



**Inland**  
Private Capital Corporation

DALLAS EYE CARE  
ALDOUT HILL SURGERY

Private Placement Memorandum

# Healthcare Portfolio IV DST

The Date of this Private Placement Memorandum is December 20, 2017

**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 19.



## > Healthcare Portfolio IV DST

**A portfolio of four healthcare properties providing care to growing metropolitan areas**

Healthcare Portfolio IV DST, also known as the Trust, is a newly formed Delaware statutory trust and an affiliate of Inland Private Capital Corporation (IPC).

The Trust owns, or will acquire, a portfolio of four medical facilities, each of which is home to a leading healthcare provider and located in a growing metropolitan area.

1. Edward-Elmhurst Health Center, located in Elmhurst, Illinois (the Illinois Property)
2. Surgical Hospital of Oklahoma, located in Oklahoma City, Oklahoma (the Oklahoma Property)
3. Dallas Eye Care Center, located in Dallas, Texas (the Texas Property)
4. The Eye Institute of Utah, located in Salt Lake City, Utah (the Utah Property)

The Illinois Property, the Oklahoma Property, the Texas Property and the Utah Property are collectively referred to herein as the Properties, and each as a Property.

**You should read this Private Placement Memorandum (the Memorandum) in its entirety before making an investment decision.** Capitalized terms used in pages i through xv but not defined herein shall have the meanings set forth in the Memorandum.

# > Healthcare Sector

The aging U.S. population is contributing to a rise in healthcare needs, creating demand for the medical office sector. In fact, the 65 and older age group will rise by nearly 42 percent over the next 10 years as more than 20 million people join this segment.<sup>1</sup> The 65-plus age cohort will account for 20 percent of the total population. Expansion in healthcare and related industries is expected to increase 17 percent to meet the growing demands of an older demographic.<sup>2</sup> Healthcare spending is estimated to be \$5.5 trillion in 2024.<sup>3</sup>

Millennials are also expected to contribute significantly to the \$3 trillion a year healthcare market. With nearly 30 percent of millennials now parents, they are becoming responsible for their health and the health of their children.<sup>4</sup> As the first generation to grow up with the Internet, millennials possess similar expectations for healthcare delivery as other aspects of their lives, including convenience and flexibility. Technological advances with online searches for doctors or researching treatment options are providing patients with hands-on information. The millennials are expected to continue to drive this trend as they will prefer quick access to physicians and more transparency from providers and insurance companies.<sup>5</sup> In addition, many millennials are expected to be involved with decisions regarding their aging parents' healthcare.

Healthcare providers continue to enter communities by taking space in outpatient medical office buildings outside of the traditional hospital campuses. Many millennials seek healthcare options primarily in retail clinics, urgent care centers and freestanding emergency rooms. Micro hospitals are also an emerging trend with these small-scale inpatient facilities making their presence.<sup>6</sup>

These types of healthcare providers are considered good tenants as they tend to invest large sums of their own money into improvements to the office and are compelled to stay. Specialty physicians, part of surgical centers investing in expensive equipment, are also considered stable tenants due to large, expensive government-regulated equipment investments.<sup>7</sup>

The healthcare industry employs approximately 16 million people nationwide through its 784,626 healthcare companies across the U.S.<sup>8</sup>

1 Medical Office Research Report – Marcus & Millichap, 2017 Outlook.

2 Medical Office Research Report – Marcus & Millichap; 2016 Outlook.

3 Colliers International, 2016 Healthcare Marketplace research report.

4 Fortune.com; What Healthcare Gets Wrong about Millennials; December 17, 2016.

5 Medical Office Research National Report – Marcus & Millichap, 2017 Outlook.

6 Medical Office Research Report – Marcus & Millichap. Second half 2017.

7 CBRE Appraisal Report.

8 Statistics Brain Research Institute. 2017.

# > Investment Highlights

IPC believes that an investment in the Trust offers the following benefits:

## Diversified Medical Office Portfolio



- Four properties with five separate tenants in growing metropolitan areas
- The Illinois Property features a medical office building operated as the Edward-Elmhurst Health Center
- The Oklahoma Property features an in-patient surgical facility, the Surgical Hospital of Oklahoma
- The Texas Property includes a medical clinic and an eye surgery center
- The Utah Property contains a medical clinic and an eye surgery center

## Established Commercial Tenants



- The Illinois Property guarantor is one of the larger integrated health systems in Illinois and had total revenues of more than \$1.3 billion in fiscal year ending 6/30/2017
- The Oklahoma Property guarantor is part of the UnitedHealth Group with a credit rating of A+ from S&P, updated 3/30/2015
- The Texas Property guarantor is an affiliate of The Eye Academy of America Ltd, a leading surgical and medical eye care provider
- The Utah Clinic Tenant is a single-specialty group physician practice doing business for over 30 years
- The Utah Surgery Center Tenant is a single-specialty ambulatory surgery center

## Long-Term Net Leases with Rent Growth



- Tenant retention is projected to be 70-80% at each property
- Net leases with the Tenants responsible for real estate taxes, insurance and other operating expenses
- Initial lease term of 12-18 years with multiple renewal options
- Regular annual rental rate increases
- See "*Summary of the Leases*" in the Memorandum.

## Absence of Leverage



- The Properties are not encumbered by permanent financing
- Structure allows the Trust the flexibility to hold or sell the Properties without lender restrictions and sell at a time that maximizes value

## > No Financing

The Properties are being offered to Investors without the encumbrance of permanent debt. The absence of permanent debt provides the Trust the flexibility to hold or sell the Properties, without any lender restrictions, and sell at a time which maximizes value.

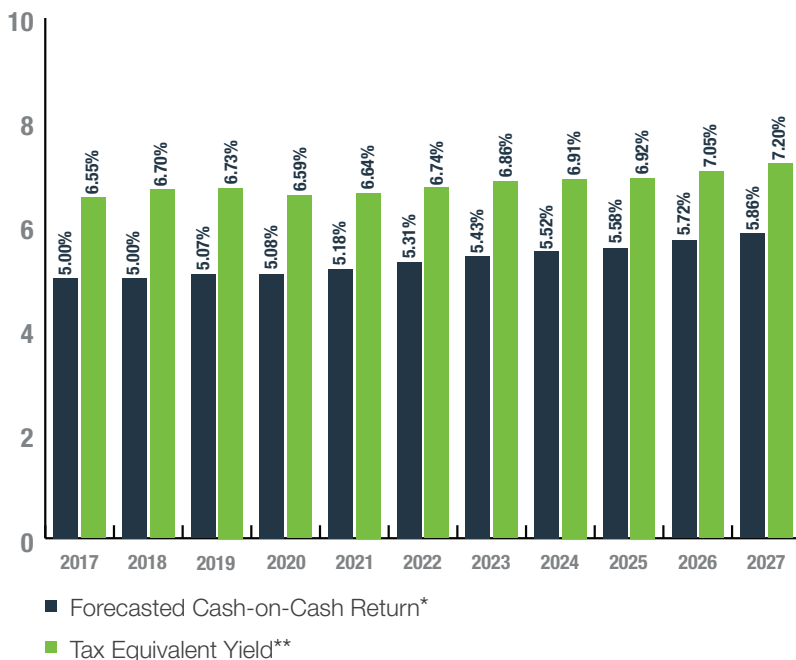
## > The Offering

The Trust is offering (the Offering) to sell to qualified, accredited investors (Investors) pursuant to this Memorandum, 100 percent of the beneficial interests in the Trust. The Offering is designed 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*” in the Memorandum.

Beneficial Interests:	<b>\$39,990,338</b>
Offering Price:	<b>\$39,990,338</b>
Offering Reserve:	<b>\$215,698</b>
Minimum Purchase (1031):	<b>\$100,000</b>
Minimum Purchase (cash):	<b>\$25,000</b>
Current Cash Flow:	<b>5.00%</b>

## Forecasted Cash-on-Cash Returns\*

(Paid Monthly)



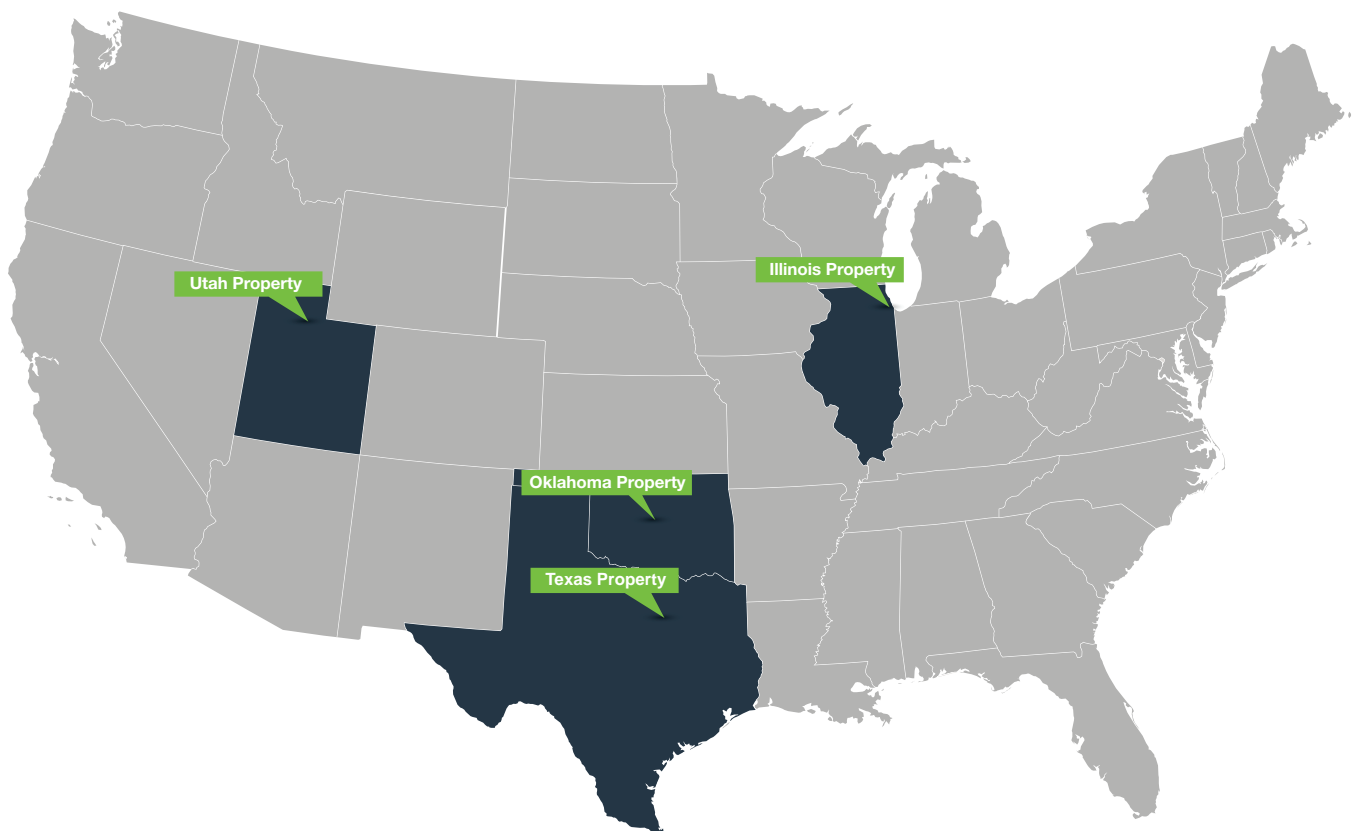
\* These forecasts are estimates which are based on certain assumptions and may vary. Please consult the “Risk Factors” section of the Memorandum for events that may cause the actual results to differ.

\*\* “Tax Equivalent Yield” represents the yield required to achieve an equivalent after tax cash flow on an interest-bearing investment, which has no shelter from depreciation and would be taxed at the effective tax rate. The calculations are based on an assumed effective tax rate of 40% of taxable income. Each prospective Investor should consult with his or her own legal, tax, accounting and financial advisors.

# > Location and Description of the Properties

General information regarding each Property is summarized in the table below.

Property	Property Address	Commercial Tenant	Year Built	2017 Median Household Income (within 5 miles) <sup>9</sup>	2017 Estimated Population (within 5 miles) <sup>9</sup>
<b>Illinois Property</b>	755 N. York Street Elmhurst, IL 60126	Edward Health Ventures	2017	\$64,883	285,167
<b>Oklahoma Property</b>	100 S.E. 59th Street Oklahoma City, OK 73129	Surgical Hospital of Oklahoma, L.L.C.	1995; renovated in 1998 & 2009	\$40,623	242,254
<b>Texas Property</b>	5494 Glen Lakes Drive Dallas, TX 75231	The Eye Academy of America Ltd.	2003	\$61,572	415,130
<b>Utah Property</b>	755 East 3900 South Salt Lake City, UT 84107	<u>Utah Clinic:</u> The Eye Institute of Utah, Inc. <u>Utah Surgery Center:</u> The SurgiCare Center of Utah, Inc.	1987; renovated in 2015	\$56,126	360,555



<sup>9</sup> Appraisal Report from CBRE, Inc.



The Illinois Property  
Built in 2017  
13,092 Square Feet

## > The Illinois Property

The Illinois Property is a newly constructed 13,092 square-foot medical office building located at 755 N. York Street in Elmhurst, Illinois, and home to Edward-Elmhurst Health Center. The tenant at the property is Edward Health Ventures, an Illinois not-for-profit corporation. The Illinois Property is located in northeast DuPage County, about 22 miles west of the Chicago Central Business District and approximately 10 miles southwest of O'Hare International Airport.<sup>10</sup>

The Illinois Property is used as both medical office space providing routine family and internal medicine care, as well as a lab area facility performing out-patient procedures, focusing on diagnosing and treating digestive health issues. This location is the first medical office to perform gastrointestinal procedures at an off-campus, outpatient location. The Illinois Property sits on a highly travelled road that provides good visibility to the site and is very close to Interstates 290 and 294. The immediate area surrounding the Illinois Property is comprised of newer commercial development, including a Mariano's grocery store and a LA Fitness health facility.

Edward Elmhurst Healthcare, an Illinois not-for-profit corporation, has guaranteed the tenant's lease obligations at the Illinois Property. Edward Elmhurst Healthcare was formed in 2013 when Edward Hospital & Health Services and Elmhurst Memorial Healthcare merged and became one of the larger integrated health systems in Illinois.<sup>11</sup> Edward Elmhurst Healthcare provides a vast variety of medical services including bariatric and weight management, behavioral health, cancer care, emergency care, heart and vascular, neurosciences, orthopedics, pregnancy and baby, and primary care.

### Edward Elmhurst Healthcare's Performance<sup>12</sup> 6/30/17

- Over \$2.4 Billion Total Assets
- Over \$1.3 Billion Total Revenues

<sup>10</sup> CBRE Appraisal Report.

<sup>11</sup> About Edward-Elmhurst Health website. History.

<sup>12</sup> <https://emma.msrb.org/ES1051642-ES821607-ES1222837.pdf>

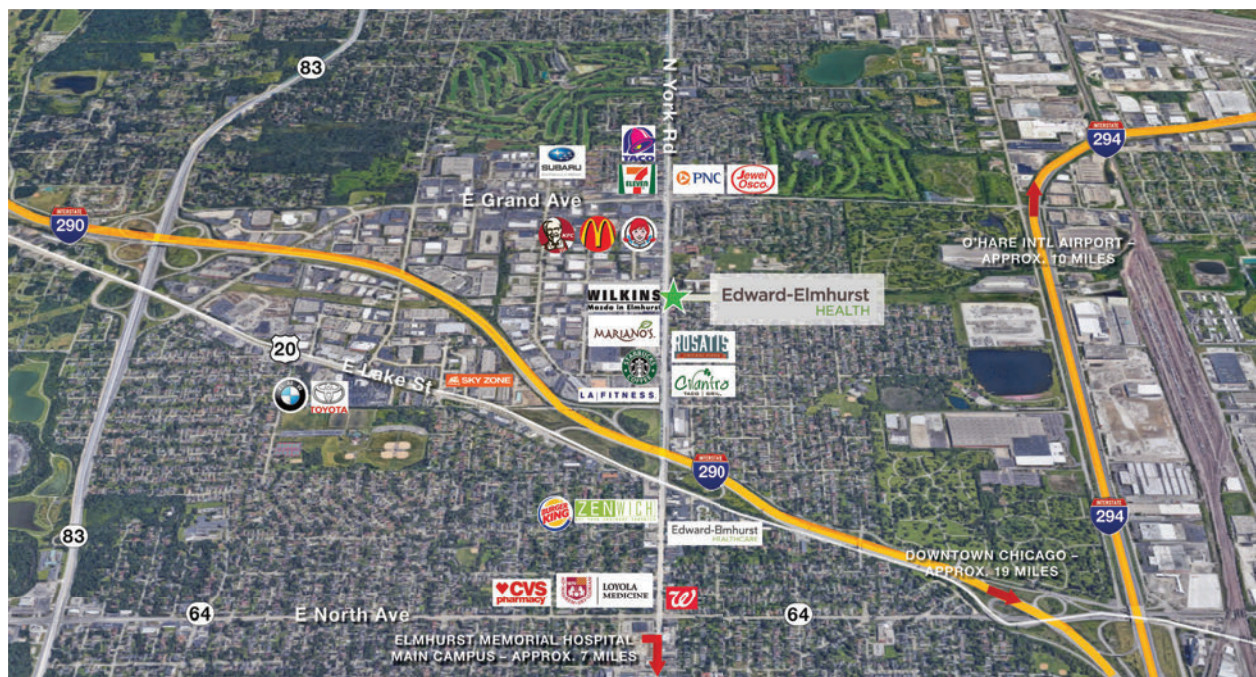
# > The Chicago, Illinois Market

The City of Elmhurst is part of the larger Chicago metropolitan area, often referred to as Chicagoland, which extends into its suburbs and covers 14 counties of the region.<sup>13</sup> Chicago is one of the most important business centers in the world and an economic powerhouse with home to over 400 corporate headquarters, including 34 in the Fortune 500, such as Boeing Company, Exelon Corporation, Kraft Heinz, McDonald's Corporation, ConAgra Brands and Motorola Solutions, Inc.<sup>14</sup> Chicago is also home to O'Hare International Airport, one of the busiest airports in the world, and the fourth busiest in the United States.<sup>15</sup>

The Chicago metro area is a major financial center in North America and is home to the largest futures exchange in the United States, the CME Group.<sup>16</sup> The unemployment rate for Chicago has dropped to 4.2 percent, below the national rate for the first time in a decade, with job growth of 1.3 percent, from 2016 to 2017.<sup>17</sup> Future job growth over the next 10 years is projected to be 35.9 percent.<sup>18</sup>

## Chicago Market Highlights:

- **Ranked #1** Top Competitive City in the U.S.<sup>19</sup>
- Non-residential development is expected to help **create 13% of net new jobs** this year and next<sup>20</sup>
- 17% of the Chicago **population is over the age of 60**<sup>20</sup>
- Cook County is the **2nd most populous U.S. county**<sup>21</sup>
- Illinois residents **spend \$8,262 on healthcare each year**, one of the highest in the country<sup>22</sup>



13 U.S. Census Bureau, Population Division, May 29, 2016.

14 Worldbusinesschicago.com. 2017-fortune-500.

15 Ohareairport.net. June 20, 2017.

16 Investopedia website. The World's Top Financial Cities.

17 CBRE Appraisal report.

18 Bestplaces.net. Economy/city/Illinois/Chicago.

19 Site Selection Magazine. November 2017.

20 Censusreporter website. Chicago, IL.

21 U.S. Census Bureau.

22 Kaiser Family Foundation website. Healthcare expenditures by state.





**The Oklahoma Property**  
**Built in 1995**  
**33,935 Square Feet**

## > The Oklahoma Property

The Oklahoma Property, located at 100 S.E. 59th Street in Oklahoma City, Oklahoma, is an acute care hospital facility consisting of approximately 33,935 square feet and situated on approximately 3.23 acres. The Oklahoma Property was originally built in 1995 and has undergone renovations in 1998, doubling its size by adding three additional operating rooms to the existing four and 12 inpatient beds. More upgrades were accomplished in 2009 which included new vacuum pumps, hot water heater, and replacement of call system/panels. The Oklahoma Property's ideal location – within a five-mile radius of downtown Oklahoma City, the Will Rodgers World Airport and Tinker Air Force Base – places the hospital in one of the South region's largest metroplexes.

The tenant at the Oklahoma Property is the Surgical Hospital of Oklahoma with the guarantor being Surgical Care Affiliates (SCA), which was recently acquired by OptumCare, a wholly-owned subsidiary of UnitedHealth Group, a healthcare industry leader. SCA is one of the largest providers of outpatient surgery in the United States and has a network of more than 200 ambulatory surgery centers located in 35 states performing 900,000 surgeries a year. In conjunction with the acquisition, SCA became part of a healthcare system serving millions of consumers annually through 20,000 affiliated physicians and hundreds of care facilities.<sup>23</sup>

### **Surgical Hospital of Oklahoma Services:**

- Cardiology
- General
- Gynecology
- MRI
- Ophthalmology
- Orthopaedic
- Otolaryngology
- Pain Management
- Plastic/Cosmetic
- Podiatry
- Urology

In 2017, OptumCare, a leading health services subsidiary of UnitedHealth Group, joined forces with Surgical Care Affiliates, Inc. UnitedHealth Group's credit rating stands at A+ by Standard & Poor's and Moody's of A3, last updated as of December 7, 2017.<sup>24</sup>

23 CBRE Appraisal Report.

24 The Wall Street Journal. UnitedHealth Optum to acquire Surgical Care Affiliates for \$2.3 Billion. January 9, 2017.

# > The Oklahoma City, Oklahoma Market

The Oklahoma Property is easily accessible via Interstate 240 from the south and Interstate Highway 35 from the east, and is a quick commute to the Oklahoma City Central Business District. Oklahoma City ranks as the 27th largest city in the United States with a current population of 1.37 million.<sup>25</sup> It is forecasted that Oklahoma City's population growth will keep increasing by 1.66 percent annually, reaching nearly 1.5 million people by 2021.<sup>26</sup>

Oklahoma's unemployment rate as of May 2017 was 4 percent, compared to 4.6 percent at the same time the year prior.<sup>27</sup> Tinker Air Force Base, the world's largest aircraft-maintenance complex and military-aviation logistics center, is based in Oklahoma City and employs approximately 31,000 military and civilian personnel. It is estimated that the base had a \$4 billion impact on the state's economy last year.<sup>28</sup> Moreover, Oklahoma's aviation industry provides 143,000 direct and indirect jobs. Also, there are two major railroads, five airports, and three interstate highways giving further advantage to Oklahoma when it comes to transportation and distribution.<sup>29</sup>

## Oklahoma City Market Highlights:

- **Ranked #3** for Best Cities for Jobs by Glassdoor
- **Ranked #1** City for Veteran Careers<sup>30</sup>
- **Ranked #1** best place to start a business<sup>31</sup>
- **Ranked #8** in "Most Popular U.S. Cities to Live"<sup>32</sup>
- Standard & Poor's and Moody's reaffirmed Oklahoma City's **AAA bond rating for the seventh consecutive year**, March 2017



25 Metropolitan and Micropolitan Statistical Areas.

2015 Population Estimates. United States Census Bureau, Population Division. March 24, 2016. Retrieved March 24, 2016.

26 U.S. Census Bureau. 2010 Census Profile. Forecasts for 2017 and 2022.

27 NewsOK. Oklahoma's unemployment rate increases. June 28, 2017.

28 NewsOK. Tinker's 'a very vital part of the greater Oklahoma City area. October 22, 2017.

29 Newsmax website. Top 5 Industries in Oklahoma:

Which parts of the economy are the strongest? April 13, 2015.

30 Sterling's Best Places. 2017.

31 WalletHub.

32 Business Insider. June 2017.



The Texas Property  
Built in 2003  
16,050 Square Feet

## > The Texas Property

The Texas Property, located at 5494 Glen Lakes Drive in Dallas, Texas, is a two-story medical office building comprising 16,050 rentable-square feet. The Texas Property contains a medical clinic (Texas Clinic) and an eye surgery center (Texas Surgery Center). Located approximately 200 yards southeast from Texas Health Presbyterian Hospital of Dallas campus, the Texas Property is locally known as the Dallas Eye Care Clinic and the Walnut Hill Surgery Center.

Constructed in 2003, the Texas Property is a Class A healthcare-related facility and sits on approximately 0.58 acres. The services provided at this facility consist of specialized ophthalmology healthcare, including ocular surgery, eye exams, glasses and contacts sizing and fitting. Primary access to the site is via U.S. Highway 75, an eight-lane highway, and the Texas Property is a short five miles from the Dallas Central Business District.<sup>33</sup> The neighborhood is also easily accessed by Dallas Area Rapid Transit (DART).

The Texas Property offers access to affordable, high-quality vision correction surgery as well as practiced diagnosis and treatment of cataracts, retinal conditions, diabetic retinopathy, dry eye and other eye care conditions.<sup>34</sup> In 2017, the Texas Property became part of Kleiman Evangelista (KE) Eye Centers of Texas.<sup>35</sup>

The Texas Tenants' payment obligations are guaranteed by Eye Academy Holdings, Inc., a Delaware corporation, and ICON Eye Texas Operations, Inc., a Texas nonprofit corporation doing business as ICON Eyecare. ICON Eyecare is a leading surgical and medical eye care provider based out of Denver, Colorado. Since 1999, ICON Eyecare has been building a Center of Ophthalmology Excellence empowered by an expert team of board certified physician specialists, the most advanced laser technology and a culture of quality patient care.

Dallas Eye Care Center has served the Dallas area for over 50 years and prides itself on providing compassionate patient care, advanced eye care techniques and state-of-the-art eye surgery technologies.

<sup>33</sup> CBRE Appraisal Report.

<sup>34</sup> Dallas Eye Care website. Services Menu.

<sup>35</sup> KE Eye Centers of Texas website.

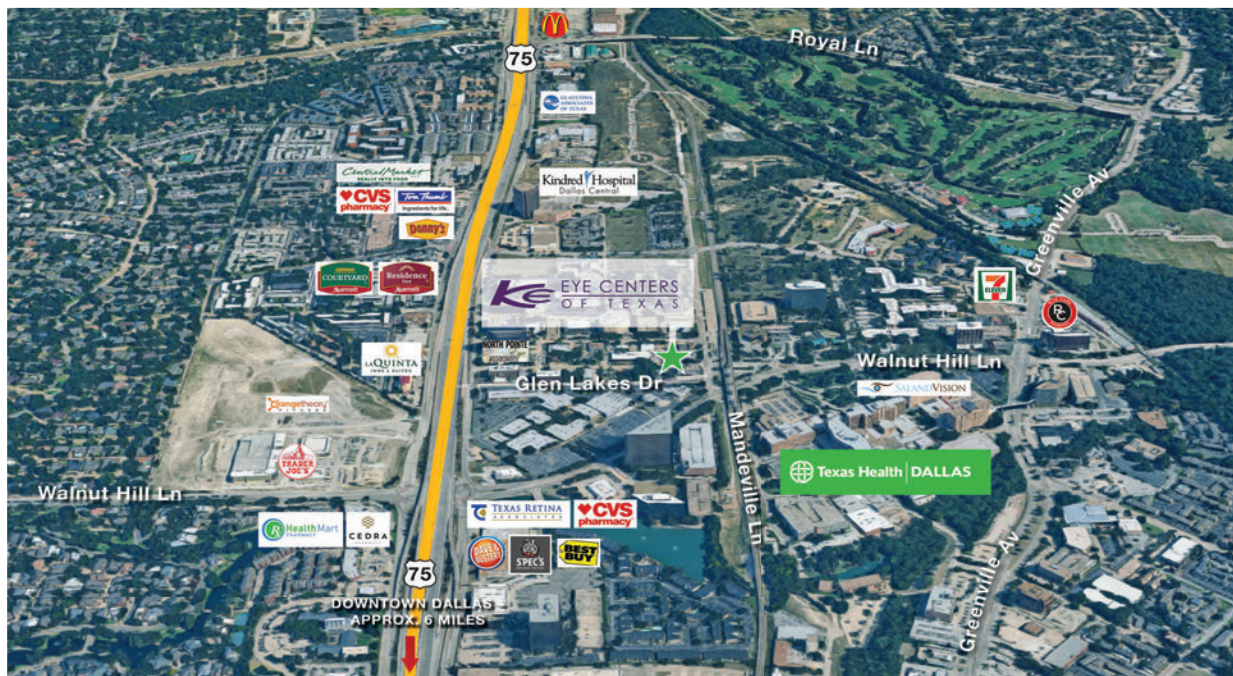
# > The Dallas, Texas Market

The Texas Property is located approximately six miles north of downtown Dallas. The immediate area of the Texas Property consists of a mixture of multifamily, commercial, office, medical development, and residential properties. NorthPark Centre Mall, Texas' second largest mall, located just one mile southwest of the Texas Property, was extensively renovated in 2005 and brings in 25 million shoppers annually.<sup>36</sup> Southern Methodist University (SMU), ranked in the top one-third of national universities in The Guide to America's Best Colleges, published by U.S. News and World Report, is located less than four miles from the Texas Property and employs over 1,400 workers.<sup>36</sup>

Dallas, Texas has a population of nearly 1.2 million and is part of the Dallas-Fort Worth-Arlington metropolitan area, commonly referred to as the Metroplex, the largest metropolitan area in Texas and the 10th largest in the United States.<sup>37</sup> Unemployment rates in the Metroplex have stabilized at about 4 percent and high-wage job growth has exceeded the national average over the past year.<sup>38</sup>

## Dallas-Fort Worth Market Highlights:

- Dallas-Fort Worth is **#3 Metro Area in the U.S.**<sup>39</sup>
- **Dallas-Fort Worth is the fastest growing metroplex** in America<sup>40</sup>
- Fort Worth 2017's **Most Recession-Recovered Large City**<sup>41</sup>
- Dallas-Fort Worth is the **second-largest data center market** in the country<sup>42</sup>
- Dallas-Fort Worth area is expected to see an **increase of 23.9% in its retirees by 2019**<sup>43</sup>



36 CBRE Appraisal Report.

37 suburbanstats.org. Dallas, Texas population.

38 Bureau of Labor Statistics website. Dallas Fort Worth Arlington, TX stats.

39 Site Selection magazine. March 2016.

40 Dallas.culturemap.com. Dallas-Fort Worth's booming population growth blows past the rest of the country. March 29, 2017.

41 WalletHub. January 2017.

42 CBRE. March 2017.

43 National Real Estate Investor. 25 Best Markets for Investment in Healthcare Properties. Feb. 2015.



**The Utah Property**  
**Built in 1987**  
**29,702 Square Feet**

## > The Utah Property

The Utah Property is a 29,702 square-foot, two-story surgery center/medical office building located at 755 East 3900 South in Salt Lake City, Utah and situated on approximately 2.31 acres. The Utah Property was built in 1987 and renovated in 2015, and is leased to two tenants: The Eye Institute of Utah, residing on the first floor, and The SurgiCare Center of Utah, located on the second floor. The Utah Property sits just west of St. Marks Hospital and is minutes away from Interstates 80 and 15, surrounded by dense residential and located about six miles southeast of the Salt Lake City central business district. The Salt Lake City International Airport is an approximate 20-minute drive.<sup>44</sup>

### The Utah Tenants

#### The Eye Institute of Utah

The Eye Institute of Utah, Inc. has been providing service for over 30 years. It is a premier eye care provider in the Intermountain West, the geographic and geological region of the Western United States, located between the front ranges of the Rocky Mountains on the east and the Cascade Range and Sierra Nevada on the west. The practice is home to seven ophthalmologists, one optometrist, and a team of professionals, and includes more than 20 exam and consultation rooms, advanced diagnostic testing and imaging, and administrative office space. The state-of-the-art LASIK & Vision Specialty Center is also part of the practice, and has the fastest and most advanced LASIK laser system on the market.<sup>45</sup>

#### The SurgiCare Center of Utah

Located on the second floor of the Utah Property is The SurgiCare Center of Utah, an ambulatory surgical center with four surgical rooms, a large waiting room and patient surgical viewing area, recovery rooms, and office space. The Utah Surgery Center is home to the first commercially purchased LenSx Femtosecond Laser in the world in addition to ORA (Optiwave Refractive Analysis) with VerifEye and one of the largest consignments of advanced IOLs (Intraocular lens) in Utah.<sup>45</sup>

### Procedures offered by Utah Tenants:

- Standard and custom cataract surgery
- ICL implantation surgery
- Corneal
- Glaucoma
- Retinal surgeries
- Eyelid and facial plastic surgery
- LASIK

<sup>44</sup> CBRE Appraisal Report.

<sup>45</sup> The Eye Institute of Utah website. Office and Facilities.

# > The Salt Lake City, Utah Market

The Utah Property is located along well traveled 3900 South and just east of heavily traveled 700 East Street and is part of the Salt Lake City metro area, known as Crossroads of the West for its central geography in the western United States.<sup>46</sup> Salt Lake City continues to be the premier economy in the west, with many employers relocating to this region, helping keep the unemployment rate low, currently at 3.3 percent.<sup>47</sup> Healthcare and social assistance account for 2017's job growth rate at 3.4 percent, with the overall growth rate at 3.7 percent.<sup>46</sup> Salt Lake City has developed a strong outdoor recreation tourist industry which includes skiing, with banking becoming an expansive industry.<sup>46</sup>

Just south of the Utah Property sits the Fashion Place Mall, a major retail development with approximately 1.36 million square feet of space anchored by Nordstrom and Dillards department stores.<sup>47</sup> Intermountain Healthcare Medical Center is located in the southern part of the neighborhood providing service to residents of Utah, Idaho, Wyoming, and Nevada, with Utah's largest flagship hospital, Intermountain Medical Center. The Utah Property also is surrounded by residential and multifamily developments.

## Utah & Salt Lake City Market Highlights:

- Utah **Ranked #2** Best Economy<sup>48</sup>
- Salt Lake City **ranked #1** for Best Places to Start a Career in 2017<sup>49</sup>
- **Ranked #8** for Best Cities for Jobs in 2017<sup>50</sup>
- Salt Lake City **Ranked #1** Among Cities Poised to Become Tomorrow's Tech Meccas<sup>51</sup>
- Salt Lake City Named **#1 City Where Young People Want to Be**<sup>52</sup>



46 Forbes website. Salt Lake City, UT. The Best Places for Business and Careers.  
47 CBRE Appraisal Report.  
48 WalletHub. June 23, 2017.  
49 WalletHub website. 2017's Best & Worst Cities for Jobs. January 4, 2017.

50 U.S. News & World Report. June 28, 2017.  
51 Forbes. March 27, 2017.  
52 Realtor.com April 4, 2017.



Texas Property

## > The Commercial Leases

The material terms of the leases with the Commercial Tenants are summarized below. Such leases are collectively referred to as the Commercial Leases.

Property	Commercial Tenant	Approx. Leased SF	Current Term	Renewal Options	Approx. Current Annual Base Rent	Base Rent Per SF
<b>Illinois Property</b>	Edward Health Ventures	13,092 Sq. Ft.	09/12/17-11/30/29	Three 5-year terms	\$359,114	\$27.43
<b>Oklahoma Property</b>	Surgical Hospital of Oklahoma, L.L.C.	33,935 Sq. Ft.	03/15/17-08/31/32	Four 5-year terms	\$901,618	\$26.57
<b>Texas Property</b>	<u>Texas Clinic:</u> The Eye Academy of America Ltd. d/b/a Dallas Eye Care Clinic	8,518 Sq. Ft.	10/23/17-10/31/35	Two 10-year terms	\$167,282	\$19.64
	<u>Texas Surgery Center:</u> The Eye Academy of America Ltd. d/b/a Walnut Hill Surgery Center	7,532 Sq. Ft.	10/23/17-10/31/35	Two 10-year terms	\$147,918	\$19.64
<b>Utah Property</b>	<u>Utah Clinic:</u> The Eye Institute of Utah, Inc.	17,524 Sq. Ft.	07/01/17-06/30/32	Three 5-year terms	\$321,134	\$18.33
	<u>Utah Surgery Center:</u> SurgiCare Center of Utah, Inc.	12,178 Sq. Ft.	07/01/17-06/30/32	Three 5-year terms	\$285,680	\$23.46

# > 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 IPC offer securities to accredited investors on a private placement basis.

## Track Record Since Inception

(THROUGH DECEMBER 31, 2016)

<p>Sponsored <b>197</b> private placement programs</p>	<p><b>527</b> properties in 43 states</p>	<p>Offered more than <b>\$3</b> billion in equity</p>	<p>More than <b>\$6.3</b> billion of assets based on offering price</p>
<p>More than <b>31.80</b> million square feet of gross leaseable area</p>	<p><b>\$1,232,937,239</b> cumulative distributions to investors</p>		<p><b>70</b> assets sold</p>

## Program Dispositions

(AS OF DECEMBER 31, 2016)

	RETAIL	OFFICE	MULTIFAMILY	INDUSTRIAL
Cumulative Sales Price	\$435,738,911	\$204,909,165	\$49,266,108	\$96,270,041
Weighted Avg. Total Return*	138.49%	119.43%	140.19%	133.26%
Weighted Avg. ARR**	8.11%	4.13%	22.68%	7.25%
Number of Programs	33	7	2	5



ADISA | ALTERNATIVE & DIRECT INVESTMENTS



Inland Private Capital Corporation  
**2X RECIPIENT**

### Metrics for Program Dispositions

\* **Weighted Average 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. To determine the weighted average, the total return for each program is multiplied by the capital invested in that program, divided by total capital invested in all programs represented in the analysis.

\*\* **Weighted Average Annualized Rate of Return (ARR)** is calculated as the sum of total cash flows distributed during the term of the investment plus any profit or loss on the initial offering price, divided by the investment period. To determine the weighted average, the ARR for each program is multiplied by the capital invested in that program, divided by the total capital invested in all programs represented in this analysis.

The Weighted Average Total Return and Weighted Average ARR metrics presented above apply to those programs in which the property owned by such program was sold. Please note that this analysis does not include programs in which the subject property was in foreclosure. In such situations, IPCC has negotiated with the applicable lender 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, in order to continue their Section 1031 exchanges and avoid potential capital gains and/or forgiveness of debt tax liabilities.



## 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 Healthcare Portfolio IV 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 have limited control over the Trust.
- The Trustees have limited duties to Investors and limited authority.
- There are inherent risks with real estate investments.
- An investment in Interests will not be diversified as to the type of asset.
- The Trust will depend on the Master Tenant for revenue, and the Master Tenant will depend on the Commercial Tenants under the Commercial Leases, and any default by the Master Tenant or the Commercial Tenants will adversely affect the Trust’s operations.
- The Properties have been designed for their particular uses, which could result in substantial re-leasing costs or a lower sale price.
- The Trust may suffer adverse consequences due to the financial difficulties, bankruptcy or insolvency of any of the Commercial Tenants, any subtenants or guarantor.
- Adverse trends in the healthcare service industry may negatively affect the Trust’s revenues.
- The Investors could suffer adverse consequences from the exercise of rights of the bridge lender in respect of the bridge loan made to, or expected to be made to, IPC in connection with the acquisition each of the Properties.
- The costs of complying with environmental laws and other governmental laws and regulations may adversely affect the Trust.
- 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 an 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 subsidiaries of Inland Real Estate Investment Corporation.

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.

The companies depicted in the photographs herein may have proprietary interests in their trade names and trademarks. Nothing herein shall be considered to be an endorsement, authorization or approval of IPC or the Trust. Further, none of these companies is affiliated with IPC or the Trust in any manner.



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