



PHARMACY PORTFOLIO DST



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Inland Real Estate Exchange Corporation, through its affiliate, Pharmacy Portfolio DST, is offering for sale Beneficial Interests in the Delaware Statutory Trust (“DST”) which holds 3 retail properties.

The properties are all considered Class A properties which operate as CVS Pharmacies. All three buildings, which include drive-thrus, were constructed in 2008 and have 25-year initial lease terms. The leases are guaranteed by the CVS Caremark Corporation (NYSE-CVS).

TENANT HIGHLIGHTS:

CVS Caremark Corporation, a pharmacy services company, provides prescriptions and related healthcare services in the United States. The company operates through two segments, Pharmacy Services and Retail Pharmacy. The company was founded in 1892 and is headquartered in Woonsocket, Rhode Island.



CVS CAREMARK CORPORATION

- More than \$87 billion in annual revenue
 - Ranked 19th on Fortune 500 for 2009
 - No. 1 provider of prescriptions in the nation – more than 1 billion prescriptions filled or managed annually
 - No. 1 specialty pharmacy
 - Largest employer of Pharmacists and Nurse Practitioners
 - No. 1 in Store Count – more than 7,000 CVS/pharmacy stores in 43 states (includes Longs Drugs in Hawaii)
 - 4+ million customers daily
 - No. 1 Retail Pharmacy Sales per square foot
 - No. 1 Retail Clinic Operator – more than 560 MinuteClinic locations in 25 states
 - More than 2 million MinuteClinic patient visits to date
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DIRECT COMPETITOR COMPARISON

	CVS	WAG	RAD
Market Cap:	46.51B	35.80B	1.22B
Employees:	215,000	166,000	57,680
Quarterly Revenue			
Growth (yoy):	18.10%	9.50%	-1.80%
Revenue (ttm):	97.05B	64.75B	25.91B
Operating Margins (ttm):	6.49%	5.65%	0.48%
Net Income (ttm):	3.61B	2.09B	-2.60B
Earnings Per Share (ttm):	2.459	2.104	-2.972

WAG = Walgreen Co. RAD = Rite Aid Corp. Yoy = Year over year Ttm = trailing twelve months

LOCATION HIGHLIGHTS:

SOUTH LYON, MI: Located 30 miles northwest of the Detroit Central Business District, South Lyon is considered to be a growing suburban location. Land uses within the neighborhood consist of mostly residential development with some supporting commercial development. The neighborhood has been in the growth stage of its economic life cycle for the past few decades. Population change has been positive in recent years with much of that growth occurring in the past ten years.

The South Lyon submarket is comprised of above average income groups, with 2009 average estimated household income of \$118,853 within a one-mile radius of the South Lyon CVS. Given the area demographics, it appears that demand for both comparable surrounding area retail properties, and the South Lyon CVS, will continue to be favorable.

WALLS, MS: Walls is a suburb of Memphis, TN, located approximately 13 miles southwest of the Memphis Central Business District. The population in the neighborhood has experienced positive growth over the past 5 years. Approximately 40% of the homes built within a three-mile radius of the store were constructed since 1999. The 2009 average estimated household income is \$70,120 within a one-mile radius of the Walls CVS.

The immediate area surrounding the Walls CVS is projected to experience moderate, positive growth relative to households, population, income levels and retail expenditures. Given the area's above average level of demand for retail and proximity to both employment centers and major roadways, the Walls CVS should enjoy good market acceptance.

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WEST COLUMBIA, TX: The West Columbia CVS is located approximately 45 miles south of the Houston Central Business District. It is located along the area's primary commercial thoroughfare and within an area that has exhibited recent growth. A major contributor to this growth is the proximity of The Gulf of Mexico and the City of Houston. The county area has continued to see overall employment growth, despite the national economic conditions, and its unemployment rates have stayed below the national average.

Within a one-mile radius of the West Columbia CVS, the 2009 average estimated household income is \$55,745. It is situated at the intersection of two of the more heavily traveled roadways in the neighborhood, thereby receiving an exposure level well above most competing properties.

OPERATIONS

Over the past two decades, the drug store market has seen a shift from once traditional in-line stores to the now popular freestanding, drive-thru concept. These freestanding facilities provide a higher level of visibility and accessibility.

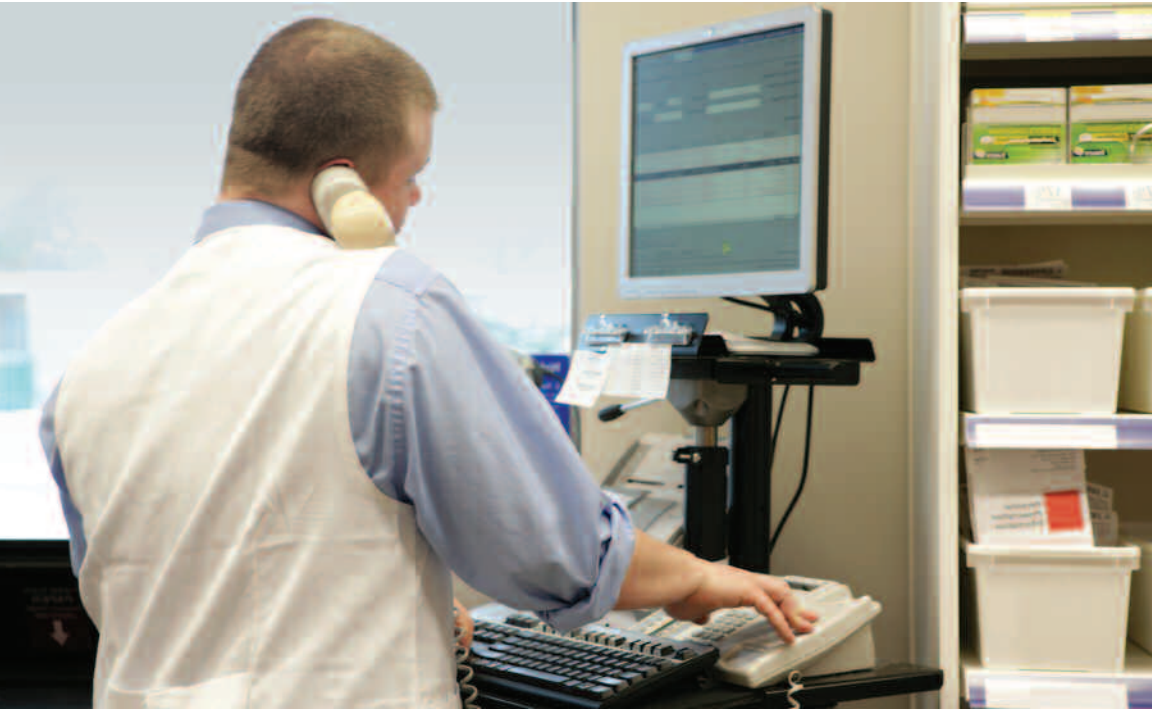
With demand escalating, the drugstore industry is growing rapidly, and sales have increased at an average rate of \$10 billion annually since the turn of the 21st century. By 2010, total annual sales should surpass \$200 billion, with most of this growth claimed by chain pharmacies.

The drugstore industry relies on four main product categories for a large percentage of total sales: prescription drugs, over-the-counter medications, toiletries, and cosmetics. Prescription drugs draw customers to the store, and a common strategy sees drugstores placing pharmacies toward the rear of the store in order to drag traffic through. Front-store merchandise typically yields higher profit margins than prescription drugs; sales of such merchandise accounts for 40% to 65% of total sales (and an even larger percentage of profits). Because front-store merchandise is not the industry's primary business attractor, however, drugstores tend to focus on the number of new prescriptions they fill as a gauge of overall success. Among retail pharmacy customers, 58% buy their prescriptions at chain drugstores.

According to Standard & Poor's, drugstore chains have been the beneficiaries of major changes in the U.S. healthcare sector, such as increasing pharmaceutical access because of managed care, the acceptance of new drug therapies as a



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cost-effective alternative to surgery, and promising new drugs coming to market. These factors, as well as the aging population and rising life expectancy, have fueled industry growth. These growth trends are expected to continue.

SOURCES:

CBRE Appraisal Dated December 18, 2009 (MI)
CBRE Appraisal Dated November 10, 2009 (TX)
CBRE Appraisal Dated December 17, 2009 (MS)
CVS annual report, 10K and 10Q filings
CVSCaremark.com

OFFERING HIGHLIGHTS

NAME: Pharmacy Portfolio DST

MINIMUM INVESTMENT:

Minimum purchase for 1031 investors: \$ 100,000

Minimum purchase for cash investors: \$ 25,000

OFFERING PRICE: \$12,715,000

DEAL STRUCTURE HIGHLIGHTS:

- DST investors own three CVS Pharmacy locations with lease terms as follows:
 - 25 year lease terms
 - Absolute net leases
 - Monthly rental income guaranteed by CVS Caremark Corporation (S&P BBB+)
- No mortgage encumbering the properties
- No monthly debt service
- No refinance risk

NO LEVERAGE – ADDED SAFETY THROUGH ALL CASH OWNERSHIP:

An investment in the Pharmacy Portfolio DST will consist of 100% equity ownership without a first mortgage encumbering the properties. This conservative approach provides investors with an opportunity to enjoy a steady income stream tied to the investment grade credit of CVS Caremark Corporation, with the long term investment objective of waiting through a market cycle and selling the assets during more favorable market conditions.



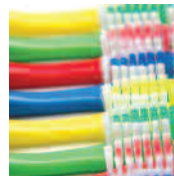
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This conservative deal structure helps investors to withstand short term market volatility with little or no implication on their cash flow. With a long term investment objective in mind, investors will be well positioned to navigate through a market cycle, while being “paid to wait” with tax advantaged income generated from the properties’ operations.

PROPERTIES – DESCRIPTION:

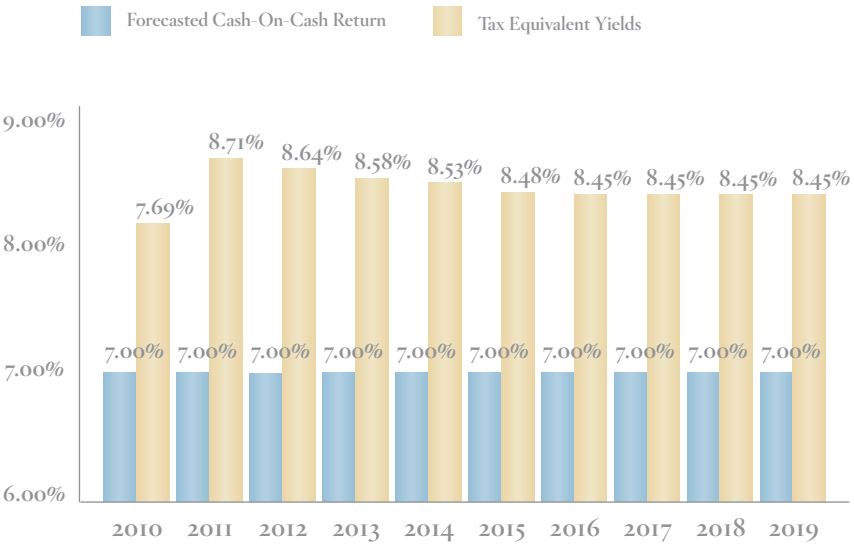
The “**South Lyon Property**,” located at 57090 10 Mile Road, South Lyon, Oakland County, Michigan, is a 1.70-acre (74,088 square foot) parcel of land upon which is located a one-story, freestanding retail building with dual-lane drive-thru containing approximately 12,900 square feet of gross rentable area. The Building was constructed in 2008. There are 70 total open-air surface parking spaces on the Property (including three handicapped spaces).

The “**Walls Property**,” located at 6040 Goodman Road, Walls, DeSoto County, Mississippi, is a 1.46-acre (63,450 square foot) parcel of land upon which is located a one-story, freestanding retail building with dual-lane drive-thru containing approximately 11,945 square feet of gross rentable area. The Building was constructed in 2008. There are 66 total open-air surface parking spaces on the Property (including three handicapped spaces).



The “West Columbia Property,” located at 701 South 17th Street, Brazoria County, Texas, is a 1.856-acre (80,836 square foot) parcel of land upon which is located a one-story, freestanding retail building with dual-lane drive-thru containing approximately 11,945 square feet of gross rentable area. The Building was constructed in 2008. There are 74 total open-air surface parking spaces on the Property (including four handicapped spaces).

FORECASTED CASH-ON-CASH RETURN ⁽¹⁾ (PAID MONTHLY)



(1) These forecasts are estimates which are based on certain assumptions and may vary. Please consult the Private Placement Memorandum for factors that may cause the actual results to differ.



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Inland 1031 Exchange Program

This material must be preceded or accompanied by a Private Placement Memorandum, which fully discloses the potential benefits and risks of the investment. There can be no assurance the investment objectives will be achieved. This investment is subject to risks including those real estate risks associated with the operation and leasing of retail properties. There is no guarantee investors will receive distributions or the return of their capital. Consult the Private Placement Memorandum for a discussion of risks.

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

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