



Private Placement Memorandum

For the exclusive use of: _____

Memorandum ID #: _____

The Date of this Private Placement Memorandum is
March 8, 2013

Confidential

National Net Lease Portfolio III DST



National Net Lease Portfolio III DST

National Net Lease Portfolio III DST (the “Trust”), a Delaware statutory trust, is hereby offering to sell to certain qualified, accredited investors (see “*The Offering – Investor Suitability Requirements*”) 100% of the beneficial interests in the Trust, which will acquire the real estate and improvements thereon, as further described in the chart below.

Property Highlights & Tenants

Each Property contains a one-story, freestanding, single-tenant retail building. The Properties are each 100% leased and occupied by their respective tenants. The parent company of each tenant has an investment grade credit

rating with Standard & Poor’s or Moody’s Rating Services. Further, each operating subsidiary that serves as the tenant under its respective lease has an investment grade credit rating with Standard & Poor’s or Moody’s Rating Services, with the exception of the tenant of the Perry Hall Property,

Property, Building & Address	Tenant’s Parent Corp. and its Credit Rating ⁽¹⁾	Tenant and Credit Rating (if applicable)	Building	Year Built	Lease Terms	Renewals
Papillion Property 1220 North Washington Street, Papillion, Sarpy County, NE 68046	Advance Auto Parts, Inc. S&P Rating: BBB-Moody’s Rating: Baa3	Advance Stores Company, Incorporated S&P Rating: BBB-	6,785 Sq Ft	2007	5/15/2007-11/30/2022	3 five-year options
Pearl Property 3107 U.S. Highway 80, Pearl, Rankin County, MS 39208	Advance Auto Parts, Inc. S&P Rating: BBB-Moody’s Rating: Baa3	Advance Stores Company, Incorporated S&P Rating: BBB-	6,882 Sq Ft	2007	9/1/2006-1/31/2022	3 five-year options
Oxon Hill Property 6011 Oxon Hill Road, Oxon Hill, Prince George’s County, MD 20745	Bank of America Corporation S&P Rating: A-Moody’s Rating: Baa2	Bank of America, N.A. S&P Rating: A-Moody’s Rating: A2	3,271 Sq Ft	1987	3/12/1987-9/30/2022	1 five-year option
Perry Hall Property 9653A Belair Road, Perry Hall, Baltimore County, MD 21128	Bridgestone Corporation Moody’s rating: A3	Bridgestone Retail Operations, LLC ⁽²⁾	8,568 Sq Ft	2011	12/30/2011-12/31/2026	5 five-year options

⁽¹⁾ This column lists the parent corporations for the tenants of the Properties, and is included for informational purposes only. These parent corporations do not guarantee the obligations of the tenants under their respective leases. Prospective Investors should not equate the financial condition of the parent corporations with the ability of the respective tenants to perform their obligations under their leases.

⁽²⁾ Bridgestone Retail Operations, LLC is a subsidiary of Bridgestone Americas, Inc., the United States subsidiary of Bridgestone Corporation, a Japanese corporation. Bridgestone Retail Operations, LLC does not have a credit rating.

The Tenants

Advance Stores Company, Incorporated

The Tenant under the Papillion Lease and the Pearl Lease is Advance Stores Company, Incorporated (“Advance Auto”), a wholly owned subsidiary of Advance Auto Parts, Inc., (“Advance Auto Parts”). Advance Auto Parts is a specialty retailer of automotive aftermarket parts primarily operating within the United States. As of October 6, 2012, Advance Auto Parts operated 3,727 stores offering a broad selection of brand name and private label automotive replacement parts, accessories, batteries and maintenance items for domestic and imported cars and light trucks. In addition, as of October 6, 2012, Advance Auto Parts operated 210 stores under the “Auto International” trade name primarily throughout the Northeastern and Mid-Atlantic regions of the United States and Florida. As of the date of this Offering, Advance Auto has a Standard & Poor’s credit rating of BBB-.



Bank of America, N.A.

The Tenant under the Oxon Hill Lease is Bank of America, N.A., a national banking association (“Bank of America”), and a wholly owned subsidiary of Bank of America Corporation (“Bank of America Corp.”). Bank of America Corp. provides a diversified range of banking and nonbanking financial services and products. As of September 30, 2012, Bank of America Corp. operated in all 50 states, the District of Columbia and more than 40 foreign countries.

As of the date of the Private Placement Memorandum, Bank of America had a credit rating of A as updated November 29, 2011 by Standard & Poor’s and A2 as updated February 15, 2012 by Moody’s.

Bridgestone Retail Operations, LLC

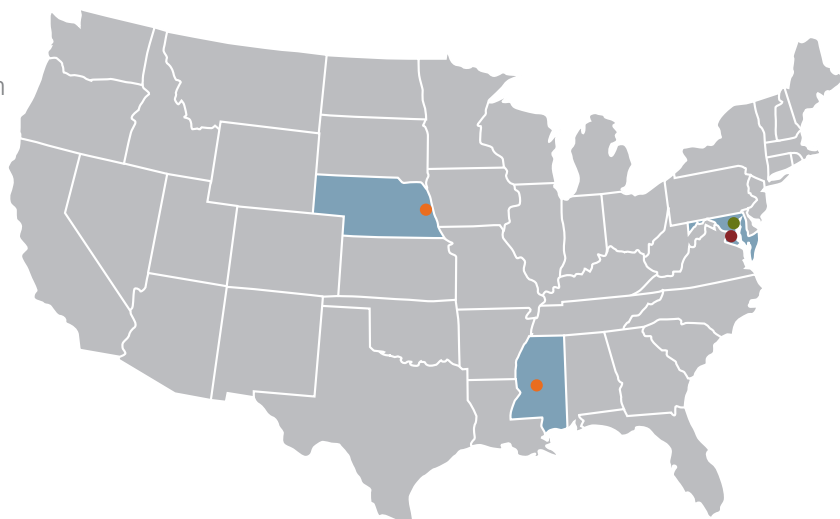
The Tenant under the Perry Hall Lease is Bridgestone Retail Operations, LLC, a subsidiary of Bridgestone Americas, Inc., the United States' subsidiary of Bridgestone Corporation, a Japanese corporation ("Bridgestone Corp."). Bridgestone owns and operates more than 2,140 service centers in 45 states under the Firestone Auto Care, Expert Tire, Tires Plus, and Wheel Works banners. Founded in 1931 as Bridgestone Tire Co., Ltd., Bridgestone Corp. was renamed to Bridgestone Corporation in 1984. In 1988, Bridgestone Corp. acquired The Firestone Tire & Rubber Company.

Bridgestone stores offer automotive repair services, and tire sales. Bridgestone Corp. is involved in the manufacturing and selling tires and tubes for passenger automobiles, trucks, buses, construction and mine vehicles and aircrafts.



The Locations

The following market information is excerpted from Self-Contained Appraisal Reports performed by CBRE, Inc. with respect to the Properties, copies of which are included on the enclosed CD. See “*Market Analysis and Overview.*”



- Papillion and Pearl Properties
 - Papillion, NE
 - Pearl, MS
- Oxon Hill Property
 - Oxon Hill, MD
- Perry Hall Property
 - Perry Hall, MD

Property	Location	Population within 5 miles	Average Household Income within 5 miles
Papillion Property	13 miles SW of Omaha CBD	163,974	\$66,029
Pearl Property	5 miles SE of Jackson CBD	53,708	\$57,065
Oxon Hill Property	2 miles SE of Washington DC CBD	291,411	\$77,148
Perry Hall Property	10 miles NE of Baltimore CBD	120,837	\$78,076

CBD = Central Business District

The Offering

The Offering is designed for accredited investors seeking to participate in a tax-deferred exchange as well as accredited investors seeking a quality multiple owner real estate investment. See “*Summary of the Offering - Investor Suitability*” and “*The Offering.*”


Beneficial Interests:	\$12,283,677
Minimum Purchase (1031):	\$100,000
Minimum Purchase (cash):	\$25,000
Current Cash Flow:	5.50%

Business Strategy

National Net Lease Portfolio III DST is a portfolio which is offered to Investors on an all-cash (no debt) basis. An all-cash investment will not be subject to risks associated with refinancing the Properties. Those risks may include prepayment penalties, availability of financing and interest-rate risk.

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 from their investment and can afford to lose their entire investment. The risks involved with an investment in interests include, but are not limited to:

- Investors have limited control over the Trust.
 - The trustees of the Trust have limited duties to Investors, and limited authority.
 - There are inherent risks with real estate investments.
 - The Trust will depend on the tenants for revenue, and any defaults by the tenants will adversely affect the Trust's operations.
 - The Trust may suffer adverse consequences due to financial difficulties, bankruptcy or insolvency of the tenants.
 - Bridgestone has a right of first refusal option to purchase the Perry Hall Property, which could make that property less attractive to a potential future purchaser.
 - If the depositors are unable to repay the Bridge Loans (as defined in the Private Placement Memorandum), the Bridge Lender (also as defined in the Private Placement Memorandum) may foreclose on the Properties.
 - The Bridge Loans contain various restrictive covenants, and if the depositors or the Signatory Trustee of the Trust fails to satisfy or violates these covenants, the Bridge Lender may declare the Bridge Loans in default.
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- 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 of their investment for years, if at all. The Trust is not providing the 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.

Investors must read and carefully consider the discussion set forth in the section of the Private Placement Memorandum caption "Risk Factors."

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 Section 1031 for his, her or its specific circumstances.

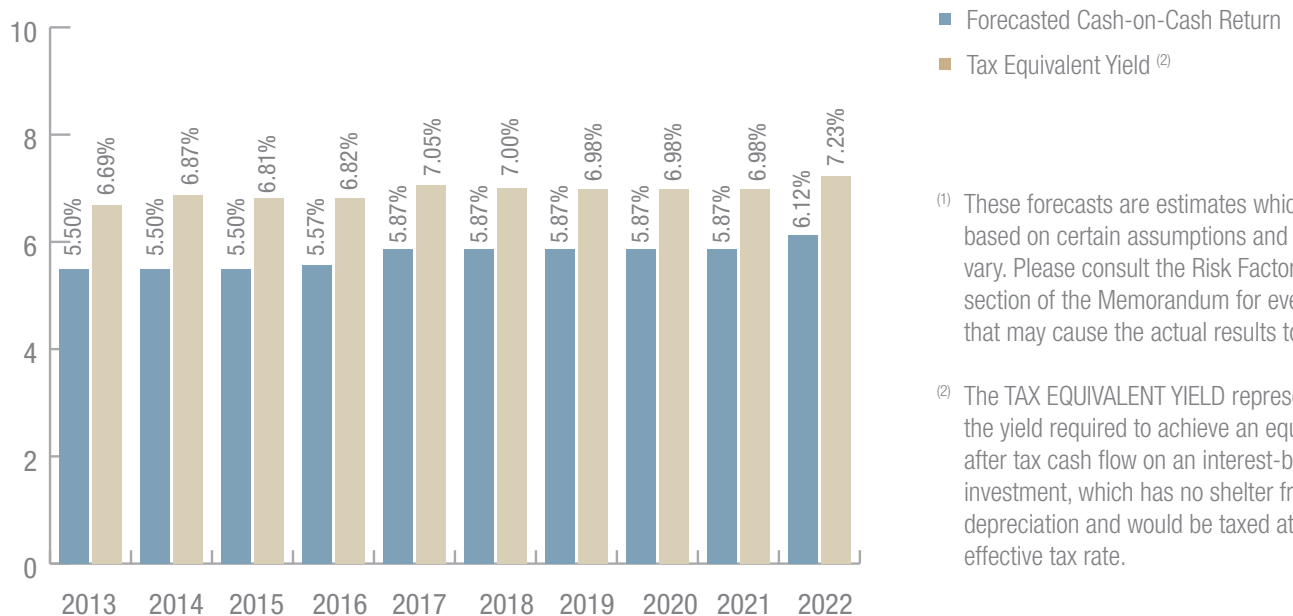
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Forecasted Cash-on-Cash Returns ⁽¹⁾ (Paid Monthly)



⁽¹⁾ 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.

⁽²⁾ The 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.

