



# AEI Net Lease Portfolio III DST



*Quality People. Quality Performance. Since 1970.*

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*Several photos throughout this brochure are of properties similar in appearance to the properties in the portfolio. Property photos are available in the Property Condition Report and Appraisal included with the Private Placement Memorandum.*

*This brochure is meant to be read in conjunction with the Private Placement Memorandum ("Memorandum"). A potential purchaser should review the Memorandum, Exhibits and all additional documents in their entirety before making a decision to purchase.*

# About The Sponsor

**AEI is one of America's most experienced sponsors of commercial property investment programs** for both investment and 1031 exchange purposes. Over the past 40 years, AEI has sponsored 127 net leased property programs representing the investment capital from more than 20,000 investors nationwide. Nearly all of AEI's net lease property programs have been structured without debt to provide investors with a lower risk investment opportunity. AEI programs are managed by a professional team of real estate, investment, financial, and legal experts. AEI is, generally, considered the first securities firm in America to offer a securitized 1031 exchange option in 1992 and the first to receive a favorable private letter ruling from the IRS in 2002.

## Investment Strategy

- **Debt-free:** With no mortgage debt, properties are not subject to the risks of debt servicing, refinancing, or foreclosure.
- **Long Term Net leases:** Tenants pay for most or all expenses, such as: taxes, insurance and maintenance, which helps to create income stability for the property owners.
- **Creditworthy tenants:** Leases are a company-wide obligation of the corporate tenants.
- **Rental increases:** When present in a lease, rental escalators can serve to increase income over time.
- **Location:** Major corporate tenants typically occupy quality commercial locations.
- **Diversification:** Owning properties in multiple industries and markets helps to create a diversified portfolio.

*Potential purchasers should be aware that no investment strategy can guarantee a profit or protect against loss.*



# Investment Overview

AEI Net Lease Portfolio III DST is a portfolio of five single tenant, net leased retail properties owned through a Delaware Statutory Trust (DST) and suitable for 1031 exchange or direct investment. This offering is for accredited investors only who are seeking stable, long-term income and tax deferral through a high-quality, fractional real estate investment.

- **Total offering:** \$13,354,000
- **Debt:** None – Debt Free
- **Initial distribution rate:** 5.20%
- **Weighted average remaining lease term:** 12.91 years\*
- **Anticipated exit strategy:** Liquidate 10 years after completion of offering period
- **Minimum investment:**
  - \$100,000 for a 1031 exchange
  - \$50,000 for a cash investment

\*As of July 2015

## Distribution Schedule

Year	Net Anticipated Distribution	Annual Distribution Rate*
2015**	\$347,216	5.20%
2016	\$694,431	5.20%
2017	\$693,404	5.19%
2018	\$712,018	5.33%
2019	\$727,370	5.45%
2020	\$726,279	5.44%
2021	\$740,303	5.54%
2022	\$739,167	5.54%
2023	\$759,633	5.69%
2024	\$776,514	5.81%
2025***	\$387,652	5.81%

\*Based on initial offering price.

\*\*For partial year 7/1/2015 – 12/31/2015.

\*\*\*For partial year 1/1/2025 – 6/30/2025.

Potential purchaser should review the Projections of Operations for the Project and Return to Holders, included as Exhibit "D" in the Memorandum, prior to making any purchase decisions. There is no guarantee that cash flow, return of principal, or profits will be generated by the Project. The ability of each property to produce distributions of rental income is dependent on the tenant's ability to pay rent and meet its other obligations under its respective lease.

# Portfolio Assets

The properties in this portfolio are located in five diversified markets across the United States. Each property is leased to an industry-leading corporate tenant under a long-term, full faith and credit net lease. The tenants operate in diverse industries including medical, farm and ranch retail, and auto parts and supplies.



Operator	Location	Corporate Revenue*	Lease Expiration	Gross Rent (As of 1/2015)
Advance Auto Parts	Brookville, OH	\$9.84 Billion	8/31/2029	\$102,100
Advance Auto Parts	Findlay, OH	\$9.84 Billion	10/31/2029	\$103,097
Fresenius Medical Care	Pine Bluff, AR	\$10.37 Billion	7/31/2028	\$176,688
Tractor Supply Company	West Memphis, AR	\$5.7 Billion	4/30/2033	\$186,000
Tractor Supply Company	Columbus, OH	\$5.7 Billion	5/31/2026	\$185,616

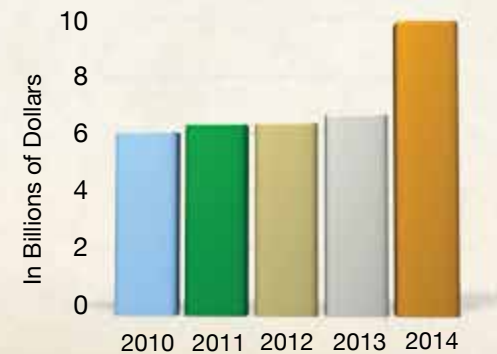
\*Based on the most recent audited annual report.

# Advance Auto Parts

## About the Tenant

Advance Auto Parts, Inc., (NYSE: AAP) was founded in 1929 and is one of the largest U.S. specialty retailers of automotive parts, accessories and maintenance items. Advance Auto Parts, Inc., operates 5,261 stores and 111 distribution branches under the Advance Auto Parts and Advance Discount Auto Parts names in 49 states. It also operates stores under the Western Auto and Advance Auto Parts names in Puerto Rico and the Virgin Islands. In addition, Advance Auto Parts, Inc., operates stores under the Autopart International trade name. The January 2014 purchase of General Parts International added 1,248 Carquest stores and 105 Worldpac branches in 45 states and Canada. Advance Auto Parts, Inc., is a holding company which conducts all of its business operations through the tenant, Advance Stores Company, Inc., and its subsidiaries.

## AAP Revenue Growth



Source: S&P Capital IQ Stock Report 5/9/2015.  
Please refer to the tenant details in the PPM for a full description of the tenant.

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The  
**Largest  
Auto Parts  
Retailer**  
in U.S. and Canada

**Location:** 610 Arlington Rd., Brookville, OH

Brookville, Ohio, is located 15 miles northwest of downtown Dayton, Ohio, and is included in the Dayton Metropolitan Statistical Area. With a central location, low cost of living and thriving high-tech industries, the Dayton region offers globally competitive industry strengths in aerospace research and development, human sciences and healthcare, information technology, advanced materials and advanced manufacturing. The area is also home to the largest single-site employer in Ohio: Wright-Patterson Air Force Base.

This property is located one-half mile from Interstate 70 within the city limits of Brookville. Nearby commercial users include a 600,000 square-foot Payless Shoes distribution center, Holiday Inn Express, McDonald's, Rite Aid, Boose Chevrolet and numerous other restaurants and retailers.

Source: Hottle Appraisal



**Location:** 420 West Trenton Ave., Findlay, OH

Findlay, Ohio, is the county seat of Hancock County and is located 45 miles south of downtown Toledo. Seventeen Fortune 500 companies have significant operations located in the Findlay/Hancock County region, including two that are headquartered in the area: Marathon Petroleum Company LLC and Cooper Tire and Rubber Company.

This property is located off of West Trenton Avenue in central Findlay, just east of Interstate 75. Other commercial users in the area include Walmart, Holiday Inn Express, McDonald's, Hampton Inn, Taco Bell, Hilton Inn and numerous other restaurants and retailers. The University of Findlay, named "Best Midwestern College" by the Princeton Review, is located directly to the southeast of the property.

Source: Hottle Appraisal



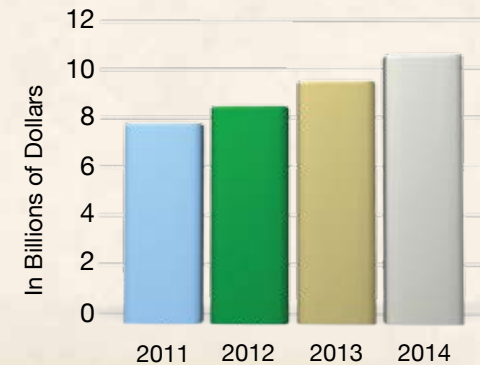
# Fresenius Medical Care

## About the Tenant

Fresenius Medical Care Ag & Co KGAA (NYSE: FMS) is the world's largest integrated provider of products and services for individuals undergoing dialysis treatment due to chronic kidney failure, a condition that affects more than 2.6 million individuals worldwide. With more than 3,360 kidney dialysis clinics in approximately 45 countries, Fresenius provides treatment to nearly 300,000 patients. FMS is also the world's pre-eminent provider of dialysis products such as hemodialysis machines, dialyzers and related disposable products.

Fresenius Medical Care Holdings, Inc. (FMCH), which guarantees the lease, is a wholly owned subsidiary of Fresenius Medical Care. FMCH employs approximately 60,000 people. As of December 2014, FMCH had total revenues of \$10.37 Billion and total net worth of \$7.67 Billion.

## FMCH Revenue Growth



Source: [www.freseniusmedicalcare.com](http://www.freseniusmedicalcare.com).

Please refer to the tenant details in the PPM for a full description of the tenant and its related entities.

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**World's  
Largest**  
Dialysis Provider

**Location:** 2910 Market St., Pine Bluff, AR

Pine Bluff Arkansas is located 40 miles south of Little Rock and is the county seat of Jefferson County. Pine Bluff, the second oldest settlement on the Arkansas River, has a population of approximately 49,000. Today, Pine Bluff is the trade, entertainment, recreation and health-care center for Southeast Arkansas.

The property is located on the east side of Pine Bluff at the southeast corner of Market Street and Commerce Road north of Interstate 530. The property is an outparcel to The Pines Mall, which is anchored by Dillard's, JC Penney, Sears, and Carmike Theatres. Other commercial users in the area include Lowe's, Holiday Inn Express, Trotter Toyota, Staples and numerous restaurants and retailers.

*Source: Hottle Appraisal*

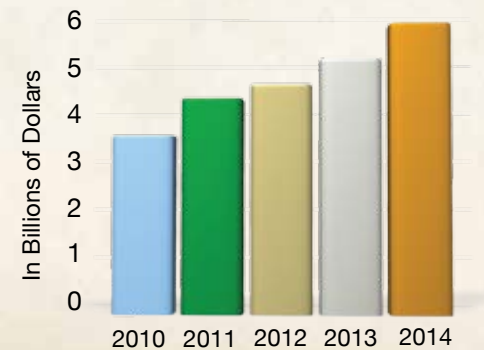


# Tractor Supply Company

## About the Tenant

Tractor Supply Company (NASDAQ: TSCO) is the largest operator of retail farm and ranch stores in the United States. The company is focused on meeting the lifestyle and maintenance needs of property owners who enjoy a rural lifestyle, as well as tradesmen and small businesses. The company was founded in 1938, operates more than 1,400 stores in 49 states, and employs more than 21,000 team members. Total revenues have grown by 10% annually over the last five years. As of December 2014, Tractor Supply Company had revenues of \$5.7 Billion, net income of \$371 Million and shareholders equity of \$1.3 Billion. The company operates with little to no debt.

## TSCO Revenue Growth



Source: [www.tractorsupply.com](http://www.tractorsupply.com).

Please refer to the tenant details in the PPM for a full description of the tenant and its related entities.

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WEST MEMPHIS, AR

WEST MEMPHIS, AR

COLUMBUS, OH

REPRESENTATIVE PHOTO



**Largest Operator**  
*of Retail Farm and Ranch Stores in the U.S.*

**Location:** 2100 West Service Rd., West Memphis, AR

West Memphis, Arkansas, is located just west of Memphis, Tennessee. Memphis is the third largest city in the southeastern United States and known as America's distribution hub. FedEx is headquartered in Memphis and uses the Memphis International Airport as its global super hub facility making the airport the busiest cargo airport in the United States.

The property is located eight miles west of downtown Memphis on the service road just south of Interstate 40. It is directly north of the Tilden Rogers Park and Sports Complex. Other commercial users in the area include Walmart, Walgreens, Kroger, McDonald's and numerous other retailers.

*Source: Hottle Appraisal*



**Location:** 5525 West Broad St., Columbus, OH

Columbus, Ohio, is the largest city in the state of Ohio and the third largest Metropolitan Statistical Area in the state. Home to Ohio State University, one of the largest in the country, it is known for its large, well-educated workforce. Fifteen of the Fortune 1000 companies are headquartered in Columbus.

The property is located eight miles west of downtown Columbus on West Broad Street just west of Interstate 270. Other commercial users in the area include Kroger, Auto Zone, Taco Bell, Aldi and numerous other restaurants and retailers. Directly south of the property are Westland High School and Darby Woods Elementary School.

*Source: Hottle Appraisal*



# Risks

An investment in an Interest is speculative and involves substantial risk. It is suitable only for purchasers who have adequate financial means, desire a relatively long-term investment, will not need immediate liquidity from their investment and could afford to lose their entire investment. Purchasers must read and carefully consider the discussion set forth in the section of the Private Placement Memorandum captioned "Risk Factors." The risks involved with an investment in the Interests include, but are not limited to:

- Risks associated with investment in real estate
- Environmental risks of owning real estate
- Lack of liquidity
- Competition
- The inflexibility of the Delaware Statutory Trust as a vehicle to own real estate
- The potential need to transfer the Trust Estate (as defined the Trust Agreement, attached to the Memorandum) to a Springing LLC (as defined in the Memorandum)
- A Manager that has minimal experience managing statutory trusts
- Conflicts of interest associated with the Manager, the Contributing Owners and the Depositor being affiliates

- Each property being 100% leased to a single tenant
- Lack of diversification of investment
- Reliance on the Delaware Trustee and the Manager to operate and manage the Project and the Trust
- Limited reserves held by the Trust
- Tax risks including section 1031, federal, state and local taxes

The Contributing Owners are each real estate funds or related entities that are managed by Affiliates of the Manager. As a result, the terms of the contribution of the Projects to the Trust, including the contribution values, have not been determined by arm's-length negotiations.

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