



REPRESENTATIVE PHOTOS

# AEI Net Lease Portfolio II DST



*Quality People. Quality Performance. Since 1970.*



## *Disclosure*

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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 cash investment and 1031 exchanges. Over the past 40 years, AEI has sponsored 126 net leased real estate programs representing the investment capital from more than 20,000 investors nationwide. 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

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



# Investment Overview

AEI Net Lease Portfolio II DST is a portfolio of four single tenant retail properties structured as a Delaware Statutory Trust (DST) for 1031 exchange or direct ownership by cash investors. This offering is restricted to accredited investors seeking stable, long-term income and tax deferral through a high-quality, fractional real estate investment.

- **Total offering:** \$20,070,000
- **Debt:** None – Debt Free
- **Initial distribution rate:** 5.25%\*
- **Weighted average remaining lease term:** 11.57 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 January 2015

\*\*As of January 2015, based on scheduled rental income over remaining lease terms

## Distribution Schedule

Year	Net Anticipated Distribution	Annual Distribution Rate*
2015	\$1,053,657	5.25%
2016	\$1,058,999	5.28%
2017	\$1,124,757	5.60%
2018	\$1,130,559	5.63%
2019	\$1,129,032	5.63%
2020	\$1,127,475	5.62%
2021	\$1,138,890	5.67%
2022	\$1,210,538	6.03%

\*Based on initial offering price.

Potential investors 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 four distinct 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, retail, and casual dining.



Operator	Location	Tenant /Guarantor Revenue*	Lease Expiration	Gross Rent (As of 1/2015)	Rent Increases
Applebee's	New Castle, IN	\$1.1 Billion	9/30/2026	\$218,655	7.5% every 5 years
BioLife Plasma Services	Green Bay, WI	\$15.3 Billion	6/30/2025	\$365,526	3% every 4 years
Jared - The Galleria Of Jewelry	Charlotte, NC	\$3.7 Billion	1/31/2027	\$321,448	10% every 5 years
Tractor Supply Co.	Starkville, MS	\$5.1 Billion	1/31/2027	\$218,004	10% every 5 years

\*Based on the most recent audited annual report.

# Applebee's

109 South Memorial Drive, New Castle, IN

## About the Tenant

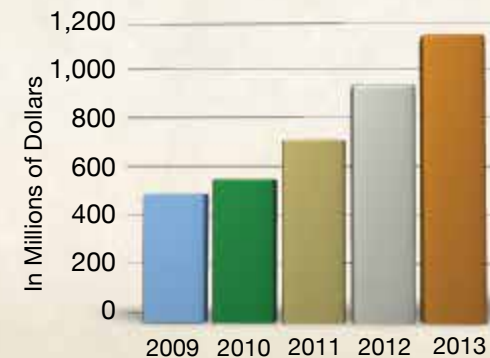
Apple American Group Holdings II, LLC (AAG), is the lease guarantor and conducts business as Applebee's. Applebee's is the largest casual dining concept in the world.

AAG is the largest franchise in the Applebee's restaurant system and one of the two largest franchises in the United States. The company was founded in 1998 and currently operates 470 Applebee's restaurants in 23 states. It is the fastest growing operator in the Applebee's system, having built or acquired more than 200 restaurants in the last three years alone. Revenue has grown by 18% annually over the last five years.

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

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

## Sales Growth



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*The  
World's  
Largest  
Casual Dining Concept*

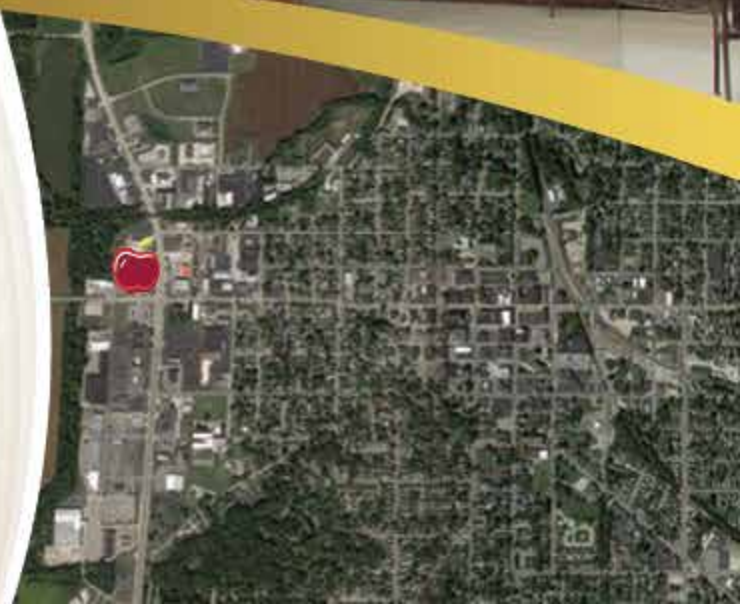
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## Location

New Castle, Indiana, is the largest city in Henry County, IN. The area is home to several international companies and offers employment opportunities in industries including: healthcare, education, corrections, manufacturing, professional services, and retail. The city's proximity to the Indianapolis metropolitan area has contributed to the availability and growth of the area's workforce.

Located southwest of the junction of Highways 3 and 38, this property is situated in the largest retail development in New Castle. Applebee's has successfully operated at this site for more than 18 years with 21.7% of all the residents in a one-mile radius visiting an Applebee's in the past six months.

*Source: Hottle Appraisal, ESRI Restaurant Market Report*





# BioLife

900 Isbell Street, Green Bay, WI

## About the Tenant

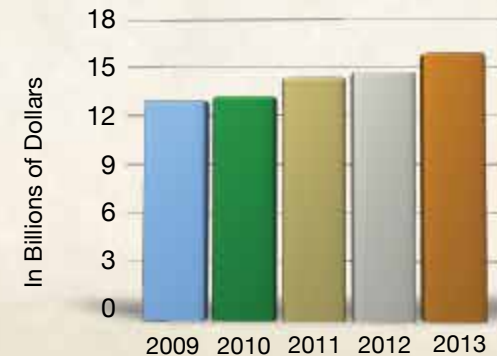
BioLife Plasma Services is an industry leader in the collection of high-quality plasma that is processed into life-saving therapies. The company operates numerous state-of-the-art plasma collection facilities throughout the United States and Austria.

Baxter International Inc. (NYSE: BAX, S&P A-) is the parent company of BioLife Plasma Services and is the lease guarantor. Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology creating products that advance patient care worldwide. Baxter's global net sales totaled \$15.3 Billion in 2013, an increase of 8% over 2012.

*Source: 2013 BAX Annual Report.*

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

## Sales Growth



03





Leading  
**Global  
Healthcare**  
Corporation



## Location

Green Bay, Wisconsin, is a metropolitan area with more than 260,000 residents. The region hosts large concentrations of major industries including: manufacturing, defense, medical, education, finance and insurance. The Port of Green Bay gives Green Bay a distinct advantage when competing to attract businesses that import or export raw materials to national and international markets.

This property is located on the western edge of a retail development approximately two miles northeast of downtown Green Bay. It has close proximity to a technical college and high school and lies across the street from a Sam's Club and a Walmart store.

Source: Hottle Appraisal





# Jared-The Galleria Of Jewelry

10331 Perimeter Parkway, Charlotte, NC

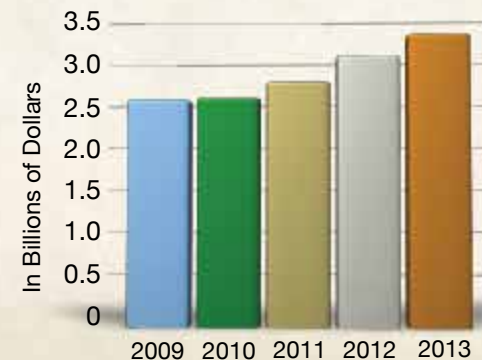
## About the Tenant

Sterling Jewelers, Inc. (Sterling), was founded in 1993 and currently operates more than 1,400 stores in all 50 states under the name Jared, Kay Jewelers, and a number of regional concepts. Together with its parent company, Signet Jewelers (NYSE: SIG), Sterling is part of the largest specialty retail jeweler in the U.S. and the U.K.

Sterling is the lease guarantor and conducts business as Jared - The Galleria Of Jewelry (Jared). Jared is a leading U.S. specialty jewelry retailer operating in freestanding locations.

*Source: 2013 Signet Annual Report, [www.sterlingjewelers.com](http://www.sterlingjewelers.com).  
Please refer to the tenant details in the PPM for a full description of the tenant and its related entities.*

## Sales Growth



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Part of the  
**Largest Specialty  
Retail Jeweler**  
in the U.S. & U.K.

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## Location

Charlotte, North Carolina, is the nation's second largest banking center and is a major national trucking and transportation hub. Professional services, mining production, manufacturing, healthcare and the energy industry are key components of the Charlotte business community.

This property is located approximately 7.5 miles north of downtown Charlotte and is an outparcel situated within the Northlake Mall Shopping Center. Northlake Mall is an upscale shopping mall built in 2005 containing over 150 nationally recognized stores and restaurants.

Source: Hottle Appraisal





# Tractor Supply Company

1301 Greta Lane, Starkville, MS

## About the Tenant

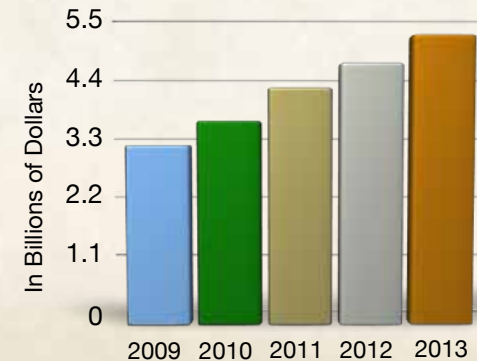
Tractor Supply Company (NASDAQ: TSCO) is the tenant and the largest operator of retail farm and ranch stores in the United States.

Tractor Supply Company is focused on meeting the lifestyle and maintenance needs of property owners who enjoy the rural lifestyle, as well as tradesmen and small businesses. The company was founded in 1938 and operates 1,276 stores in 48 states. It is a growing company with a long term goal of 2,100 stores nationwide. Total revenues have grown by 10% annually over the last five years. The company operates with little to no debt.

Source: 2013 TSCO Annual Report

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

## Sales Growth



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**Largest  
Operator**

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



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## Location

Starkville, Mississippi, is an anchor of the Golden Triangle region of northeast Mississippi which consists of Starkville, Columbus, and West Point. In addition to a sound industrial base of approximately twenty-five industries, Starkville is home to Mississippi State University, the largest of the state's public universities.

This property is located on the western edge of a retail development south of the junction of Highways 12 and 25 and to the northwest of a regional airport. It lies directly across the street from a Walmart store in a development comprised mainly of retail and casual dining.

*Source: Hottle Appraisal*



# Risks

An investment in an Interest is speculative and involves substantial risk. It is suitable only for investors who have adequate financial means, desire a relatively long-term investment, who will not need immediate liquidity from their investment and could afford to lose their entire investment. Investors 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 Interests include, but are not limited to:

- Risks associated with investments 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)
- The Manager has minimal experience managing statutory trusts
- The 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 that are managed by Affiliates of the Manager. As a result, the terms of the contribution of the Project to the Trust, including the contribution value, have not been determined by arm's-length negotiations.

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