount of any Supplemental Capital Contributions have been repaid to the General Partner, subsequent distributions shall be paid 75% to the Limited Partners and 25% to the General Partner without considering Parcel Capital. If, after all Net Sale Proceeds have been distributed, the General Partner has received more than 25% of all Net Sale Proceeds (exclusive of distributions made to the Limited Partners to return their Original Capital), the General Partner shall contribute to the Partnership for distribution to the Limited Partners an amount equal to such excess.

Any distributions from Net Sales Proceeds at a time when Invested Capital is greater than zero shall be deemed applied first to reduction of such Invested Capital before application to payment of any deficiency in the 15% noncompounded Cumulative Preferred Return.

(3) Transactions with Affiliates

The General Partner and its Affiliates are entitled to reimbursement for salaries and expenses of employees of the General Partner and its Affiliates relating to the administration of the Partnership. Such costs are included in professional services and general and administrative expenses to Affiliates, of which $2,772 and $3,822 was unpaid as of December 31, 1998 and 1997, respectively.

The General Partner is entitled to receive Asset Management Fees equal to one-quarter of 1% of the original cost to the Partnership of undeveloped land annually, limited to a cumulative total over the life of the Partnership of 2% of the land's original cost to the Partnership. Such fees of $61,445, $63,744 and $63,835 have been incurred for the years ended December 31, 1998, 1997 and 1996, respectively, of which $14,024 was unpaid as of December 31, 1998.

An Affiliate of the General Partner performed sales marketing and advertising services for the Partnership and was reimbursed (as set forth under terms of the Partnership Agreement) for direct costs. Such costs of $76,926, $10,812 and $26,628 have been incurred and are included in marketing expenses to Affiliates for the years ended December 31, 1998, 1997 and 1996, respectively, of which $3,000 and $6,521 was unpaid as of December 31, 1998 and 1997, respectively.

An Affiliate of the General Partner performed property upgrades, rezoning, annexation and other activities to prepare the Partnership's land investments for sale and was reimbursed (as set forth under terms of the Partnership Agreement) for salaries and direct costs. The Affiliate did not take a profit on any project. Such costs of $48,939, $102,300 and $54,653 have been incurred for the years ended December 31, 1998, 1997 and 1996, respectively, and are included in investment properties, all of which has been paid.

<TABLE>

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Notes to Financial Statements
(continued)

(4) Investment Properties

Parcel #	Location: County	Gross Acres Purchased /(Sold)	Purchase/ Sales Date	Initial Costs: Original Costs	Initial Costs: Acquisition Costs	Initial Costs: Total Costs	Costs Capitalized Subsequent to Acquisition	Cumulative Costs of Property Sold	Total Remaining Costs of Parcels at 12/31/98	Current Year Gain On Sale Recognized
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1	Kendall	108.8960	07/22/92	$ 707,566	57,926	765,492	81,360	-	846,852	-
2	McHenry	201.0000	11/09/93	2,020,314	122,145	2,142,459	1,626,154	509,825	3,258,788	77,589
		(17.7420)	08/02/95							
		(8.6806)	Var 1997							
		(1.9290)	Var 1998							
3	Will	34.0474	03/04/94	1,235,830	88,092	1,323,922	37,857	-	1,361,779	-
4	Will	86.9195	03/30/94	1,778,820	143,817	1,922,637	284,622	191,001	2,016,258	560,663
		(2.3050)	Var 1997							
		(3.3600)	Var 1998							
5	LaSalle	190.9600	04/01/94	532,000	18,145	550,145	63,732	6,655	607,222	56,765
		(2.0600)	04/08/98							
6	DeKalb	59.0800	05/11/94	670,207	58,373	728,580	486,869	1,215,449	-	15,720
		(4.9233)	Apr 1998							
		(54.1567)	07/23/98							
7	Kendall	200.8210	07/28/94	1,506,158	82,999	1,589,157	24,738	-	1,613,895	-
8	Kendall	133.0000	08/17/94	1,300,000	106,949	1,406,949	6,996	-	1,413,945	-
9	LaSalle	335.9600	08/30/94	993,441	79,329	1,072,770	111,937	-	1,184,707	-
10	Kendall	223.7470	09/16/94	2,693,025	205,660	2,898,685	29,588	-	2,928,273	-
10A(a)	Kendall	7.0390	09/16/94	206,975	15,806	222,781	1,327	221,078	-	-
		(7.0390)	04/21/95							
11	Kane	123.0000	09/26/94	1,353,000	75,551	1,428,551	7,075	-	1,435,626	-
12	Kendall	110.2530	09/28/94	600,001	51,220	651,221	58,263	-	709,484	-
Subtotal				15,597,338	1,106,011	16,703,349	2,820,518	2,144,008	17,376,829	710,737

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Notes to Financial Statements
(continued)

(4) Investment Properties (continued)

Parcel	Location:	Gross Acres Purchased	Purchase/ Sales	Initial Costs: Original	Initial Costs: Acquisition	Initial Costs: Total	Costs Capitalized Subsequent to	Cumulative Costs of Property	Total Remaining Costs of Parcels at	Current Year Gain On Sale

#	County	/(Sold)	Date	Costs	Costs	Costs	Acquisition	Sold	12/31/98	Recognized
Subtotal				15,597,338	1,106,011	16,703,349	2,820,518	2,144,008	17,376,829	710,737
13	LaSalle	352.7390	10/06/94	1,032,666	91,117	1,123,783	22,723	1,146,506	-	143,987
		(10.0000)	07/27/98							
		(342.7390)	08/31/98							
14	Kendall	134.7760	10/26/94	1,000,000	81,674	1,081,674	6,711	-	1,088,385	-
15	McHenry	169.5400	10/31/94	2,900,000	79,196	2,979,196	252,993	-	3,232,189	-
16	McHenry	207.0754	11/30/94	1,760,256	101,388	1,861,644	245,860	-	2,107,504	-
17	LaSalle	236.4400	12/07/94	1,060,286	74,735	1,135,021	6,608	-	1,141,629	-
18	Kendall	386.9900	11/02/95	934,993	126,329	1,061,322	501	1,061,823	-	348,398
		(386.9900)	08/31/98							
				$24,285,539	1,660,450	25,945,989	3,355,914	4,352,337	24,946,536	1,203,122

</TABLE>

INLAND CAPITAL FUND, L.P.
(a limited partnership)

Notes to Financial Statements
(continued)

(4) Investment Properties (continued)

(a) Included in the purchase of Parcel 10 was a house and several outbuildings, located on approximately seven acres, which was sold on April 21, 1995.

(b) The aggregate cost of real estate owned at December 31, 1998 for Federal income tax purposes was approximately $24,947,000 (unaudited).

(c) Reconciliation of real estate owned:

	1998	1997
Balance at January 1,	$28,301,315	27,714,600
Additions during year	254,963	911,759
	28,556,278	28,626,359
Sales during year	3,609,742	325,044
Balance at December 31,	$24,946,536	28,301,315

(5) Farm Rental Income

The Partnership has determined that all leases relating to the farm parcels are operating leases. Accordingly, rental income is reported when earned.

As of December 31, 1998, the Partnership had farm leases of generally one year in duration, for approximately 2,084 acres of the approximately 2,460 acres owned.

(6) Mortgage Loans Receivable

As a result of the sale of the remaining acres of Parcel 6 for a sales price of $1,125,000 on July 7, 1998, the Partnership received a mortgage loan receivable of $1,125,000 and recorded a deferred gain on sale of $7,889. The deferred gain will be recognized over the life of the related mortgage loan receivable as principal payments are received, of which $5,084 has been recognized as of December 31, 1998. Of the $1,125,000 mortgage loan receivable received, $725,000 accrued interest at 9% per annum and had a maturity date of November 30, 1998 (extended from September 30, 1998). The remaining $400,000 accrues interest at 9% per annum and has a maturity date of July 7, 2001, at which time all accrued interest, as well as principal, is due. As of December 31, 1998, accrued interest totaled $44,919.

(7) Subsequent Events

On February 4, 1999, the Partnership sold Parcel 3 to an unaffiliated third party for $2,600,000. The Partnership received net sales proceeds of $2,594,180 and recorded a gain on sale of $1,232,401.

On February 12, 1999, the Partnership sold two additional lots of Parcel 2 to an unaffiliated third party for $163,029. The Partnership received net sales proceeds of $152,752 and recorded a gain on sale of $91,781.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements on accounting or financial disclosure during 1998.

PART III

Item 10. Directors and Executive Officers of the Registrant

The General Partner of the Partnership, Inland Real Estate Investment Corporation, was organized in 1984 for the purpose of acting as general partner of limited partnerships formed to acquire, own and operate real properties. The General Partner is a wholly-owned subsidiary of The Inland Group, Inc. In 1990, Inland Real Estate Investment Corporation became the replacement General Partner for an additional 301 privately-owned real estate limited partnerships syndicated by Affiliates. The General Partner has responsibility for all aspects of the Partnership's operations. The relationship of the General Partner to its Affiliates is described under the caption "Conflicts of Interest" at pages 11 to 13 of the Prospectus, a copy of which description is hereby incorporated herein by reference.

Officers and Directors

The officers, directors, and key employees of The Inland Group, Inc. and its Affiliates ("Inland") that are likely to provide services to the Partnership are as follows:

	Functional Title
Daniel L. Goodwin.......	Chairman and Chief Executive Officer
Robert H. Baum..........	Executive Vice President-General Counsel
G. Joseph Cosenza.......	Senior Vice President-Acquisitions
Robert D. Parks.........	Senior Vice President-Investments
Norbert J. Treonis......	Senior Vice President-Property Management
Brenda G. Gujral........	President and Chief Operating Officer-IREIC
Catherine L. Lynch......	Treasurer
Paul J. Wheeler.........	Vice President-Personal Financial Services Group
Roberta S. Matlin.......	Assistant Vice President-Investments
Mark Zalatoris..........	Assistant Vice President-Due Diligence
Patricia A. Challenger..	Vice President-Asset Management
Kelly Tucek.............	Assistant Vice President-Partnership Accounting
Venton J. Carlston......	Assistant Controller

DANIEL L. GOODWIN (age 55) is Chairman of the Board of Directors of The Inland Group, Inc., a billion-dollar real estate and financial organization located in Oak Brook, Illinois. Among Inland's subsidiaries is the largest property management firm in Illinois and one of the largest commercial real estate and mortgage banking firms in the Midwest.

Mr. Goodwin has served as Director of the Avenue Bank of Oak Park and as a director of the Continental Bank of Oakbrook Terrace. He was Chairman of the Bank Holding Company of American National Bank of DuPage. Currently he is the Chairman of the Board of Inland Mortgage Investment Corporation.

Mr. Goodwin has been in the housing industry for more than 28 years, and has demonstrated a lifelong interest in housing-related issues. He is a licensed real estate broker and a member of the National Association of Realtors. Mr. Goodwin has developed thousands of housing units in the Midwest, New England, Florida, and the Southwest. He is also the author of a nationally recognized real estate reference book for the management of residential properties.

Mr. Goodwin has served on the Board of the Illinois State Affordable Housing Trust Fund for the past six years. He is an advisor for the Office of Housing Coordination Services of the State of Illinois, and a member of the Seniors Housing Committee of the National Multi-Housing Council. Recently, Governor Edgar appointed Mr. Goodwin as Chairman of the Housing Production Committee for the Illinois State Affordable Housing Conference. He also served as a member of the Cook County Commissioner's Economic Housing Development Committee, and he was the Chairman of the DuPage County Affordable Housing Task Force. The 1992 Catholic Charities Award was presented to Mr. Goodwin for his work in addressing affordable housing needs. The City of Hope designated him as the Man of the Year for the Illinois construction industry. In 1989, the Chicago Metropolitan Coalition on Aging presented Mr. Goodwin with an award in recognition of his efforts in making housing more affordable to Chicago's Senior Citizens. On May 4, 1995, PADS, Inc. (Public Action to Deliver Shelter) presented Mr. Goodwin with an award, recognizing The Inland Group as the leading corporate provider of transitional housing for the homeless people of DuPage County. Mr. Goodwin also serves as Chairman of New Directions Housing Corporation, a leading provider of affordable housing in northern Illinois.

Mr. Goodwin is a product of Chicago-area schools, and obtained his Bachelor's and Master's Degrees from Illinois Universities. Following graduation, he taught for five years in the Chicago Public Schools. His commitment to education has continued through his work with the BBF Family Services' Pilot Elementary School in Chicago, and the development of the Inland Vocational Training Center for the Handicapped located at Little City in Palatine, Illinois. He personally established an endowment which funds a perpetual scholarship program for inner-city disadvantaged youth. In 1990 he received the Northeastern Illinois University President's Meritorious Service Award. Mr. Goodwin holds a Master's Degree in Education from Northern Illinois University, and in 1986, he was awarded an Honorary Doctorate from Northeastern Illinois University College of Education. More than 12 years ago, under Mr. Goodwin's direction, Inland instituted a program to educate disabled students about the workplace. Most of these original students are still employed at Inland today, and Inland continues as one of the largest employers of the disabled in DuPage County. Mr. Goodwin has served as a member of the Board of Governors of Illinois State Colleges and Universities, and he is currently a trustee of Benedictine University. He was elected Chairman of the Northeastern Illinois University Board of Trustees in January 1996.

In 1988 he received the Outstanding Business Leader Award from the Oak Brook Jaycees and in March 1994, he won the Excellence in Business Award from the DuPage Area Association of Business and Industry. Additionally, he was honored with a dinner sponsored by Little Friends on May 17, 1995 for rescuing their Parent-Handicapped Infant Program when they lost their lease. He was the recipient of the 1995 March of Dimes Life Achievement Award and was recently recognized as the 1998 Corporate Leader of the Year by the Oak Brook Area Association of Commerce and Industry. The Ray Graham Association for People with Disabilities honored Mr. Goodwin as the 1999 Employer of the Year. For many years, he has been Chairman of the National Football League Players Association Mackey Awards for the benefit of inner-city youth and he served as the recent Chairman of the Speakers Club of the Illinois House of Representatives.

ROBERT H. BAUM (age 55) has been with The Inland Group, Inc. and its affiliates since 1968 and is one of the four original principals. Mr. Baum is Vice Chairman and Executive Vice President-General Counsel of The Inland Group, Inc. In his capacity as General Counsel, Mr. Baum is responsible for the supervision of the legal activities of The Inland Group, Inc. and its affiliates. This responsibility includes the supervision of The Inland Law Department and serving as liaison with outside counsel. Mr. Baum has served as a member of the North American Securities Administrators Association Real Estate Advisory Committee and as a member of the Securities Advisory Committee to the Secretary of State of Illinois. He is a member of the American Corporation Counsel Association and has also been a guest lecturer for the Illinois State Bar Association. Mr. Baum has been admitted to practice before the Supreme Court of the United States, as well as the bars of several federal courts of appeals and federal district courts and the State of Illinois. He received his B.S. Degree from the University of Wisconsin and his J.D. Degree from Northwestern University School of Law. Mr. Baum has served as a director of American National Bank of DuPage and currently serves as a director of Westbank. Mr. Baum also is a member of the Governing Council of Wellness House, a charitable organization that provides emotional support for cancer patients and their families.

G. JOSEPH COSENZA (age 55) has been with The Inland Group, Inc. and its affiliates since 1968 and is one of the four original principals. Mr. Cosenza is a Director and Vice Chairman of The Inland Group, Inc. and oversees, coordinates and directs Inland's many enterprises. In addition, Mr. Cosenza immediately supervises a staff of nine persons who engage in property acquisition. Mr. Cosenza has been a consultant to other real estate entities and lending institutions on property appraisal methods.

Mr. Cosenza received his B.A. Degree from Northeastern Illinois University and his M.S. Degree from Northern Illinois University. From 1967 to 1968, he taught at the LaGrange School District in Hodgkins, Illinois and from 1968 to 1972, he served as Assistant Principal and taught in the Wheeling, Illinois School District. Mr. Cosenza has been a licensed real estate broker since 1968 and an active member of various national and local real estate associations, including the National Association of Realtors and the Urban Land Institute.

Mr. Cosenza has also been Chairman of the Board of American National Bank of DuPage, and has served on the Board of Directors of Continental Bank of Oakbrook Terrace. He is presently a Director on the Board of Westbank in Westchester and Hillside, Illinois.

ROBERT D. PARKS (age 55) is a Director of The Inland Group, Inc., President, Chairman and Chief Executive Officer of Inland Real Estate Investment Corporation and President, Chief Executive Officer, Chief Operating Officer and Affiliated Director of Inland Real Estate Corporation.

Mr. Parks is responsible for the ongoing administration of existing investment programs, corporate budgeting and administration for Inland Real Estate Investment Corporation. He oversees and coordinates the marketing of all investments and investor relations.

Prior to joining Inland, Mr. Parks was a school teacher in Chicago's public schools. He received his B.A. degree from Northeastern Illinois University and his M.A. degree from the University of Chicago. He is a member of the Real Estate Investment Association and a member of NAREIT.

NORBERT J. TREONIS (age 48) joined The Inland Group, Inc. and its affiliates in 1975 and he is currently Chairman and Chief Executive Officer of The Inland Property Management Group, Inc. and a Director of The Inland Group, Inc. He serves on the Board of Directors of all Inland subsidiaries involved in the property management, acquisitions and maintenance of real estate, including Mid-America Property Management Corporation, Metropolitan Construction Services, Inc. and Inland Commercial Property Management, Inc. Mr. Treonis is charged with the responsibility of the overall management and leasing of all apartment units, retail, industrial and commercial properties nationwide.

Mr. Treonis is a licensed real estate broker. He is a past member of the Board of Directors of American National Bank of DuPage, the Apartment Building Owners and Managers Association, the National Apartment Association and the Chicagoland Apartment Association.

BRENDA G. GUJRAL (age 56) is President and Chief Operating Officer of Inland Real Estate Investment Corporation (IREIC), the parent company of the Advisor. She is also President and Chief Operating Officer of the Dealer-Manager, Inland Securities Corporation (ISC), a member firm of the National Association of Securities Dealers (NASD).

Mrs. Gujral has overall responsibility for the operations of IREIC, including the distribution of checks to over 50,000 investors, review of periodic communications to those investors, the filing of quarterly and annual reports for Inland's publicly registered investment programs with the Securities and Exchange Commission, compliance with other SEC and NASD securities regulations both for IREIC and ISC, review of asset management activities, and marketing and communications with the independent broker/dealer firms selling Inland's current and prior programs. Mrs. Gujral works with internal and outside legal counsel in structuring and registering the prospectuses for IREIC's investment programs.

Mrs. Gujral has been with Inland for 18 years, becoming an officer in 1982. Prior to joining Inland, she worked for the Land Use Planning Commission establishing an office in Portland, Oregon, to implement land use legislation for that state.

She is a graduate of California State University. She holds Series 7, 22, 39 and 63 licenses from the NASD and is a member of the National Association of Real Estate Investment Trusts (NAREIT) and the National Association of Female Executives.

CATHERINE L. LYNCH (age 40) joined Inland in 1989 and is the Treasurer of Inland Real Estate Investment Corporation. Ms. Lynch is responsible for managing the Corporate Accounting Department. Prior to joining Inland, Ms. Lynch worked in the field of public accounting for KPMG Peat Marwick since 1980. She received her B.S. degree in Accounting from Illinois State University. Ms. Lynch is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants and the Illinois CPA Society. She is registered with the National Association of Securities Dealers as a Financial Operations Principal.

PAUL J. WHEELER (age 46) joined Inland in 1982 and is currently the President of Inland Real Estate Equities, Inc., the entity responsible for all corporately owned real estate. Mr. Wheeler received his B.A. degree in Economics from DePauw University and an M.B.A. in Finance/Accounting from Northwestern University. Mr. Wheeler is a Certified Public Accountant and licensed real estate broker. For three years prior to joining Inland, Mr. Wheeler was Vice President/Finance at the real estate brokerage firm of Quinlan & Tyson, Inc.

ROBERTA S. MATLIN (age 54) joined Inland in 1984 as Director of Investor Administration and currently serves as Senior Vice President-Investments. Prior to that, Ms. Matlin spent 11 years with the Chicago Region of the Social Security Administration of the United States Department of Health and Human Services. She is a Director of Inland Real Estate Investment Corporation, Inland Securities Corporation, and Inland Real Estate Advisory Services, Inc. As Senior Vice President-Investments, she directs the day-to-day internal operations of the General Partner. Ms. Matlin received her B.A. degree from the University of Illinois. She is registered with the National Association of Securities Dealers, Inc. as a General Securities Principal.

MARK ZALATORIS (age 41) joined Inland in 1985 and currently serves as Vice President of Inland Real Estate Investment Corporation. His responsibilities include the coordination of due diligence activities by selling broker/dealers and is also involved with limited partnership asset management including the mortgage funds. Mr. Zalatoris is a graduate of the University of Illinois where he received a Bachelors degree in Finance and a Masters degree in Accounting and Taxation. He is a Certified Public Accountant and holds a General Securities License with Inland Securities Corporation.

PATRICIA A. CHALLENGER (age 46) joined Inland in 1985. Ms. Challenger serves as Senior Vice President of Inland Real Estate Investment Corporation in the area of Asset Management. As head of the Asset Management Department, she develops operating and disposition strategies for all investment-owned properties. Ms. Challenger received her Bachelor's degree from George Washington University and her Master's from Virginia Tech University. Ms. Challenger was selected and served from 1980-1984 as Presidential Management Intern, where she was part of a special government-wide task force to eliminate waste, fraud and abuse in government contracting and also served as Senior Contract Specialist responsible for capital improvements in 109 government properties. Ms. Challenger is a licensed real estate broker, NASD registered securities sales representative and is a member of the Urban Land Institute.

KELLY TUCEK (age 36) joined Inland in 1989 and is an Assistant Vice President of Inland Real Estate Investment Corporation. As of August 1996, Ms.

Tucek is responsible for the Investment Accounting Department which includes all public partnership accounting functions along with quarterly and annual SEC filings. Prior to joining Inland, Ms. Tucek was on the audit staff of Coopers and Lybrand since 1984. She received her B.A. Degree in Accounting and Computer Science from North Central College.

VENTON J. CARLSTON (age 41) joined Inland in 1985 and is the Assistant Controller of Inland Real Estate Investment Corporation where he supervises the corporate bookkeeping staff and is responsible for financial statement preparation and budgeting for Inland Real Estate Investment Corporation and its subsidiaries. Prior to joining Inland, Mr. Carlston was a partnership accountant with JMB Realty. He received his B.S. degree in Accounting from Southern Illinois University. Mr. Carlston is a Certified Public Accountant and a member of the Illinois CPA Society. He is registered with the National Association of Securities Dealers, Inc. as a Financial Operations Principal.

Item 11. Executive Compensation

The General Partner is entitled to receive a share of cash distributions of Net Sales Proceeds based upon both an aggregate overall return to the Limited Partners and a separate return with respect to each parcel of land purchased by the Partnership as described under the caption "Cash Distributions" and a share of profits or losses as described under the caption "Allocation of Profits or Losses" at pages 41-42 of the Prospectus, and at pages A-10 to A-11 of the Partnership Agreement, included as an exhibit to the Prospectus, a copy of which descriptions is incorporated herein by reference.

The Partnership is permitted to engage in various transactions involving Affiliates of the General Partner of the Partnership, as described under the captions "Compensation and Fees" at pages 14-16 and "Conflicts of Interest" at pages 16-18 of the Prospectus, and at pages A-13 to A-22 of the Partnership Agreement, included as an exhibit to the Prospectus, a copy of which descriptions is incorporated herein by reference. The relationship of the General Partner (and its directors and officers) to its Affiliates is set forth above in Item 10.

The General Partner and its Affiliates may be reimbursed for its expenses or out-of-pocket costs relating to the administration of the Partnership. As of December 31, 1998, such costs were $59,757, of which $2,772 was unpaid.

The General Partner is entitled to receive Asset Management Fees equal to one-quarter of 1% of the original cost to the Partnership of undeveloped land annually, limited to a cumulative total over the life of the Partnership of 2% of the land's original cost to the Partnership. For the year ended December 31, 1998, the Partnership incurred $61,445 in Asset Management Fees, of which $14,024 was unpaid.

An Affiliate of the General Partner performed sales marketing and advertising services for the Partnership and was reimbursed (as set forth under terms of the Partnership Agreement) for direct costs. For the year ended December 31, 1998, such costs were $76,926, of which $3,000 was unpaid.

An Affiliate of the General Partner performed property upgrades, rezoning, annexation and other activities to prepare the Partnership's land investments for sale and was reimbursed (as set forth under terms of the Partnership Agreement) for salaries and direct costs. For the year ended December 31, 1998, the Partnership incurred and paid $48,939 of such costs and are included in investment properties.

Item 12. Security Ownership of Certain Beneficial Owners and Management

(a) No person or group is known by the Partnership to own beneficially more than 5% of the outstanding Units of the Partnership.

(b) The officers and directors of the General Partner of the Partnership own as a group the following Units of the Partnership as of December 31, 1998:

Title of Class	Amount and Nature of Beneficial Ownership	Percent of Class
Limited Partnership Units	11.09 Units directly	Less than 1/2%

No officer or director of the General Partner of the Partnership possesses a right to acquire beneficial ownership of Units of the Partnership.

All of the outstanding shares of the General Partner of the Partnership are owned by an Affiliate or its officers and directors as set forth above in Item 10.

(c) There exists no arrangement, known to the Partnership, the operation of which may, at a subsequent date, result in a change in control of the Partnership.

Item 13. Certain Relationships and Related Transactions

There were no significant transactions or business relationships with the General Partner, Affiliates or their management other than those described in Items 10 and 11 above. Reference is made to Note 3 of the Notes to Financial Statements (Item 8 of this Annual Report) for information regarding related party transactions.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The financial statements listed in the index at page 13 of this Annual Report are filed as part of this Annual Report.

(b) Exhibits. The following documents are filed as part of this Report:

3 Amended and Restated Agreement of Limited Partnership, included in Post-Effective Amendment #3 dated February 16, 1993, and as Exhibit A of the Prospectus dated December 13, 1991, as amended, is incorporated herein by reference thereto.

28 Prospectus, to Form S-11 Registration Statement, File No. 33-42245, as filed with Securities and Exchange Commission on December 13, 1991, as supplemented to date, is incorporated herein by reference thereto.

(c) Financial Statement Schedules:

All schedules have been omitted as the required information is inapplicable or the information is presented in the financial statements or related notes.

(d) Reports on Form 8-K:

None

No Annual Report or proxy material for the year 1998 has been sent to the Partners of the Partnership. An Annual Report will be sent to the Partners subsequent to this filing and the Partnership will furnish copies of such report to the Commission when it is sent to the Partners.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INLAND CAPITAL FUND, L.P.
Inland Real Estate Investment Corporation
General Partner

/s/ Robert D. Parks

By: Robert D. Parks
Chairman of the Board
and Chief Executive Officer
Date: March 22, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

By: Inland Real Estate Investment Corporation
General Partner

/s/ Robert D. Parks

By: Robert D. Parks
Chairman of the Board
and Chief Executive Officer
Date: March 22, 1999

/s/ Patricia A. Challenger

By: Patricia A. Challenger
Senior Vice President
Date: March 22, 1999

/s/ Kelly Tucek

By: Kelly Tucek
Principal Financial Officer
and Principal Accounting Officer
Date: March 22, 1999

/s/ Daniel L. Goodwin

By: Daniel L. Goodwin
Director
Date: March 22, 1999

/s/ Robert H. Baum

By: Robert H. Baum
Director
Date: March 22, 1999

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