



AIC Ventures

October 9, 2024

## Private Offering Memorandum



NL Ventures XIV, L.P.

Net Lease Private REIT XIV, Inc.

Net Lease Private QP REIT XIV, Inc.

Targeted offering of \$90,000,000

### AIC VENTURES

Austin  
2600 Via Fortuna  
Suite 260  
Austin, TX 78746

Chicago  
707 Lake Cook Road  
Suite 240  
Chicago, IL 60015

(512) 476-5009  
[www.AICVentures.com](http://www.AICVentures.com)

This Memorandum is being furnished on a confidential basis to qualified prospective investors in connection with the private offering by AIC Net Lease Management XIV, L.P., a Delaware limited partnership (the "General Partner"), of limited partner interests (the "Limited Partner Interests") in NL Ventures XIV, L.P., a Delaware limited partnership ("Partnership") and Class B Preferred shares (the "REIT Shares") in Net Lease Private REIT XIV, Inc. (the "Non-QP REIT") and Net Lease Private QP REIT XIV, Inc. (the "QP REIT"), both Delaware corporations. The Non-QP REIT and the QP REIT are referred to interchangeably as the "REIT" and collectively as the "REITs". The REIT Shares in the QP REIT are referred to as the "QP REIT Shares". The Limited Partner Interests and the REIT Shares are collectively referred to as the "Securities" and the Partnership, Non-QP REIT and QP REIT for NL Ventures XIV are collectively referred to as "Fund XIV". Purchasers of the Securities are collectively referred to as the "Investors."

By accepting delivery of this Memorandum each recipient covenants (i) not to disclose or distribute this Memorandum nor any of the documents relating to Fund XIV, (ii) to keep confidential all information contained herein and in such other related documents, and (iii) to use this Memorandum and such other related documents for the sole purpose of evaluating a possible investment in the Securities.

The Securities are subject to restrictions on transferability and resale and may not be sold, transferred, assigned or hypothecated, in whole or in part, except as permitted under the Partnership's limited partnership agreement (the "Partnership Agreement") or the Certificate of Incorporation or Bylaws of the REITs, as applicable (collectively, the "Organizational Documents"), and applicable state or federal securities law. An investment in Fund XIV is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in Fund XIV for an indefinite period. There will be no public market for the Securities, and there is no obligation on the part of any person to register the Securities under any securities law. If the descriptions or terms described herein are inconsistent or conflict with the descriptions in or terms of the Organizational Documents, the Organizational Documents will control. Copies of the Organizational Documents are available to any qualified prospective investor upon request, prior to making any investment decision.

The Securities are offered subject to the right of Fund XIV or its affiliates to reject any subscription in whole or in part. An investment in Fund XIV will involve significant risks and potential investors should pay particular attention to the information in the section of this Memorandum titled "Investment Risks."

Prospective investors should not construe the contents of this Memorandum as legal, tax, investment, or other advice. Each prospective investor should make his/her own inquiries and consult his/her own attorneys, business advisors and tax advisors as to Fund XIV and this offering and as to the legal, business, tax and related matters concerning an investment in the Securities and this offering. In making an investment decision, investors must rely on their own investigation of Fund XIV and the terms of this offering, including the merits and risks involved in purchasing Securities.

Each purchaser of the Securities must be an "Accredited Investor" as such term is defined in Regulation D promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act"). The QP REIT will only accept investors who are also "Qualified Purchasers" (as defined under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and as set forth in Fund XIV's subscription documents) or "Knowledgeable Employees" (as defined under Rule 3c-5 under the Investment Company Act).

In considering the prior performance information contained herein, prospective investors should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that Fund XIV will achieve comparable results or that the objectives of Fund XIV will be realized.

Except where otherwise indicated, the information contained in this Memorandum has been compiled as of the date of this Memorandum, and neither Fund XIV nor its General Partner (nor any of their respective officers, employees, partners, members, stockholders, agents or affiliates) has any obligation to update this Memorandum. The delivery of this Memorandum should not be deemed to create any implication that there has been no change regarding Fund XIV or the information contained in this Memorandum since the date hereof. This Memorandum does not constitute an offer to sell or a solicitation (i) to any person or entity to which it is unlawful to make such offer or solicitation or (ii) in any jurisdiction in which such offer or solicitation would be unlawful under the securities laws of such jurisdiction.

THE SECURITIES OFFERED BY THIS MEMORANDUM HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY APPLICABLE STATE SECURITIES LAWS. THESE SECURITIES HAVE NOT BEEN APPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY STATE REGULATORY AUTHORITY, NOR HAS THE SEC OR ANY STATE REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE RESOLD UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE.



## TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>1</b>
<b>SUMMARY</b>	<b>2</b>
<b>INVESTMENT STRATEGY</b>	<b>6</b>
<b>INVESTMENT APPROACH</b>	<b>7</b>
<b>PRIOR INVESTMENT PERFORMANCE OF NL VENTURES FUNDS</b>	<b>14</b>
<b>REPRESENTATIVE INVESTMENTS</b>	<b>15</b>
<b>INVESTMENT STRUCTURE</b>	<b>17</b>
<b>PRINCIPAL TERMS</b>	<b>19</b>
<b>QUESTIONS AND ANSWERS ABOUT THIS OFFERING</b>	<b>22</b>
<b>INVESTMENT RISKS</b>	<b>24</b>
<b>KEY PERSONNEL</b>	<b>36</b>
<b>WHY INVEST IN THIS OFFERING</b>	<b>38</b>



# INTRODUCTION

## **AIC Ventures Fund XIV: Capitalizing on U.S. Industrial Real Estate Investment Opportunities**

For over three decades, AIC Ventures, L.P. (“AIC Ventures”), a Texas limited partnership, has refined a successful investment strategy within the industrial real estate sector. With a distinguished track record of 34 years and 15 successful private funds, AIC Ventures has consistently delivered value through carefully curated portfolios. Building on the favorable conditions of the industrial real estate market and leveraging a proven approach, AIC Ventures is now conducting its sixteenth capital raise by offering Securities in Fund XIV to qualified investors.

### **Why Fund XIV?**

Fund XIV is designed for investors seeking capital preservation, healthy operating returns, and substantial growth potential. The Fund’s focus is on acquiring industrial properties across the United States, leased to single tenants under long-term, bond-type sale leaseback contracts. These high-quality assets are strategically selected to maximize value over a targeted holding period of two to three years. Upon exit, whether through individual sales or a portfolio transaction, the assets will be positioned to attract institutional buyers, aiming to deliver superior returns to the Investors.

### **The Strength of Industrial Real Estate**

The U.S. industrial real estate market is thriving, fueled by a resilient economy, strong tenant demand, and government initiatives enhancing domestic production. As manufacturers return to U.S. soil, supported by key policies like the 2021 Infrastructure Investment and Jobs Act, the 2022 CHIPS and Science Act, and the 2022 Inflation Reduction Act, the demand for well-located, high-quality industrial properties continues to surge. This growth, coupled with e-commerce expansion, positions industrial real estate as a stable, income-generating asset class with attractive risk-adjusted returns.

### **Proven Investment Strategy**

Fund XIV’s success is anchored in AIC Ventures’ strategic approach:

1. **Opportunity Sourcing:** Leveraging a vast network developed over decades, AIC Ventures identifies and secures prime investment opportunities. The firm’s reputation as a reliable buyer and collaborative partner adds significant value for sellers and investors.
2. **Rigorous Underwriting:** Each investment undergoes a comprehensive evaluation. The proprietary credit and real estate underwriting methodology ensures investments are made only in properties with strong fundamentals and creditworthy tenants.
3. **Financial Strategy:** Initial cash acquisitions ensure reliability, with returns optimized through strategic equity leveraging and efficient portfolio debt management. Derivatives are utilized to manage long-term interest rate risk, safeguarding investor capital.
4. **Asset Management Excellence:** Beyond property ownership, AIC Ventures maintains strong tenant relationships, ensuring properties are well-managed, taxes are up-to-date, and all obligations are fulfilled.
5. **Strategic Exits:** Exit strategies are meticulously timed to capitalize on market opportunities, unlocking appreciation through competitive bidding and capitalization rate arbitrage. Selling properties collectively to institutional buyers may maximize returns.

### **Transparent Communication**

Transparency is paramount at AIC Ventures. The Investors in Fund XIV will receive comprehensive updates, including monthly performance overviews, quarterly financial statements, and annual audited reports. This commitment to open communication has been a cornerstone of AIC Ventures’ investor relations for over 34 years.

### **Participation Opportunity**

Fund XIV offers accredited investors access to a diversified portfolio of industrial real estate, managed by a seasoned team with a proven track record. Potential investors are encouraged to thoroughly review this Offering Memorandum and engage in discussions with the Investor Relations team before deciding to invest.

*FUND XIV MAY NOT ACHIEVE THE RESULTS TARGETED WITHIN THIS OFFERING. INVESTORS SHOULD REVIEW THE “RISK FACTORS” IN THIS MEMORANDUM PRIOR TO MAKING ANY INVESTMENT DECISION.*



## SUMMARY

<p><b>The Offering</b></p>	<ul style="list-style-type: none"> <li>• This is a private offering targeting the sale of \$90 million of Securities. There is no minimum amount of Capital Commitments required as a condition to closing the offering.</li> <li>• This offering will commence on the date of this Memorandum and continue until December 31, 2024, subject to an extension of up to 90 days or earlier termination at the election of the General Partner (the “Offering Period”).</li> <li>• The General Partner may elect to close the Offering Period early or may elect to accept additional Capital Commitments if sufficient investor demand and market opportunities exist. This offering has no set maximum amount of Capital Commitments that can be accepted.</li> </ul>
<p><b>Option for Limited Partnership or REIT Investments</b></p>	<ul style="list-style-type: none"> <li>• To accommodate investor-specific tax circumstances and investor preferences, Investors can elect to invest directly as limited partners of the Partnership (“Limited Partners”) or indirectly as REIT Series B Preferred stockholders in one of the two private REITs (“REIT Stockholders”).</li> <li>• All of the Investors must attest to the sophistication of the person making the investment decision and to the Investor’s status as an Accredited Investor, a Qualified Purchaser, or a Knowledgeable Employee (defined under “Investment Structure: Types of Investors”) depending on the investment vehicle through which they invest.</li> <li>• Retirement plans (such as an IRA, Keogh, 401(k) or pension plan) that meet the definition of Accredited Investor or Qualified Purchaser will generally be eligible to invest through the REIT structure.</li> </ul>
<p><b>Fund XIV Investment Strategy</b></p>	<ul style="list-style-type: none"> <li>• Invest in single tenant industrial real estate properties governed by absolute-net leases (where the tenant is responsible for all expenses, taxes, and insurance, including casualty and condemnation) generally located in the top 150 commercial real estate markets across the United States.</li> <li>• Targeted fund life of approximately five years comprised of three periods: the investment identification period, asset holding period, and an exit period.</li> <li>• The exit will occur through individual asset and/or portfolio sales.</li> <li>• Targeted total returns to the Investors of a 12-15% Internal Rate of Return net of all fees and expenses (as calculated using Excel’s XIRR function), including 6-8% average annual targeted net returns derived from operating cash flow distributions. The appreciation realized upon the sale of the portfolio will generate the remaining portion of the total return to the Investors.</li> </ul>
<p><b>Investment Criteria</b></p>	<ul style="list-style-type: none"> <li>• Single tenant occupied industrial buildings.</li> <li>• Individual property values range between \$2 million to \$25 million, with an average individual property value of approximately \$8 million.</li> <li>• No single investment will represent more than 15% of the anticipated total size of Fund XIV.</li> <li>• No more than 15% of the anticipated total size of Fund XIV will be invested in any one single industry or in any one metropolitan statistical area (“MSA”).</li> <li>• Assets located in established, mid-to-large, U.S.-based markets (top 150 MSAs).</li> <li>• Middle-market tenant companies with solid business models and proven financial performance.</li> <li>• Purchase price at or below replacement cost of each asset.</li> <li>• Lease term of 13 to 20 years, with an average portfolio lease term of 17 years.</li> <li>• Annual rent escalations between 2% and 3%.</li> </ul>



	<ul style="list-style-type: none"> <li>• Debt leverage of 60-65% with no Investor recourse.</li> <li>• Leases secured with tenant security deposits and/or tenant guarantees.</li> </ul>
<b>Capital Commitment</b>	<ul style="list-style-type: none"> <li>• Equity capitalization from the Investors (“Capital Commitments”) targeted at \$90 million with a projected total portfolio size of approximately \$200 million, assuming 60-65% debt leverage for Fund XIV.</li> <li>• Minimum capital commitment per Investor of \$500,000, unless otherwise approved by the General Partner.</li> <li>• The General Partner and certain members of its management team will make Capital Commitments to Fund XIV which they anticipate will total approximately 3-5% of the total Capital Commitments accepted by Fund XIV.</li> </ul>
<b>Closing and Funding of Capital Commitment</b>	<ul style="list-style-type: none"> <li>• The General Partner intends to issue the first capital call to the Investors in an amount up to 5% of each Investor’s total Capital Commitment during the first quarter of 2025, approximately two weeks prior to the acquisition of the first property for Fund XIV.</li> <li>• The remainder of an Investor’s Capital Commitment will be due in installments over a period of 36 months following the date of the initial capital call, with each installment due within two weeks of the Investor’s receipt of a capital call notice from the General Partner.</li> <li>• Limited Partner Interests and REIT Shares will be issued only upon Fund XIV’s receipt of each Investor’s equity contribution, not upon acceptance of the Investor’s subscription to Fund XIV.</li> </ul>
<b>Distributions to Investors</b>	<p>Investors should refer to the section “Summary of Principal Terms” contained in this Memorandum for additional details related to Fund XIV’s priority of distributions summarized below:</p> <ul style="list-style-type: none"> <li>• Cash flow from operations (i.e., net proceeds from lease payments on Fund XIV’s properties after paying all property and fund level expenses) is expected to be distributed quarterly or at such other times as the General Partner may determine as follows: <ul style="list-style-type: none"> <li>○ 90% to the Investors pro rata in accordance with their respective ownership interests in Fund XIV, and</li> <li>○ 10% to the General Partner.</li> </ul> </li> <li>• Cash flow other than from operations (such as proceeds from refinancing or sale of assets in the portfolio) is generally distributed as follows: <ul style="list-style-type: none"> <li>○ First, 100% to the Investors pro rata until the Investors have received total distributions (including distributions of cash flow from operations) from Fund XIV’s inception equal to total contributed capital plus a cumulative, non-compounding accrued return of 8% per annum on all capital contributed net of distributions, and</li> <li>○ Thereafter, 60% to the Investors pro rata in accordance with their respective ownership interests in Fund XIV and 40% to the General Partner.</li> </ul> </li> <li>• Cash flow which would otherwise be available for distribution to the Investors may be reinvested in Fund XIV’s existing properties, at the discretion of the General Partner.</li> </ul>



<b>Investment Considerations</b>	<ul style="list-style-type: none"> <li>• Attractive income stream enhanced with real estate depreciation deductions.</li> <li>• Potential for capital appreciation through capitalization rate arbitrage.</li> <li>• Conservative investment criteria.</li> <li>• Disciplined investment process.</li> <li>• Experienced management team with a sterling acquisition track record, proactive origination of investment opportunities, and proven investment performance.</li> <li>• Monthly investor reports describing the general status of Fund XIV’s properties and performance.</li> <li>• Quarterly distributions and investment summaries including inception-to-date contributions and distributions.</li> <li>• Annual audited Fund XIV financial statement.</li> </ul>
<b>Risk Factors</b>	<ul style="list-style-type: none"> <li>• Lack of liquidity in the properties acquired by Fund XIV.</li> <li>• The General Partner has broad discretion over investment decisions.</li> <li>• Loss of Fund XIV’s cash flow due to tenant defaults.</li> <li>• Loss of invested equity due to tenant defaults and/or potential loan guarantee provisions.</li> <li>• Economic and real estate cycles can negatively impact investment value.</li> <li>• Deteriorating tenant credit ratings may negatively impact investment value.</li> <li>• Target rates of return may not be achieved.</li> <li>• Rising interest rates and the unavailability of credit in the real estate markets.</li> <li>• Dependence on key senior management personnel.</li> <li>• Investors may be allocated taxable income without receiving any cash distributions.</li> <li>• Requirements to maintain each REIT’s status as a real estate investment trust may influence certain decisions made by the General Partner and may create conflicts of interest between the Investors.</li> </ul>
<b>General Partner Compensation &amp; Distributions</b>	<ul style="list-style-type: none"> <li>• 10% of Fund XIV’s cash flow from operations (i.e., net proceeds from lease payments on Fund XIV’s properties after paying all property and fund level expenses).</li> <li>• 40% of net proceeds from the sale or refinancing of a property, after the return to the Investors of all contributed capital plus a cumulative, non-compounding return of 8% per annum on capital contributed (net of cumulative previous distributions).</li> </ul>
<b>General Partner Reimbursement</b>	<ul style="list-style-type: none"> <li>• Reimbursement of costs incurred by the General Partner and its affiliates to administer and support Fund XIV’s activities (including costs to prepare and file tax returns, administer loans, capital and interest rate hedging instruments, wind down of Fund XIV’s operations, Directors and Officers Liability Insurance premiums, Errors and Omissions Insurance premiums, etc.).</li> <li>• Reimbursement of costs incurred by the General Partner and its affiliates to conduct Fund XIV’s business (including brokers’ fees, closing costs, insurance premiums, property taxes, environmental expenses, etc.).</li> </ul>



<b>Syndication, Organization &amp; Management Fees Paid to AIC Ventures</b>	<ul style="list-style-type: none"> <li>• A one-time cumulative syndication and organization fee equal to 0.5% of total Capital Commitments for the management and oversight of the formation, organization, and syndication of Fund XIV.</li> <li>• Quarterly capital management fee generally equal to 0.5% of Net Capital Commitments (as defined in the Partnership Agreement).</li> <li>• Monthly Property Management Fee equal to 5% of Net Operating Income (as defined in the Partnership Agreement) per occupied property, or \$3,000 per month for any vacant properties that exist within the portfolio until the property is re-tenanted.</li> </ul>
<b>Fund XIV Expenses Paid to Third Parties &amp; Affiliates of the General Partner</b>	<ul style="list-style-type: none"> <li>• Fund XIV will be responsible for all costs and expenses incurred in connection with the operations of Fund XIV including locating, evaluating, structuring, acquiring, maintaining, and harvesting of Fund XIV’s assets. These may include the following expenses which are each at or below market rates for the applicable services received by Fund XIV: <ul style="list-style-type: none"> <li>○ Legal, debt placement, property value-add services (such as construction), tax accounting and other professional costs allocable to Fund XIV for services performed in-house by AIC Ventures (or another affiliate of the General Partner).</li> <li>○ Third-party expenses related to the administration and ultimate dissolution of Fund XIV.</li> </ul> </li> <li>• Additional details regarding the specific scenarios for which these expenses may be assessed may be found within Section 6.3 of the Limited Partnership Agreement.</li> </ul>
<b>Governance of Fund XIV</b>	<p>The General Partner will determine Fund XIV’s policies, including policies regarding investments, operations, capitalization, financing, and distributions.</p>



Building on the successful execution of twelve previous NL Ventures Funds and leveraging a proven investment strategy alongside the robust industrial real estate market, AIC Ventures is moving forward with the formation and implementation of Fund XIV.

### Investment Opportunity

Fund XIV will focus on acquiring industrial real estate assets from middle-market companies (with revenues of \$20 million to \$1 billion) through sale leaseback transactions. Middle-market companies, which make up 85% of all privately held businesses in the United States, often need capital for strategic growth initiatives but have limited access to capital sources compared to larger, publicly traded companies. Sale leaseback transactions allow these companies to generate capital by selling their real estate while retaining control through long-term leases. This method provides a fair market value for the real estate, unlike bank loans or mortgages, which typically cover only 60-70% of the property value and come with restrictive financial covenants.

Fund XIV will target industrial real estate suitable for light manufacturing that is not heavily customized, minimizing capital outlays if a tenant needs to be replaced. Companies in light manufacturing tend to enter long-term leases due to the high costs of relocating and their long-term property needs. The Fund will acquire properties deemed integral to the tenant's operations.

#### Industrial Real Estate Market Opportunity

The U.S. commercial real estate market is valued at \$22 trillion, with industrial real estate comprising \$1.6 trillion. Since 1990, AIC Ventures has invested in \$2.6 billion of light manufacturing real estate across 35 states, representing approximately 1% of the total U.S. manufacturing real estate investment opportunity of \$250 billion. This substantial market opportunity indicates significant potential for growth and investment in the industrial real estate sector.

#### Industrial Real Estate Investment Attributes

Industrial real estate offers compelling investment characteristics and benefits from favorable market trends, including strong demand from both investors and tenants, low vacancy rates, and healthy rental rates. Unlike other real estate asset classes, industrial properties maintain their utility and value over time, exhibit resilience against speculative overdevelopment, and appeal to a diverse range of users. Additionally, they compete effectively with new construction and recover their value swiftly following economic downturns. The sustained demand from both users and investors underpins expectations for solid, risk-adjusted returns on investment.

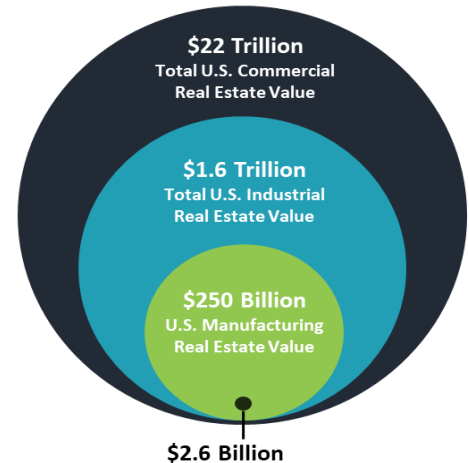
#### Recent Industrial Real Estate Market Trends

Historically, commercial real estate has appreciated in value over time, with industrial real estate demonstrating the lowest volatility among sectors. This stability in the industrial sector is driven by strong tenant demand, fueled by robust e-commerce growth and solid manufacturing activity, as well as high investor interest and limited speculative development.

The accelerated shift from brick-and-mortar retail to e-commerce, intensified by the COVID-19 pandemic, has significantly increased investment in warehouse and distribution space. E-commerce sales are projected to grow by an average of 9% annually over the next five years, leading to an estimated \$120 billion increase in U.S. industrial real estate demand by 2029, according to CBRE. Additionally, U.S. industrial production is expected to rise by 7.5% over the next five years, as projected by Oxford Economics. The U.S. manufacturing sector is poised to benefit from increased production and the anticipated reshoring of industrial manufacturing and distribution, as companies seek to streamline their supply chains by relocating operations back to U.S. soil.

Investors are increasingly attracted to industrial real estate for its stability and income-generating potential, underpinned by low vacancy rates, appreciating rental values, and strong tenant demand in this sector.

#### U.S. Commercial Real Estate Value



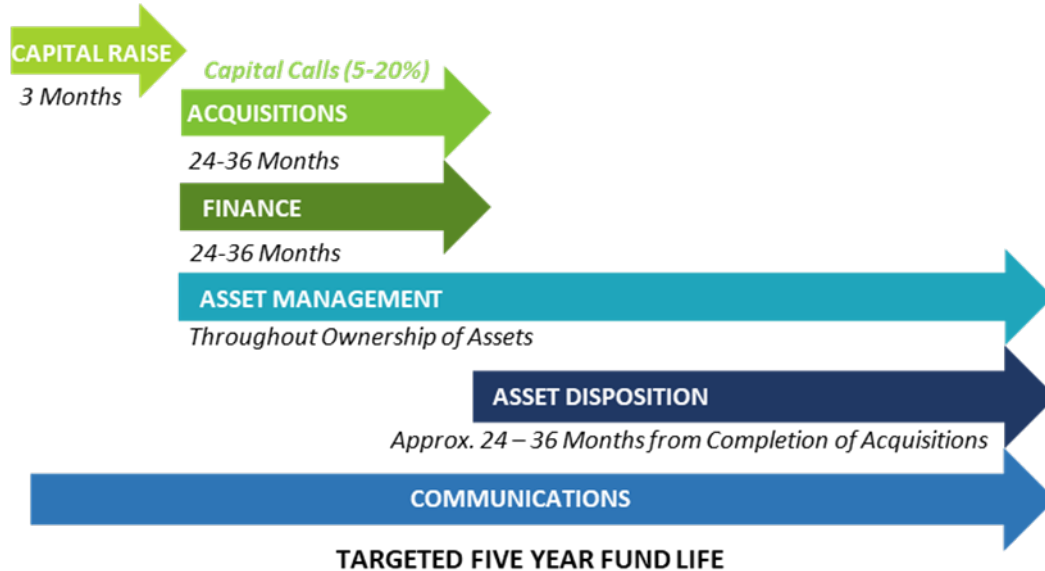
Total amount AIC Ventures has acquired over 34 years

Source: CoStar, U.S. Energy Information Administration (EIA)



## INVESTMENT APPROACH

The AIC Ventures organization is structured to focus on the responsibilities necessary to efficiently construct and operate a diversified portfolio of properties. These responsibilities flow in the following interrelated manner and projected timeline:



### Acquisitions

Fund XIV's acquisition process is managed by AIC Ventures' team of experienced investment professionals dedicated to identifying attractive opportunities. They generate proprietary investment flow through an extensive network of relationships with industrial real estate investors, middle-market company owners, capital providers, and financial intermediaries. AIC Ventures follows research-driven procedures to continually identify and originate investment opportunities for Fund XIV. Direct marketing efforts are performed to create and capture exclusive opportunities before they reach the broader market. All acquisitions, sales, and debt incurrences secured by Fund XIV's properties require prior unanimous approval from the General Partner's Executive Committee.

### Historical Five-Year Annual Acquisitions Pipeline

74,000+ Outreach Touchpoints

246 Opportunities Registered

20 Commitment Letters Issued

17 Acquisitions Completed  
\$156.7 million / 26 properties

Once an investment opportunity is identified, but before completing any acquisition, the General Partner (on behalf of Fund XIV):

- Requires an agreement for exclusive negotiation with the prospective seller/tenant.
- Conducts initial due diligence evaluating company financials, business plans, property and local market data, mortgage finance options, and projected investment yield to Fund XIV.
- Receives unanimous approval from the General Partner's Executive Committee, which currently consists of Paul Robshaw, David Robshaw, Mike Baucus, Luis Medina, and Laura Haggarty (Bios in Key Personnel section).
- Negotiates and executes a Commitment Letter or contract defining the principal terms of the investment.
- For sale leasebacks, negotiates and executes the lease, including key provisions such as tenant repair obligations, lease term, annual rent escalations, and security deposits.



- Performs additional due diligence during underwriting, including property condition assessment, title and survey review, environmental review, and zoning and city ordinance compliance.

**Investment Criteria**

Success in selecting attractive acquisitions will come from Fund XIV’s strict adherence to investment criteria designed to mitigate real estate investment risks. These criteria encompass the following:

Asset	Market	Tenant
Occupied industrial with generic characteristics Headquarters or “mission critical” Property value between \$2-25 MM	Top 150 U.S. industrial markets Low vacancy/high absorption rates Consistent demand for industrial real estate	Established middle-market companies Consistent, strong financials with stable management and operations Need for capital in underserved market

Physical Asset

AIC Ventures targets properties with acquisition prices averaging approximately \$8 million, ensuring broad diversification across a reasonable number of investments within Fund XIV. To mitigate risk, no single investment is expected to comprise more than 15% of the Fund’s total portfolio value, reducing the impact of any single tenant on the Fund.

Properties must serve as headquarters or be strategically critical to the tenant’s operations, providing greater assurance of tenant performance and lease adherence. Additionally, properties considered for investment must possess generic features that appeal to a wide range of prospective tenants, enhancing re-leasing or resale opportunities and mitigating risks associated with tenant turnover. AIC Ventures avoids properties classified as ‘special purpose’ due to the challenges they present in re-leasing or selling.

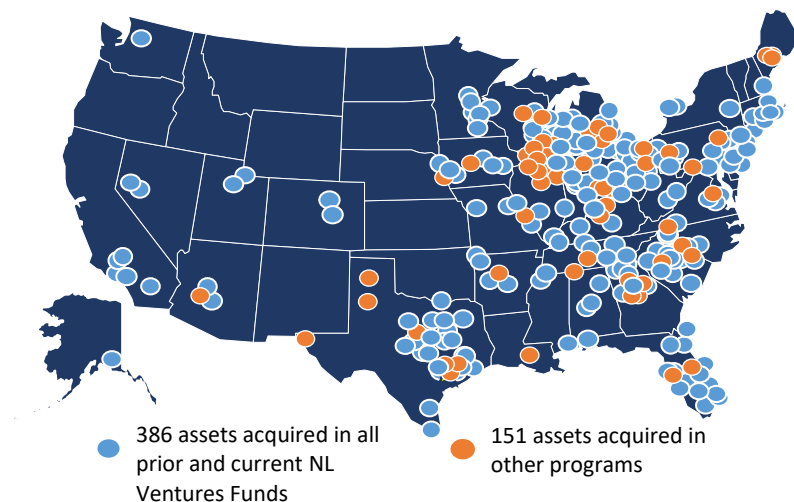
Real Estate Market

AIC Ventures carefully assesses key factors such as market size, vacancy rates, industry diversification, and economic trends in the largest U.S. commercial real estate markets when evaluating industrial assets for acquisition. Properties under consideration must be located in markets with strong, consistent demand for industrial real estate. This demand is determined by factors including area population levels, overall market size as measured by the total square footage of similar property types, and occupancy rates within the region.

This strategic approach ensures broad geographic diversification within the portfolio, with no single market comprising more than 15% of Fund XIV’s total portfolio value, thereby reducing exposure to regional market fluctuations and enhancing overall portfolio stability.

The location of the assets acquired in current and prior AIC Funds are detailed on the following map:

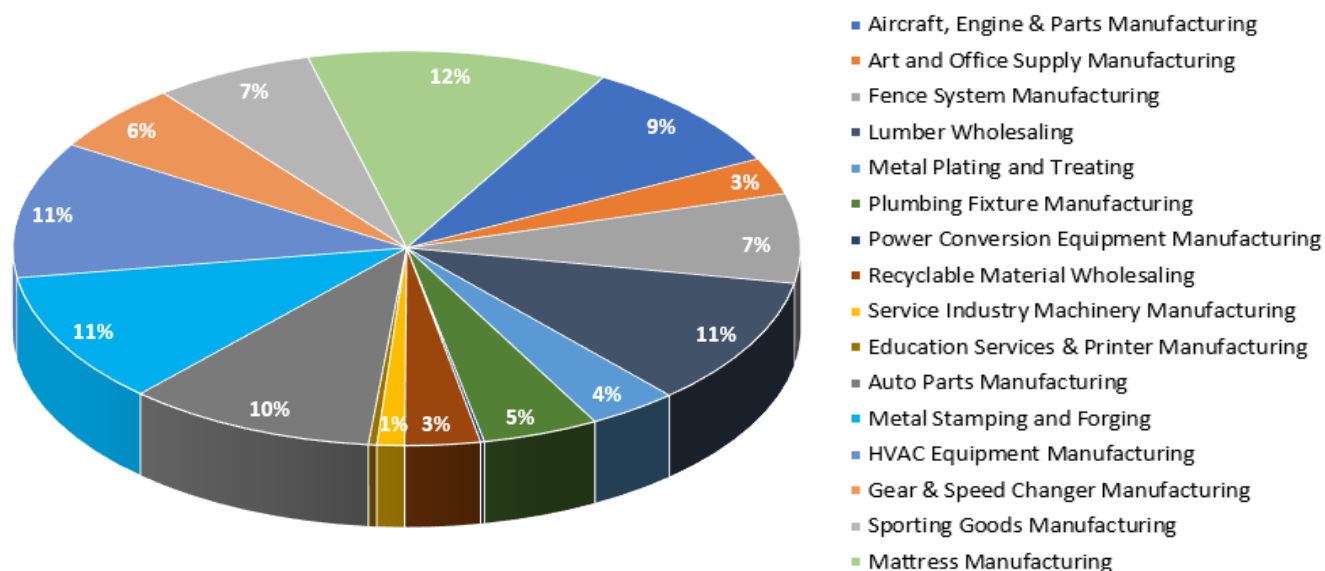
**Geographic Diversification - AIC Ventures’ Sponsored Funds**



## Tenant Industries

Fund XIV will focus on acquiring assets in stable and growing industries. When fully invested, its diversification strategy mitigates concentration risk and industry-specific downturns by limiting investments in any single tenant industry to 15% of the total portfolio real estate value. This approach aims to ensure a balanced and well-diversified income stream, as reflected in the fully invested AIC Fund portfolio below.

### **Prior Fund Industry Diversification by Real Estate Value\***



\* Fund XIV may not achieve the diversification levels shown, and actual industry allocations are likely to differ from those illustrated.

## **Tenant Underwriting**

Fund XIV seeks to invest in properties where the existing tenant demonstrates the strength and agility to ensure future financial stability or growth. These tenants are typically middle-market private companies without public credit ratings. Each property is underwritten to prepare for the unlikely event of needing to replace the tenant, ensuring similar cash flow can be restored if a vacancy occurs. The underwriting process is designed to test and confirm each tenant's business viability and their ability to meet lease obligations. This process involves a thorough review of the following criteria:

- **Company:** Background and competitive position within its industry, strength and experience of owners, management, and key personnel, breadth and depth of customer/supplier relationships, major business initiatives, and any financial sponsors.
- **Financial Condition:** Historical and projected revenue, expenses, and profitability, financial leverage before and after the sale leaseback investment, tenant debt covenants and terms, liquidity and ability to access additional capital, cash flow generation capability, production capacity, contribution margins, operating leverage, and cost structure.
- **Industry:** Analysis of competitive landscape fundamentals and the tenant's position, strength, and expected growth of the industry.
- **Identified Risk Factors:** Customer concentration, debt maturity, existence of a viable succession plan, and potential Acts of God impacting the tenant's business.

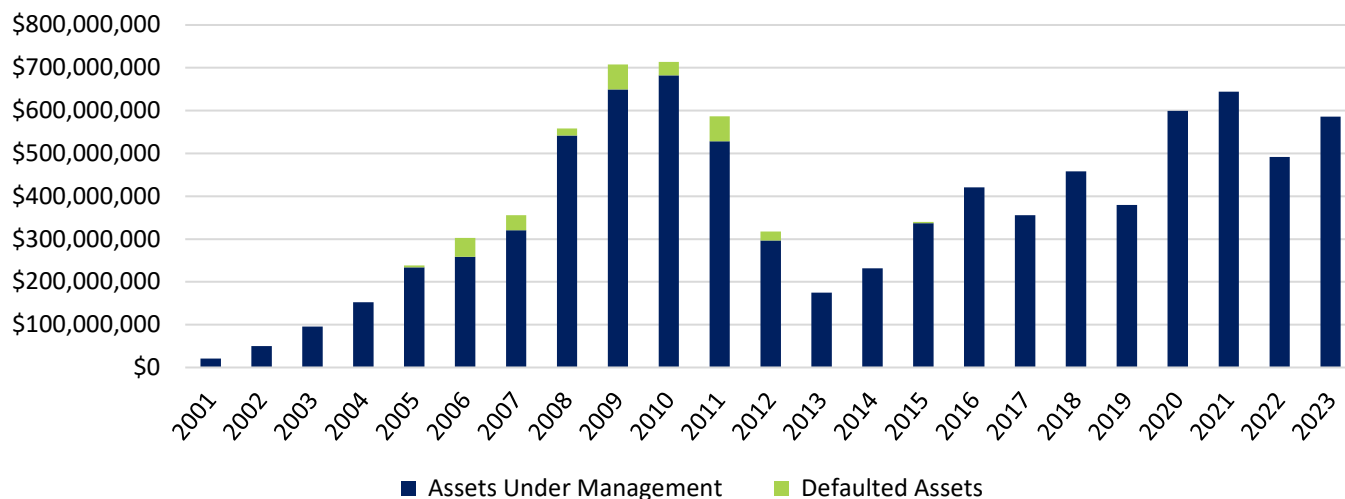
Potential tenants for Fund XIV's properties undergo a credit evaluation scoring model refined over 34 years of assessing tenant financial strength. This underwriting process quantifies core credit risk elements, including management team strength, industry risk factors, and the tenant's cash flow, liquidity, and leverage.

Credit strength is reassessed annually through a comprehensive review process. Each tenant is required to submit quarterly and/or annual financial statements in accordance with lease terms, and properties are regularly inspected. By analyzing financial performance,



emerging trends, and rent payment history over time, we can accurately assess the financial health of each tenant. This rigorous annual evaluation enables us to anticipate potential issues early and proactively address them, mitigating risks to fund cash flows and the future sale of the portfolio. Notably, all prior AIC Funds have successfully returned 100% of invested capital to limited partner investors.

### **Historical Assets Under Management vs. Tenant Defaults**



*\* Historical performance of assets under AIC's management is not necessarily indicative of future performance and there can be no assurance that Fund XIV will not experience a higher level of tenant defaults.*

### **Portfolio Finance**

AIC Ventures employs in-house financing personnel with extensive experience and relationships with leading debt providers, including banks and insurance companies. The following loan attributes are closely considered when evaluating debt financing alternatives for each portfolio:

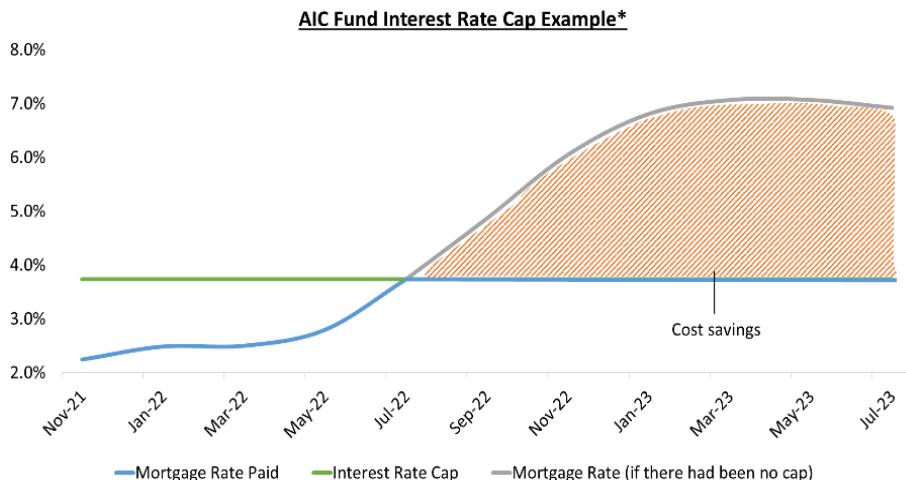
- Fixed and floating interest rates
- Competitiveness of rates
- Money market deposit rates
- Size and term of the loan
- Prepayment flexibility and extension options
- Amortization schedule and interest-only provisions
- Liquidity provisions
- Competitiveness of fee structure
- Long-term relationship with banking institution
- Ability to provide derivatives (interest rate caps, collars, and/or swap structures) to hedge interest rate risk

Fund XIV plans to finance approximately 60-65% of the total portfolio purchase price through a combination of fixed and floating rate loans. A syndicate of banks, many of which have a long-standing relationship with AIC-sponsored funds, will provide a portfolio line of credit to support acquisitions for Fund XIV. This portfolio line ensures consistent debt leverage and enables efficient closing timelines for each acquisition.



To manage the risks associated with floating rate debt, hedging instruments such as caps, collars, and swaps will be employed to mitigate potential interest rate increases. Loan maturities are typically structured for five years, with two optional one-year extensions, aligning with the Fund’s projected holding period and offering flexibility to retain properties if market conditions are unfavorable for a sale.

Although longer-term debt may seem to offer greater flexibility, it often comes with significant prepayment penalties and extended lock-out periods, which can reduce profitability during the optimal exit window. If properties are not sold by the loan maturity date, the loan will be either refinanced or extended. Additionally, contractual rental rate increases in each lease will enhance the debt service coverage ratio over the holding period.



*\*Note: Hedges are typically acquired at a relatively low cost to the Fund and there is no guarantee that they will operate as intended in the future.*

## Asset Management

Fund XIV’s investments will be collateralized by real estate; however, its operating performance will depend on tenants’ consistent ability to pay rent throughout the ownership period. AIC Ventures’ asset management team will effectively manage the properties and develop strong relationships with tenants.

Key aspects of the asset management strategy include:

- **Escrow Monitoring:** Real estate taxes, industrial park association fees, and property insurance escrows will be monitored to ensure sufficient tenant-funded cash reserves are available to meet these obligations.
- **Letters of Credit:** These will be monitored to ensure they are current and enforceable, often supporting agreed-upon security deposits.
- **Rent Increases:** Computed in advance and communicated with tenants to ensure proactive planning.
- **Annual Financial Review:** Tenant financial statements will be reviewed annually and analyzed against provided budgets as discussed in *Tenant Underwriting*.
- **Ongoing Financial Health Monitoring:** The same underwriting systems used during acquisitions will monitor tenant financial health, scrutinizing the ongoing viability of each tenant’s credit and documenting performance over time. The system is designed to notify property management teams of adverse trends, allowing them to engage proactively.

Through comprehensive asset management, AIC Ventures will build and maintain strong relationships with all tenants of properties in Fund XIV. As of October 1, 2024, across AIC Ventures’ active real estate funds, 112 assets are occupied by 83 tenants.

## Tenant Management Strategies During Challenging Times

- **2008 Recession:** During the 2008 recession, some tenants in AIC Funds experienced financial difficulties, leading to a few defaults on lease terms. Despite these challenges, AIC successfully returned 100% of investor capital across all historical funds. In response to the recession, AIC significantly strengthened its credit underwriting criteria. As a result, for assets purchased since 2009, only one tenant has defaulted across 277 investments.
- **COVID-19 Pandemic:** Drawing on lessons from the 2008 recession, AIC Ventures employed creative strategies to support financially distressed tenants during the COVID-19 pandemic. At the onset of the pandemic, 99% of tenants occupying AIC Funds’ properties were classified as essential businesses and continued operations. For tenants facing short-term liquidity challenges, AIC offered 60-day partial rent deferrals, with all deferred amounts fully collected by 2022. Additionally, many tenants who



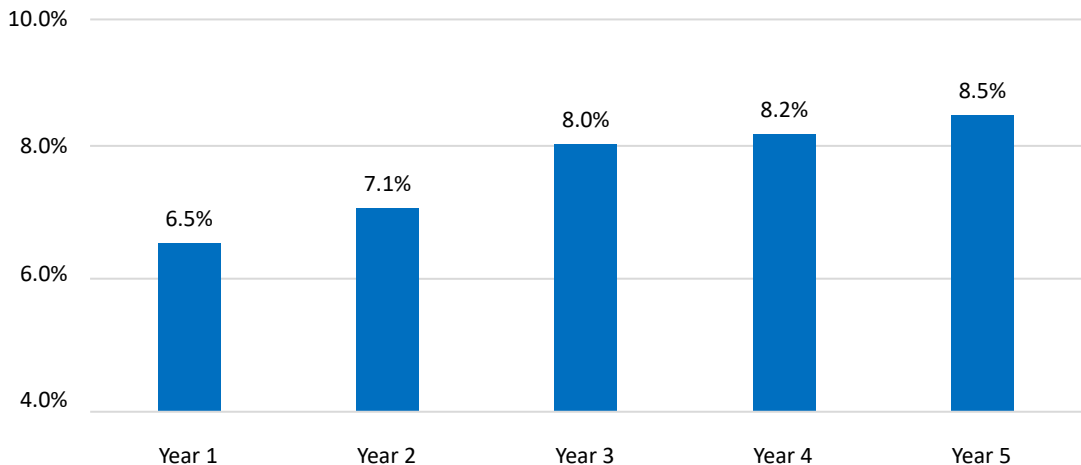
received deferrals also agreed to lease extensions. The impact of rent deferrals on cash flow was mitigated by utilizing tenant security deposits to supplement rent payments. From April to June 2020, net rent collection was 98%, increasing to 100% from July to December 2020 across 127 assets with 77 tenants.

### Holding Period Returns

Since the targeted properties are fully occupied at the time of acquisition, the Investors will begin receiving quarterly operating distributions, supported by collected rents, once a critical volume of properties (typically between four and six) has been acquired. Following the initial distribution, the Investors will receive subsequent distributions quarterly on the first business day of January, April, July, and October. Historically, annualized returns from the four most recent NL Ventures Funds (IX, X, XI, and XII) have resulted in net distributions to investors, prior to applicable taxes, averaging between 6% and 8% per year on contributed capital. Moreover, Investors are typically allocated real estate depreciation deductions which may offset an Investor’s taxable income.

The chart below provides historical returns for the four most recent NL Ventures Funds (NL Ventures IX, X, XI and XII) sponsored by AIC Ventures over the last decade. Past performance achieved by these funds is not indicative of the future performance of Fund XIV. Fund XIV will likely produce returns different from those reflected below.

### **Weighted Average Annualized Net Return to Investors as a Percentage of Contributed Capital**



*Annualized Net Returns = Quarterly operating distributions to Investors (annualized) divided by the cumulative Investor Contributed Capital net of expenses, fees and General Partner participation.*

### Asset Sales

Fund XIV’s investment holding strategy is designed to optimize asset value at the time of sale by ensuring a favorable lease structure, consistent rent payments, and a strong financial track record. This approach makes the portfolio highly attractive to institutional buyers. The exit strategy leverages the arbitrage between the higher off-market capitalization rate at acquisition, which appreciates through annual rent escalations, and the lower capitalization rate sought by institutional investors who value diversification. A nationally recognized commercial real estate broker will market the portfolio broadly, generating competition among reputable buyers with proven track records. This ensures an orderly and timely sale, while selling properties as a collective portfolio increases efficiency in closing costs and expenses, thereby enhancing overall returns.

AIC Ventures has a proven track record, having completed ten successful portfolio sales (NL Ventures Fund IV through Fund XI, and a 10-property sale from AIC Income Fund I in 2022) with an average capitalization rate arbitrage of 135 basis points between acquisition and sale. Institutional buyers find these organized portfolios particularly attractive due to several key factors:



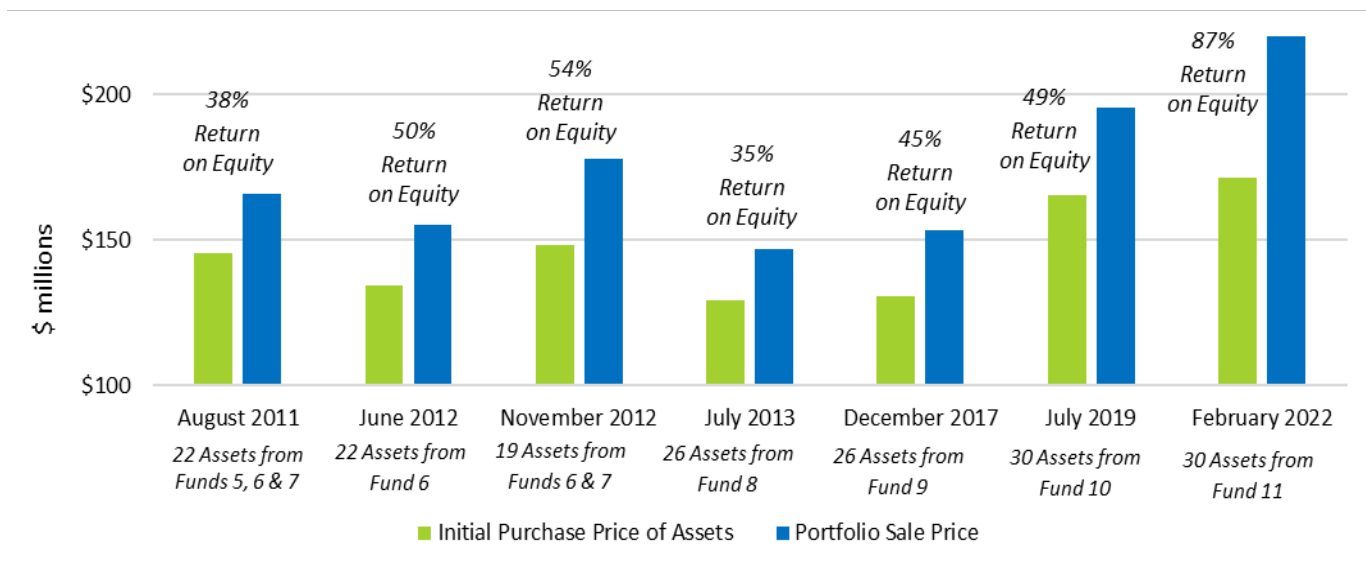
- **Stable and Increasing Income Streams:** Structured leases provide stable and escalating income, making the portfolios highly appealing to investors.
- **Homogeneous Lease Provisions:** Uniform lease terms across the portfolio simplify the underwriting process, facilitating smoother transactions.
- **Diversification:** Broad diversification across markets and industries helps mitigate risk, further enhancing the portfolio’s appeal.
- **Long Lease Terms:** Average remaining lease terms exceeding 10 years reduce re-tenanting risk, enabling institutional investors to secure more favorable financing terms.
- **Competitive Market Dynamics:** Broad marketing efforts create competition among qualified buyers, driving up demand and value.
- **Efficient Financing:** Institutional buyers benefit from access to more efficient debt and equity sources at lower capital costs.

Exit strategies for the portfolios may include:

- A series of single-asset sales.
- Share-for-share exchanges with public REITs.
- Refinancing of individual assets or the entire portfolio.
- The comprehensive and complete sale of the portfolio of investments to an institutional investor.

This comprehensive approach when applied to Fund XIV is intended to position Fund XIV for a successful and profitable exit, maximizing returns for investors while maintaining the integrity of the portfolio.

### **AIC Ventures Post-2008 Recession Portfolio Sale Results**



*The dates shown in the chart above are the dates when the portfolio sales were completed. Return on equity is calculated as the total portfolio sale price less the total initial purchase price of the assets over the invested equity and does not reflect an IRR calculation.*

*Past performance achieved by these funds sponsored by AIC Ventures is not indicative of the future performance of Fund XIV.*

### **Communications**

AIC Ventures’ investor reporting is highly valued for its transparency and consistency, surpassing many other private funds. Since 1990, AIC Ventures has provided monthly reports on the first day of each month to all investors. These reports include executive summaries on fund returns, tenant performance details, market information, status of upcoming investments, and other partnership matters.

Fund XIV will issue quarterly investment statements in January, April, July, and October, summarizing each investor’s capital contributions and distributions since inception. An independent accounting firm selected by the General Partner will audit Fund XIV annually, and all investors will receive a copy of the audit report.



## PRIOR INVESTMENT PERFORMANCE OF NL VENTURES FUNDS

AIC Ventures has compiled a track record of investment performance through 12 prior NL Ventures real estate funds. The first two AIC Ventures sponsored funds, Net Lease Acquisition Fund and NL Ventures, LP, are not represented below because they were privately organized and utilized different fund structures and investment strategies. The Funds represented below have operated under similar structures and investment strategies.

Fund	NLV III	NLV VI	NLV V	NLV VI	NLV VII	NLV VIII	NLV IX	NLV X	NLV XI	NLV XII
Capital (millions)	\$16	\$37	\$99	\$110	\$100	\$86/50 <sup>(1)</sup>	\$100	\$100	\$80	\$93
Total Portfolio Value (millions)	\$42	\$105	\$255	\$340	\$264	\$110	\$194	\$227	\$183	\$172 <sup>(2)</sup>
Properties Acquired	7	21	55	66	38	22	53	48	31	25
Origination	2001	2003	2004	2006	2008	2009	2012	2015	2018	2021
Properties in Current Portfolio	0	0	0	0	0	0	0	0	0	25
Status	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Closed	Buying Assets
Total Distributions Paid through October 2024 (\$MM)	\$29	\$68	\$99	\$146	\$145	\$72	\$135	\$136	\$127	\$10
Average Investor Internal Rate of Return <sup>(3)</sup>	19.90%	23.80%	0.00%	7.00%	11.00%	15.00%	10.30%	13.50%	30.50%	TBD
Total Investor Distributions over Capital Invested <sup>(4)</sup>	181%	184%	100%	133%	145%	144%	135%	138%	160%	TBD
<p>(1) AIC Ventures raised \$86 million of capital for NLV VIII however given market conditions decided to call only \$50 million of the committed capital.</p> <p>(2) Total Portfolio Value as of October 1, 2024. Estimated total portfolio value of approximately \$225 million after all capital commitments have been fully deployed and assuming an approximate 65% debt leverage ratio for NL Ventures XII.</p> <p>(3) Internal Rate of Return is calculated as the rate of return earned on each Investor's capital contributions based on the timing of investment contributions and distributions using Excel's XIRR function.</p> <p>(4) The percentage of Total Distributions over Capital Invested is calculated using the sum of all distributions made to the Investors over the total amount of capital contributed by the Investors (net of all distributions to the General Partner and its affiliates). These percentages are not rates of return and do not take into account the period of time over which the distributions were made.</p>										

*Estimated portfolio values may not reflect the actual market values realized. Past performance achieved by other funds sponsored by AIC Ventures is not indicative of the future performance of Fund XIV. The actual distributions and performance of Fund XIV will vary. Investing in Fund XIV involves risk, and there is no assurance that its investment objectives will be achieved.*



## REPRESENTATIVE INVESTMENTS

The following are two prior investments representative of the types of investments Fund XIV will target. Fund XIV will not invest in these properties and its actual investments will possess different attributes from these projects which are presented only as illustrative examples.

### Web Industries – NL Ventures XII, L.P.

#### INVESTMENT SUMMARY

Purchase Date:	8/18/2023
Purchase Price:	\$12,100,000
Purchase Basis: (includes closing costs)	\$12,300,257
Invested Equity:	\$4,674,098 (38%)
Debt:	\$7,626,159 (62%)
Interest Rate:	5.3%
Acquisition Cap Rate:	8.1%
Purchase Price (psf):	\$73.70



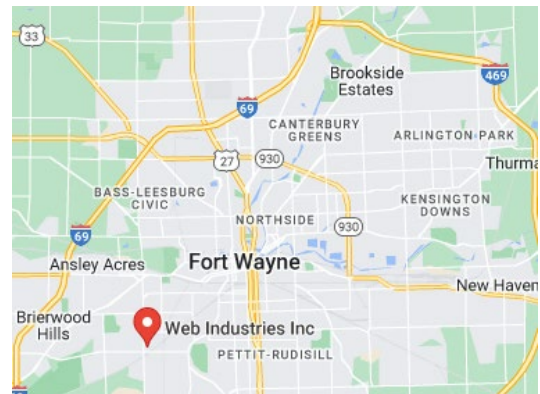
#### LEASE STRUCTURE

Tenant:	Web Industries, Inc.
Initial Annual Rent:	\$982,500
Initial Rent (psf):	\$5.98
Annual Rent Escalation:	3.0% for the first 10 years, followed by 2.5%
Term:	20 years
Security Deposit:	\$163,750 (2 months' rent)



#### REAL ESTATE

Address:	3925 Ardmore Ave Fort Wayne, IN 46802
Size (sf):	164,170
Built:	1988-2018
Acreage:	35.41



#### MARKET STATISTICS

Location (MSA):	Fort Wayne, IN
MSA Rank:	# 118
Average Price (psf):	\$68.30
Average Rent (psf):	\$5.74

#### TENANT DETAILS ([WWW.WEBINDUSTRIES.COM](http://WWW.WEBINDUSTRIES.COM))

Founded in 1969, Web Industries manufactures products for various end-user markets, including aerospace, consumer, industrial, and medical. Examples include cleaning product packaging, aircraft materials, industrial cables, and diapers. Web Industries' diversified customer base includes Airbus, Boeing, Proctor & Gamble, Siemens, and SpaceX.



# Komar Industries – NL Ventures XII, L.P.

## INVESTMENT SUMMARY

Purchase Date:	12/15/2023
Purchase Price:	\$9,500,000
Purchase Basis: (includes closing costs)	\$9,701,046
Invested Equity:	\$3,686,398 (38%)
Debt:	\$6,014,648 (62%)
Interest Rate:	5.3%
Acquisition Cap Rate:	8.1%
Purchase Price (psf):	\$89.62



## LEASE STRUCTURE

Tenant:	Komar Industries, Inc.
Initial Annual Rent:	\$768,560
Initial Rent (psf):	\$7.25
Annual Rent Escalation:	3.0%
Term:	15 years
Security Deposit:	\$192,140 (3 months' rent)



## REAL ESTATE

Address:	4411 & 4425 Marketing Place Groveport, OH 43125
Size (sf):	106,008
Built:	1977-2022
Acreage:	8.0



## MARKET STATISTICS

Location (MSA):	Columbus, OH
MSA Rank:	#32
Average Price (psf):	\$90.08
Average Rent (psf):	\$7.19

## TENANT DETAILS ([WWW.KOMARINDUSTRIES.COM](http://WWW.KOMARINDUSTRIES.COM))

Founded in 1977, Komar Industries is a designer and manufacturer of industrial waste and recycling processing systems. Komar's solutions enable its customers to improve their carbon footprint while reducing waste processing costs (transportation, energy, maintenance & labor). The diversified customer base includes blue-chip customers like Amazon, Lowe's, Target, Costco, and Walgreens.



## INVESTMENT STRUCTURE

### Types of Investors

All participants in Fund XIV must be Accredited Investors (as defined in Regulation D of the Securities Act of 1933) who are also sophisticated and experienced in making similar investments. An “Accredited Investor” includes a person who, individually, or jointly with his/her spouse, has a net worth that exceeds \$1 million at the time of purchase, excluding the value of the primary residence (but including any debt on such primary residence in excess of its market value), or who has earned \$200,000 in each of the two most recent years and expects to do so in the current year, or has joint income together with his/her spouse for each period in excess of \$300,000. Tax-exempt organizations, corporations, partnerships and other entities with total assets of \$5 million or more are also generally Accredited Investors as long as they were not formed solely for the purpose of investing in Fund XIV.

To be eligible to invest in REIT Shares of the QP REIT, an Investor must also be a “Qualified Purchaser” or “Knowledgeable Employee.” A “Qualified Purchaser” includes (i) a natural person who holds not less than \$5,000,000 in investments; (ii) a trust not formed for the specific purpose of investing in the QP REIT (this may include IRAs, Keoghs, and similar retirement planning vehicles, owned and directed by Qualified Purchasers) if the trustee (or other person who is authorized to make investment decision for the trust) and each settlor each hold individually not less than \$5,000,000 in investments; (iii) a company that owns not less than \$5,000,000 in investments and is beneficially owned by two or more natural persons related as siblings or spouse (including former spouses), or direct lineal descendants by birth or adoption, spouses of such persons, the estates of such persons, or foundations, charitable organizations, or trusts established by or for the benefit of such persons; (iv) an institutional investor who is acting for its own account or the accounts of other Qualified Purchasers and who in the aggregate owns and invests, on a discretionary basis, not less than \$25,000,000 in investments; and (v) a corporation, partnership, trust or other entity all of whose securities and other ownership interests are beneficially owned by Qualified Purchasers.

To be eligible to invest as a Limited Partner, an Investor must also be a “United States person” within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the “Code”) who is not exempt from U.S. federal income tax. Tax-exempt entities and foreign investors may be eligible to invest through the QP REIT if they satisfy the Qualified Purchaser requirement or the Non-QP REIT if they qualified as Accredited Investors.

### Ownership Structure

Fund XIV will be owned 0.01% by the General Partner and the balance by Limited Partners which will include the REITs along with the Investors who acquire a direct interest in Fund XIV. Fund XIV’s property will be acquired and financed within newly formed, single-purpose, bankruptcy-remote entities, wholly owned by Fund XIV. Each asset will generally be protected from the performance of every other asset in Fund XIV. All debt secured on behalf of the Fund XIV will be non-recourse to the Investors.

### Choice of Investment Vehicles

An Investor may elect to invest in Fund XIV directly as a Limited Partner or indirectly as stockholders in one of the REITs (determined in part based upon the Investor’s qualification as an Accredited Investor or Qualified Purchaser). The economic benefits of holding shares in one of the REITs are intended to be identical to those of the shareholder in the other REIT. Investors who invest directly in Fund XIV as Limited Partners will receive similar pre-tax economic benefits as those investing through either of the REITs, but there are differences created by the multiple classes of shares authorized for issuance by the REITs and the different tax and regulatory treatment applicable to limited partnerships and real estate investment trusts. In addition, since each REIT will vote all of its limited partnership interest in Fund XIV consistent with the vote of the Investors holding a majority of its shares, the vote by an Investor in one of the REITs may have a disproportionate impact on the aggregate vote of the Limited Partners of Fund XIV. These alternative investing methods in Fund XIV are designed to accomplish Fund XIV’s goals while also accommodating the entity and tax planning needs of U.S. and non-U.S. investors, including tax-exempt organizations.

Investors should consult personal tax and legal counsel to determine both their eligibility to invest and the most appropriate method of investing, based on their circumstances.



## Tax Matters

Fund XIV intends to be treated as a partnership for U.S. federal income tax purposes. The REITs intend to qualify as real estate investment trusts for U.S. federal income tax purposes. Because the tax aspects are complex and tax consequences may differ depending on individual tax circumstances, each Investor must consult with and rely on his or her own independent tax advisor concerning the tax aspects of this offering and his or her individual situation. The Investors will acquire their interests in Fund XIV or one of the REITs without any representations or advice from Fund XIV, the REITs, the General Partner or any of their affiliates, or their agents, including their legal counsel and accountants, regarding the tax treatment and implications of its investment in Fund XIV or a REIT.

Limited Partners are responsible for reporting income to the taxing authorities of certain states in which Fund XIV owns property. However, Limited Partners may participate in composite state tax filings if they meet certain guidelines. To the extent a Limited Partner is eligible and elects to participate in a composite state income tax return, and a composite return is filed, Fund XIV will pay state income taxes on behalf of the Limited Partner which will be treated as a distribution to such Limited Partner. If a Limited Partner elects not to participate in a composite state income tax return or is not eligible for inclusion in a composite filing, Fund XIV is required to remit the state's nonresident withholding tax on the Limited Partner's behalf, and the Limited Partner will be responsible for any additional state income tax due. In such case, the amount of such withholding will be treated as a distribution to such Limited Partner.

Each of the REITs serve as a limited partner in Fund XIV. When Fund XIV acquires property in states with income tax filing requirements, the REITs file an entity-level state income tax return and pay the associated taxes. Generally, REIT shareholders are not expected to have state income tax return obligations.

**PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE FEDERAL AND STATE TAX CONSEQUENCES OF PURCHASING AN INTEREST IN FUND XIV, WHETHER DIRECTLY IN FUND XIV BY ACQUIRING LIMITED PARTNER INTERESTS OR INDIRECTLY THROUGH ONE OF THE REITS BY ACQUIRING REIT SHARES.**



## PRINCIPAL TERMS

*The following is presented as a summary of the principal terms of Fund XIV's offering. It is qualified by reference to the remainder of this Memorandum, the Partnership Agreement, and the Certificate of Incorporation and Bylaws of the applicable REIT.*

### Capital Commitment

The General Partner anticipates accepting Capital Commitments from Investors for approximately \$90 million. This offering will commence on the date of this Memorandum and continue until December 31, 2024, provided that the General Partner may terminate this offering earlier or extend this offering for an additional 90 days. The minimum Capital Commitment for an Investor will be \$500,000, unless a lesser amount is approved by the General Partner in its sole discretion. The approximate asset size of Fund XIV when fully invested (based on an initial targeted equity capital of \$90 million) is anticipated to be \$200 million. The General Partner has the discretion to accept a lesser or greater amount of Capital Commitments which will in turn determine the initial size of the fully capitalized Fund XIV.

### General Partner Commitment

In prior AIC Funds, the General Partner, its affiliates, and members of its management team have invested between 3-5% of the Fund's total equity capital, under terms and conditions consistent with those of other investors. AIC Ventures recognizes the critical importance of aligning interests between the General Partner and the Investors. Accordingly, the General Partner, its affiliates, and management team members will continue to invest in Fund XIV at levels consistent with their historical commitments.

### Commitment Funding

The General Partner intends to issue the first capital call to the Investors in the first quarter of 2025, in an amount up to 5% of each Investor's Capital Commitment. The remainder of an Investor's Capital Commitment will be due in installments over a period of 36 months following the date of the initial capital call, with each installment due within two weeks of the Investor's receipt of a capital call notice from the General Partner. The General Partner may decide to extend the commitment period for an additional period up to 180 days beyond the 36 months depending on market conditions and the pace of property acquisitions.

### Distributions of Cash Flow from Operations

Cash flow available for distribution is determined after deducting debt service, service provider fees, operating expenses for Fund XIV, and establishing property or liquidity reserves. Fund XIV anticipates making distributions of cash flow from operations on a quarterly basis, or at other times as determined by the General Partner.

When cash flow from operations is distributed, 90% will be allocated to the Investors on a pro rata basis according to their ownership interests in Fund XIV, with the remaining 10% allocated to the General Partner.

### Distributions of Cash Flow Other than from Operations

Cash flow derived from sources other than operations, such as proceeds from refinancing or property sales, will be determined after fully paying off any outstanding mortgage balances, service provider fees, transaction costs, and all other related expenses. Additionally, the General Partner will establish appropriate reserves as needed. Distributions of this non-operational cash flow will generally be distributed to the Investors as follows:

- 100% to the Investors, pro rata, in accordance with their respective accrued unreturned capital, until total distributions (including those from operations) equal the total contributed capital plus a cumulative, non-compounding accrued return of 8% per annum on all capital contributed (net of cumulative prior distributions).
- Thereafter, 60% to the Investors, pro rata based on their ownership interests in Fund XIV, with the remaining 40% to the General Partner.



## General Partner Compensation/Distributions

The General Partner will receive from Fund XIV the following distributions:

- 10% of Fund XIV's cash flow from operations (i.e., net proceeds from lease payments received on Fund XIV's properties after paying all property and fund-level expenses).
- 40% of net proceeds from a sale or refinancing of a property, after the return to the Investors of all contributed capital plus a cumulative accrued return of 8% per annum on all capital contributed (net of cumulative prior distributions).

## Syndication, Organization and Management Fees

Fund XIV will also pay to AIC Ventures, L.P. (an affiliate of the General Partner) the following fees:

- One-time cumulative syndication and organization fee paid in installments upon each issuance of new Securities in Fund XIV equal to 0.5% of Capital Commitments for the management and oversight of the formation, organization, and syndication of Fund XIV.
- Quarterly capital management fee generally equal to 0.5% of Net Capital Commitments (as defined in the Partnership Agreement).
- Monthly Property Management Fee equal to 5% of Net Operating Income (as defined in the Partnership Agreement) per occupied property or \$3,000 per month per vacant property until the property is re-leased.

## Other Fund XIV Expenses

Fund XIV will be responsible for all costs and expenses associated with its operations, including those related to locating, evaluating, structuring, acquiring, maintaining, and disposing of its assets. Payments for these expenses may be made directly to third-party providers or as reimbursements to the General Partner or its affiliates for expenses incurred on behalf of Fund XIV. These expenses, charged at or below market rates for the applicable services, may include the following:

- Professional and Third-Party Costs: Legal fees, debt placement costs, property value-add services (such as construction), accounting services, and other professional expenses, including fees for services performed in-house by AIC Ventures or its affiliates.
- Administrative Expenses: Third-party costs related to the administration of Fund XIV, such as accounting, audit, legal, brokerage, consulting, environmental, engineering, surveying, and appraisal fees.
- Investor and Portfolio Support: Costs related to investor support, management and maintenance of lender relationships, administration of hedge instruments (such as caps, swaps, and collars), tax return preparation, and the eventual dissolution of Fund XIV.

For more detailed information on these expenses, please refer to Section 6.3 of the Limited Partnership Agreement.

## Fiduciary and Investment Considerations under ERISA and the Code

Investors in the REITs may include (1) certain employee benefit plans, as defined in the Employee Retirement Income Security Act of 1974 ("ERISA"), that are subject to Part 4 of Subtitle B of Title I of ERISA ("ERISA-Covered Plans") (2) plans subject to Code Section 4975, which includes individual retirement accounts (collectively "IRAs"); and (3) certain entities whose underlying assets include plan assets ("Plan Asset Entity") (each a "Benefit Plan Investor"). Benefit Plan Investors proposing to purchase REIT Shares should consider the risks created by ERISA and the Code including the possible applicability of the fiduciary responsibility rules of ERISA and the prohibited transaction restrictions of ERISA and the Code. Note, if the plan asset rule described below applies, an ERISA-Covered Plan will also be required to determine whether the underlying assets of Fund XIV constitute prudent investments for the Investor's plan.

Neither the board of directors, the General Partner, or any affiliate thereof, is undertaking to provide individualized investment advice, or to give advice in a fiduciary capacity, that will serve as the primary basis of the Benefit Plan Investor's decision to invest in the REITs.



Accordingly, this Memorandum is not intended, and should not be construed, to constitute fiduciary investment advice by the board of directors, the General Partner, or any affiliate regarding the investment or management of assets held by a Benefit Plan Investor. Each prospective investor subject to ERISA or the Code is urged to consult its own advisors as to the provisions of ERISA and the Code applicable to an investment in the REITs.

The investment considerations summarized in this Memorandum do not apply to employee benefit plans established and maintained by federal, state and local governmental units or plans maintained outside of the U.S. Applicable provisions of federal, state and international law may restrict the type of investments any such plan may make or otherwise have an impact on such a plan's ability to invest in the REITs. This summary does not include a discussion of any laws, regulations or statutes that may apply to non-Benefit Plan Investors. Such prospective investors should consult their own counsel on these matters.

### Application of Plan Asset Rule

When a Benefit Plan Investor invests and receives equity in another entity, both the equity interest, as well as the underlying assets of the entity, may be considered assets of the Benefit Plan Investor. This is generally referred to as the "plan asset rule" and, if applicable, would cause the Board of the REIT to be treated as a fiduciary of the plan assets for purposes of Title I of ERISA and the REIT's use of such assets could be restricted by the prohibited transaction rules of ERISA and the Code.

However, the "plan asset rule" will not apply to the investment in a REIT if it is established that the ownership of each class of equity interest in the REIT that is owned by Benefit Plan Investors is less than 25% of the total value of such class of equity interests that are outstanding. Similarly, the "plan asset rule" will not apply to the investment in Fund XIV if either the REIT is not a Benefit Plan Investor or it is established that the ownership of the REIT in each class of equity interest in Fund XIV is less than 25% of the total value of such class of equity interests that are outstanding.

To avoid becoming subject to the fiduciary responsibility provisions and the prohibited transaction restrictions of ERISA and the Code, as applicable, each REIT may limit investments by Benefit Plan Investors to ensure that the total investment by the REITs in Fund XIV does not implicate the "plan asset rule". Consequently, each REIT may reject subscriptions from Benefit Plan Investors and may preclude transfers of REIT Shares to Benefit Plan Investors. Furthermore, each REIT may require Benefit Plan Investors to make additional representations regarding their investment.

### Representations by Benefit Plan Investors

The fiduciaries of each Benefit Plan Investor proposing to invest in one of the REITs will be required to represent that they have been informed of and understand the REITs' (and Fund XIV's) investment objectives, policies and strategies and that the decision to invest plan assets in the REIT was made with appropriate consideration of relevant investment factors with regard to the applicable Benefit Plan Investor and, where applicable, is consistent with the duties and responsibilities imposed upon fiduciaries with regard to their investment decisions under ERISA and/or other applicable laws that require diversification of plan assets and impose other fiduciary responsibilities. In addition, by its purchase, each Benefit Plan Investor will be deemed to have represented and agreed that either (i) it is not a plan that is subject to the prohibited transaction rules of ERISA or the Code, (ii) it is not an entity whose assets include plan assets or (iii) its investment in the REIT will not constitute a non-exempt prohibited transaction under ERISA or the Code. Further, certain Benefit Plan Investors may be required to make additional representations, as determined in the sole discretion of the Board of the REIT.

### Plans' Reporting Obligations

The information contained herein and in the other documentation provided to investors in connection with an investment in the REITs is intended to satisfy the alternative reporting obligation for "eligible indirect compensation" on Schedule C of the Form 5500, in addition to the other purposes for which such documents were created.

ACCEPTANCE OF SUBSCRIPTIONS ON BEHALF OF BENEFIT PLAN INVESTORS IS IN NO RESPECT A REPRESENTATION BY THE REITS, FUND XIV, THE BOARD OF DIRECTORS, THE GENERAL PARTNER AND THEIR AFFILIATES, AND COUNSEL TO SUCH PARTIES THAT THIS INVESTMENT MEETS THE RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY PARTICULAR BENEFIT PLAN INVESTOR OR THAT THIS INVESTMENT IS APPROPRIATE FOR ANY PARTICULAR BENEFIT PLAN INVESTOR. THE FIDUCIARY WITH INVESTMENT DISCRETION OVER THE ASSETS OF THE BENEFIT PLAN INVESTOR SHOULD CONSULT WITH HIS OR HER ATTORNEY AND FINANCIAL ADVISORS AS TO THE PROPRIETY OF AN INVESTMENT IN THE REITS IN LIGHT OF THE CIRCUMSTANCES OF THE PARTICULAR BENEFIT PLAN INVESTOR.



## QUESTIONS AND ANSWERS ABOUT THIS OFFERING

This section provides anticipated questions and answers for potential investors interested in this offering. It is not a substitute for the disclosures in this document. Investors are strongly encouraged to read this Memorandum, the Risk Factors, and the entire document for detailed information before making any investment decision.

### **Q: What is a Real Estate Investment Trust, or REIT?**

A: A REIT (real estate investment trust) is a corporation that qualifies for special tax treatment if it meets certain tests under the Code. Generally, a REIT:

- Combines capital from many investors to acquire or finance a diversified real estate portfolio under professional management.
- Is generally not subject to federal corporate income taxes on its net income distributed to investors, eliminating the “double taxation” often incurred with other corporate investments.
- Distributes at least 90% of its annual ordinary taxable income to its investors.

### **Q: Why should I consider an investment in industrial real estate?**

A: Real estate is frequently part of an investor’s well-diversified investment portfolio. Compared with other commercial real estate classes, industrial assets are less expensive to maintain, hold their value over time, retain tenants more consistently and offer broader usability (with minimal cost) should the tenant need to be replaced. Fund XIV seeks to provide Investors with predictable and stable levels of current income derived from the underlying net real estate leases, diversification through investing in an asset class with a low correlation to the stock market and an opportunity for capital appreciation.

### **Q: What is AIC Ventures investment strategy and what types of properties does Fund XIV intend to acquire?**

A. Fund XIV will invest in primarily industrial properties that are (i) located within the top 150 U.S. markets, (ii) “mission-critical” to the tenant’s operations, and (iii) leased to creditworthy tenants under long-term, bond-type net leases. Mission-critical industrial properties are essential to the business operations of the tenant due to one or more of the following factors:

- Sole or major location for its operations;
- Difficulty of replacement or prohibitive cost to relocate;
- Proximity to distribution, manufacturing, or customer base;
- Lower labor, transportation and/or operating costs;
- Access to transportation networks that enable efficient distribution; or
- Significant amount of tenant-funded capital improvements in the real estate.

### **Q: What is AIC Ventures’ level of experience in acquiring, underwriting and managing commercial real estate?**

A: With tenure at AIC Ventures spanning from 10 to 22 years, the management team offers an extensive and varied knowledge base in real estate, capital markets, and corporate finance. Since 1990, AIC Ventures has acquired approximately \$2.6 billion in real estate, comprising 537 assets through 15 private real estate funds, diversified across top U.S. industrial markets. AIC Ventures has executed numerous successful asset and portfolio sales, secured over \$1 billion in lender financing, and operates with 35 employees dedicated to the business and strategy.

### **Q: How does AIC Ventures determine tenant creditworthiness?**

A: Prospective investments undergo rigorous proprietary credit and real estate underwriting by AIC Ventures’ Acquisitions and Credit departments. This evaluation includes real estate asset condition, local market dynamics, and tenant financial strength to ensure stability and minimize vacancy. Properties are assessed for real estate quality and local market sale and lease activity to ensure competitive acquisition and leasing terms. Tenants are required to submit quarterly and audited annual financial statements for ongoing financial health evaluation. Investment opportunities must be unanimously approved by the five-member Executive Committee before an offer is made.

### **Q: Will Fund XIV use leverage?**



A: Yes. AIC Ventures has established a reputation as a creditworthy borrower with several regional and national banks. Borrowing is primarily structured through portfolio lines of credit, with equity leveraged at 60-65% mortgage debt. Floating rate debt is hedged with instruments like caps, collars, and swaps to mitigate interest rate risk.

**Q: How frequently will the Investors receive distributions?**

A: Once capital is invested in real estate assets, Fund XIV will begin generating distributable cash flow. As the portfolio reaches a minimum threshold of investments, generally four to six properties, the Investors will start receiving quarterly distributions. Fund XIV is scheduled to make these distributions on the first business day of April, July, October, and January, with the initial distributions anticipated to commence in October 2025.

**Q: How do rising interest rates impact your strategy?**

A: The majority of acquisitions will be financed with floating-rate debt. For each property financed through floating-rate debt, a derivative instrument (such as an interest-rate cap, swap, or collar) will be purchased to protect against rising interest rates. If rates rise above the hedge level, the exposure to rising debt cost is mitigated through the obligation of the counterparty, protecting yields from further erosion.

**Q: What are the different ways to invest in this offering?**

A: Investors may elect to participate directly through the limited partnership or indirectly through one of the REITs (which collectively invest directly in the limited partnership). The following table illustrates the main differences. Potential investors should consult their tax professional to determine the best investment method based on their situation.

Certain Points	Limited Partnership (LP)	Non-QP REIT	QP REIT
Eligibility	Accredited Investors or Qualified Purchasers.	Accredited Investors Only.  Accommodates investment through IRA or other tax-deferred retirement account and non US-domiciled investors.	Qualified Purchasers Only.  Accommodates investment through IRA or other tax-deferred retirement account and non US-domiciled investors.
Investment Method	Direct investment in Fund XIV.	Indirect investment via REIT shares. Collectively the two REITs are direct investors in Fund XIV.	Indirect investment via REIT shares. Collectively the two REITs are direct investors in Fund XIV.
Tax Status	Partnership. Investors generally recognize passive income.	REIT, subject to requirements. Investors generally recognize portfolio income.	REIT, subject to requirements. Investors generally recognize portfolio income.
Tax Filing	Investor is responsible for state income tax filings. May participate in a composite filing by the Fund.	REIT files state income tax returns.	REIT files state income tax returns.
Tax Documents	Investor receives a K-1 before March 1 each year.	Investors receive 1099s or 1042s by Jan 30 each year.	Investors receive 1099s or 1042s by Jan 30 each year.

**Q: What is the exit strategy for Fund XIV?**

A: After a planned ownership period of two to three years, Fund XIV will retain a globally recognized commercial real estate broker to market the properties as a portfolio to institutional investors. During the subsequent marketing and bidding process, potential institutional buyers will be evaluated based on their reputation and demonstrated ability to secure financing for the acquisition in a timely manner. Upon completion of the portfolio sale, net sales proceeds will be distributed to Investors first to return their original invested capital. To the extent available, priority distributions will then follow, ensuring that Investors achieve a cumulative accrued return of 8% per annum on all capital contributed to Fund XIV (net of prior distributions), followed by 60% of the remaining net proceeds from the sale. As part of the sale conditions, the buyer may require the establishment of a reserve account, funded from sale proceeds, for a period typically ranging from six to twelve months. This reserve will eventually be released back to the Fund for a final distribution to Investors. The anticipated total investment horizon, from initial capital contribution to final distribution, is approximately five years.



## INVESTMENT RISKS

**PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN FUND XIV, WHETHER DIRECTLY OR THROUGH THE REITS, IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. PROSPECTIVE INVESTORS SHOULD CAREFULLY READ THIS MEMORANDUM PRIOR TO MAKING ANY INVESTMENT IN FUND XIV. PROSPECTIVE INVESTORS SHOULD BE ABLE TO BEAR THE COMPLETE LOSS OF THEIR INVESTMENT.**

### ***Marketability and Transferability Risk***

*As a private fund, an investment in Fund XIV has limited transferability and lacks the liquidity of publicly traded investments.*

An investment in Fund XIV is a long-term commitment, with little liquidity and no certainty of return. The Securities have not been registered under the Securities Act or any other applicable securities laws. The charter of each of the REITs also prohibits certain ownership and restricts certain transfers of the REIT Shares which may inhibit large investors from purchasing REIT shares. There is no public market for the Securities and none is expected to develop. You may not sell the Securities, except as specifically provided by the organizational documents of Fund XIV and the REITs. The Securities are also subject to certain transfer restrictions, and the Investors will have no right to cancel their Capital Commitments or force Fund XIV to redeem their investment. It may be difficult for you to sell the Securities promptly or at all. If you are able to sell the Securities, you will likely have to sell them at a substantial discount to the price you paid for the Securities. Therefore, an investment in Fund XIV should be made only by Investors able to commit their funds for an extended period of time and who will not require a return of any portion of their original capital until Fund XIV's properties are sold.

### ***Management Risk***

*Each Investor must rely on the General Partner to identify, acquire and dispose of the properties and you will not have the opportunity to evaluate the investments Fund XIV will make with the proceeds of this offering before you purchase the Securities.*

Fund XIV's ability to achieve its investment objectives and to pay distributions is dependent upon the performance of the General Partner in selecting Fund XIV's investments and arranging financing. The General Partner will make all of the decisions relating to the management of Fund XIV and its investments and can only be removed under certain limited conditions set forth in the Partnership Agreement. Thus, an investment in Fund XIV represents an investment in the ability of the General Partner to identify appropriate investments for Fund XIV, rather than an investment in a specific portfolio of assets. The Investors will not have the opportunity to evaluate personally the relevant economic, financial and other information which will be utilized by the General Partner in its selection and evaluation of its investments. Therefore, you will have to rely entirely on the management ability of the General Partner. You cannot be sure that the General Partner will be successful in obtaining suitable investments on financially attractive terms or that Fund XIV's objectives will be achieved.

*If you do not agree with the decisions of the General Partner, you will have no ability to influence or change Fund XIV's policies or operations.*

The General Partner determines Fund XIV's policies, including Fund XIV's policies regarding investments, operations, capitalization, financing, growth, REIT qualification, and distributions. The General Partner may amend or revise these and other policies without a vote of Investors. You have no ability to change Fund XIV's policies and operations. The Investors will only be able to remove the General Partner as such upon the occurrence of certain limited events set forth in the Partnership Agreement.

*The rights of Fund XIV or the Investors to recover claims against the General Partner and its officers and personnel or the Board of Directors of the REITs are limited, which could reduce Fund XIV's and the REITs' recovery against them if they cause any losses.*

The General Partner will not be liable, responsible, or accountable in damages or otherwise to Fund XIV or any of the Investors for any act or omission taken or suffered by the General Partner in good faith and in reasonable belief that such act or omission is in or not contrary to the best interest of Fund XIV and is within the authority granted to the General Partner by the Partnership Agreement, provided that such act or omission is not in material violation of the Partnership Agreement and does not constitute fraud, a willful violation of law, or reckless disregard of duty in the conduct of the duties of the General Partner. To the fullest extent permitted by law, Fund XIV



is obligated to indemnify and save harmless the General Partner from and against any and all claims, liabilities, damages, losses, costs and expenses arising out of or in connection with the business of Fund XIV, except to the extent that the foregoing results from a material violation of the Partnership Agreement by the General Partner or fraud or willful violation of law by the General Partner or reckless disregard of duty in the conduct of the duties of the General Partner. As a result, Fund XIV, the REITs and the Investors may have more limited rights against the General Partner and its directors, officers, employees and agents than might otherwise exist under common law, which could reduce Fund XIV's and the Investors' recovery against them. In addition, Fund XIV may be obligated to fund the defense costs incurred by the General Partner and its directors, officers, employees and agents and the directors, officers, employees and agents of the REITs in some cases which would decrease the cash otherwise available for distribution to the Investors.

**The Partnership Agreement also requires Fund XIV to indemnify each member of the Executive Committee from any liability or expense arising from decisions made as a member of the Executive Committee, to the maximum extent permitted by law. As a result, the Investors may have more limited rights to recover from the Executive Committee than might otherwise exist under common law, which could reduce the value of any such claims.**

Each of the REITs' Certificates of Incorporation or Bylaws provides similar protection to each REIT's directors, officers and agents. As a result, the REIT stockholders may have more limited rights to recover from the REIT's directors, officers, employees and agents than might otherwise exist under common law, which could reduce the value of any such claims.

*The past performance of the NL Ventures Funds is not a predictor of future performance of Fund XIV.*

The performance of Fund XIV is dependent on future events and is, therefore, inherently uncertain. The track record of other NL Ventures Funds cannot be relied upon to predict future events or results due to a variety of factors, including, without limitation, different available investments, varying business strategies, new or additional target markets for Fund XIV, different local and national economic circumstances, different supply and demand characteristics, varying degrees of competition and varying circumstances pertaining to the real estate market. To be successful in this market, Fund XIV must, among other things identify and acquire appropriate investments that further Fund XIV's investment objectives, and attract, integrate, motivate and retain qualified personnel to manage Fund XIV's day-to-day operations.

Fund XIV cannot guarantee that it will succeed in achieving these goals, and Fund XIV's failure to do so could cause you to lose all or a portion of your investment.

*If the General Partner loses or is unable to obtain key personnel, Fund XIV's ability to implement its investment objectives could be delayed or hindered, which could adversely affect Fund XIV's ability to make distributions and the value of your investment.*

The ability of the General Partner to successfully manage the affairs of Fund XIV depends on its management team and its ability to identify, structure, consummate, manage and dispose of investments. The General Partner will rely on the experience, relationships and expertise of its senior management team and other key employees. Fund XIV's success depends to a significant degree upon the contributions of the General Partner's executives and other key personnel, each of whom would be difficult to replace. There can be no assurance that these individuals will continue to provide services to the General Partner or otherwise continue to be able to carry on their current duties throughout the term of Fund XIV. Competition for qualified personnel is intense, and Fund XIV cannot assure you that the General Partner will be successful in attracting and retaining such skilled personnel. The loss of the services of key individuals could have a material adverse effect on Fund XIV's operations.



*Officers and key personnel of the General Partner and its affiliates will face competing demands relating to their time, which may have a negative impact on Fund XIV's operating results.*

Officers and key personnel of the General Partner and its affiliates will serve as key personnel, advisors, managers and sponsors to some or all of the other products offered by AIC Ventures and potential new business initiatives and ventures. Certain members of the General Partner's management team may have conflicts in allocating their time among the General Partner, Fund XIV and other funds and joint ventures sponsored by AIC Ventures or its affiliates. During times of intense activity in other programs and ventures, management may devote less time and fewer resources to Fund XIV's business than is necessary or appropriate. If this occurs, the returns on Fund XIV's investment may be adversely impacted.

*The General Partner will face conflicts of interest which could result in actions that are not necessarily in the long-term best interests of the Investors.*

The General Partner will be entitled to compensation that is structured in a manner intended to provide incentives to the General Partner to perform in Fund XIV's best interests and in the best interests of the Investors. The amount of such compensation may be greater than otherwise would be payable to independent third parties. The General Partner's interests may not be wholly aligned with those of the Investors. The General Partner will receive a carried interest in Fund XIV, creating a potential conflict of interests that could affect the decisions of the General Partner in purchasing, holding and disposing of Fund XIV's investments. In that regard, the General Partner could be motivated to acquire riskier or more speculative investments to generate the specified levels of performance or sales proceeds that would entitle the General Partner to greater compensation. In addition, the General Partner's entitlement to participate in sale proceeds could result in the General Partner recommending sales of Fund XIV's investments at the earliest possible time at which sales of investments would produce the level of return that would entitle the General Partner to compensation relating to such sales, even if continued ownership of those investments might be in Fund XIV's best long-term interest.

In addition, Fund XIV may invest in properties in markets in which other AIC Ventures sponsored funds already own property that compete with Fund XIV's properties, thereby creating a potential conflict of interest for the General Partner in connection with the management and decisions regarding such properties, including decisions related to the marketing and sale of such properties.

*Potential Conflicts Regarding Other General Partner Activities Following a Sale.*

In the future, affiliates of the General Partner may enter into agreements to manage properties after they have been sold by Fund XIV to a third party. In such cases, affiliates of the General Partner may receive compensation for managing properties that are in the same markets as properties still held by Fund XIV.

*There is no separate counsel for Fund XIV, the REITs and their affiliates.*

Winstead PC serves as legal counsel for the General Partner and represents some of its affiliates including some of its principals. Winstead does not represent Fund XIV, the REITs, or the individual investors in Fund XIV or the REITs in connection with this offering. There is a possibility in the future that the interests of the various parties may become adverse and, under the code of professional responsibility of the legal profession, Winstead PC may be precluded from representing any one or all of such parties. If any situation arises in which Fund XIV's interests appear to be in conflict with those of Fund XIV's affiliates, additional counsel may be retained by one or more of the parties to assure that their interests are adequately protected. Moreover, should a conflict of interest not be readily apparent, Winstead PC may inadvertently act in derogation of the interest of the parties which could affect Fund XIV's ability to meet Fund XIV's investment objectives.



*Investors and Fund XIV may suffer adverse consequences if an Investor defaults in making its capital contributions.*

If an Investor in Fund XIV fails to pay in full any capital contributions upon request in the manner required, the General Partner or such REIT's Board of Directors may take certain actions which may result in, among other things, a redemption of the defaulting Investor's interest in Fund XIV or the REIT.

If an Investor defaults on its obligation to make required capital contributions, it may be difficult for Fund XIV or a REIT to make up the shortfall from other sources. The other Investors may be asked to contribute additional capital to replace such shortfall, but not in excess of their total Capital Commitments. Thus, a default by one or more of the Investors could cause Fund XIV to lose investment opportunities, or to be unable to meet Fund XIV's or the REIT's expenses or other capital requirements, due to the reliance on Capital Commitments to fund shortfalls.

*If Fund XIV is unable to raise substantial capital, it will be limited in the number and type of investments Fund XIV may make, and the value of Fund XIV's investment will fluctuate with the performance of the specific properties Fund XIV acquires.*

This offering is being made on a best-efforts basis whereby the General Partner is only required to use its best efforts to sell the Securities. The amount of proceeds Fund XIV raises in this offering may be substantially less than the amount needed to achieve a broadly diversified portfolio. If Fund XIV is unable to raise a substantial amount of capital, it will make fewer investments resulting in less diversification in terms of the number of investments owned, the types of investments that Fund XIV makes, and the geographic regions in which Fund XIV's investments are located. In such event, the likelihood of Fund XIV's profitability being affected by the performance of any one of Fund XIV's investments will increase. An investment in the Securities will be subject to greater risk to the extent that Fund XIV lacks a diversified portfolio of properties. In addition, Fund XIV's inability to raise substantial capital would increase Fund XIV's fixed operating expenses as a percentage of gross income, and Fund XIV's financial condition and ability to pay distributions could be adversely affected.

*Limited Resources of the General Partner.*

The General Partner is a newly formed entity and has a nominal net worth. While the General Partner believes that it has adequate financial resources to serve and satisfy its obligations under the Partnership Agreement a significant financial reversal could adversely affect the General Partner's ability to properly manage Fund XIV.

*Potential further regulatory reforms could have a significant impact on AIC Ventures' business, financial condition and results of operations.*

**Regulatory Change.** Legal and regulatory changes could occur during the term of Fund XIV, which may materially adversely affect Fund XIV. Regulation of real estate funds and REITs and the sale of securities in and outside the United States have undergone substantial change in recent years and additional changes are likely to be enacted. In particular, the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended (the "Dodd-Frank Act"), was signed into law in July 2010. The Dodd-Frank Act contains changes to the regulatory structure in the United States and is intended to establish rigorous oversight standards to protect the U.S. economy and American consumers, investors, and businesses. The Dodd-Frank Act requires additional regulation of certain private equity and venture capital fund managers, including requirements for such managers to register as investment advisers under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and to disclose certain information to regulators about the investments, counterparties, and other exposures of Fund XIVs managed by such managers. If the General Partner is required to register under the Advisers Act, the cost of such registration and of ongoing compliance will increase Fund XIV's operational expenses and could restrict its ability of Fund XIV to operate in accordance with its current business plan. Other potentially adverse regulatory initiatives could also develop.

**Applicable Laws and Regulations.** The General Partner believes that Fund XIV will not be, and intends to conduct operations so that Fund XIV will not become, regulated as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Under the Investment Company Act, an investment company is required to register with the Securities and Exchange Commission and is subject to extensive and potentially adverse regulation relating to, among other things, operating methods, management, capital structure, dividends and transactions with affiliates. As stated above, the General Partner intends to conduct Fund XIV's operations in such a way as to qualify for an exemption from registration as an investment company. If, however, Fund XIV is not



able to maintain an exemption, it could be required, among other things, to change the manner in which it conducts its operations to avoid being required to register as an investment company, or to register as an investment company, either of which could materially adversely affect Fund XIV. Further, if Fund XIV were to be deemed an unregistered investment company, it could be subject to monetary penalties and injunctive relief. Fund XIV may be unable to enforce contracts with third parties or third parties could seek to obtain rescission of transactions undertaken during the period that Fund XIV was deemed an unregistered investment company. Any of these possibilities would likely have a material adverse effect on Fund XIV.

The General Partner is not registered as an investment advisor under the Advisers Act in reliance upon the exemptions from registration set forth in the Advisers Act. As a consequence, the General Partner generally is not subject to the restrictions contained in the Advisers Act, although there can be no assurance that the General Partner will not become subject to such restrictions in the future.

In general, the General Partner will seek to minimize the degree of governmental regulation and oversight to which the General Partner and Fund XIV are subject. While it is anticipated that this approach will reduce compliance and other costs, this approach will also eliminate a variety of investor protections (including certain protections arising under the Securities Act, the Investment Company Act, and the Advisers Act) that would be available if the General Partner were subject to greater regulatory and oversight burdens.

The General Partner cannot predict whether there will be additional proposed laws or reforms that would adversely affect commercial real estate, private real estate funds or private real estate trusts, whether or when such changes may be adopted and how such changes may be interpreted and enforced or how such changes may affect us. However, the costs of complying with any additional laws or regulations could have a material adverse effect on Fund XIV's financial condition and results of operations.

### ***Economic Cycle and Exit Risk***

*The cycles of economic and real estate activity could affect Fund XIV's investment values and its ability to sell the investments at acceptable terms within the anticipated holding period.*

Adverse conditions in the markets, including economic conditions, supply and demand for real estate, higher interest rates and the availability of financing, could affect the values of the investments and Fund XIV's ability to sell the investments at acceptable prices and terms. Further, neither the General Partner nor Fund XIV can predict how long it might take to find a willing purchaser for a property and to close a sale.

The investment horizon is two to three years from the date of acquisition, but unforeseen circumstances or opportunities may require holding the properties longer or selling them more quickly, which can adversely impact the performance of Fund XIV.

### ***Risks Inherent in Real Estate Investments***

*Investing in real estate will expose Fund XIV to a high degree of risk.*

Real estate historically has experienced fluctuations and cycles in value and Fund XIV may buy and/or sell investments at less than optimal times. The marketability and value of Fund XIV's investments will depend on many factors beyond the control of Fund XIV. The ultimate performance of Fund XIV's investments will be subject to the varying degrees of risk generally incident to the ownership and management of interests in real property and, more specifically, commercial properties. The ultimate value of Fund XIV's investments will depend on Fund XIV's ability to identify, acquire, manage and dispose of investments in a profitable manner.

Investment returns may be adversely affected by (i) changes in national or international economic conditions; (ii) changes in local market conditions due to changes in general or local economic conditions and the financial condition of buyers and sellers of properties; (iii) competition from prospective buyers and sellers of similar properties; (iv) the impact of present or future environmental legislation and compliance with environmental laws; (v) changes in property tax rates and valuations and other operating expenses; (vi) changes in federal or state income taxes; (vii) adverse changes in governmental laws, rules, fiscal policies and tax regulations; (viii) civil unrest, acts of God, including earthquakes, hurricanes and other natural disasters; (ix) acts of war; acts of terrorism (any of which may result in



uninsured losses); (x) adverse changes in zoning or land use laws; and (xi) other factors that are beyond the control of Fund XIV.

In the event that any of the properties which comprise Fund XIV's investments experience any of the foregoing events or occurrences, the value of and return on such investments may be negatively impacted.

The seller of a property will often sell such property in its "as is" condition on a "where is" basis and "with all faults," without any warranties of merchantability or fitness for a particular use or purpose. In addition, purchase agreements may contain only limited warranties, representations and indemnifications that will only survive for a limited period after the closing. Also, many sellers of real estate are single purpose entities without significant other assets. The purchase of properties with limited warranties or from undercapitalized sellers increases the risk that some or all of Fund XIV's invested capital in such properties as well as the loss of rental income from such properties may be lost.

*Costs of complying with governmental laws and regulations, including those relating to environmental matters, may adversely affect Fund XIV's income and cash available for distribution.*

The properties that Fund XIV will target for investment will be subject to a variety of local, state and federal statutes, ordinances, rules and regulations concerning the protection of health and the environment. The particular environmental laws which apply in any given community vary greatly according to the community site, the site's environmental conditions and the present and former use of the site. Environmental laws may result in delays and may cause Fund XIV to incur substantial compliance and other costs. Furthermore, under various federal, state and local laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. The cost of any required remediation and the owner's liability for such remediation as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may also adversely affect the owner's ability to sell the real estate or to borrow using such property as collateral.

Further, Fund XIV may not obtain an independent third-party environmental assessment for every property Fund XIV acquires. In addition, Fund XIV cannot assure you that any such assessment that Fund XIV does obtain will reveal all environmental liabilities or that a prior owner of a property did not create a material environmental condition not known to us. Fund XIV cannot predict what other environmental legislation or regulations will be enacted in the future, how existing or future laws or regulations will be administered or interpreted, or what environmental conditions may be found to exist in the future. Fund XIV cannot assure you that Fund XIV's business, assets, results of operations, liquidity or financial condition will not be adversely affected by these laws, which may adversely affect the cash available for distribution, and the amount of distributions to you.

*Fund XIV may incur uninsured losses.*

Fund XIV will attempt to maintain insurance coverage against liability to third parties and, to the extent applicable, property damage, as is customary for similarly situated businesses and land investments. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods or acts of terrorism, may be unavailable, available in amounts that are less than the full market value or replacement cost of investment properties or subject to a large deductible. In addition, there can be no assurance that particular risks which are currently insurable will continue to be insurable on an economic basis. In these instances, Fund XIV may be required to provide other financial support, either through financial assurances or self-insurance, to cover potential losses. Fund XIV cannot assure you that it will have adequate coverage for such losses.



*Fund XIV's inability to sell a property when it desires to do so could adversely impact Fund XIV's ability to pay cash distributions to you.*

The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond Fund XIV's control. Fund XIV cannot predict whether it will be able to sell any property for the price or on the terms set by us, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. Fund XIV cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. Real estate generally cannot be sold quickly. Also, the tax laws applicable to REITs require that Fund XIV hold its properties for investment, rather than for sale in the ordinary course of business, which may cause us to forego or defer sales of properties that otherwise would be in Fund XIV's best interest. Therefore, Fund XIV may not be able to dispose of properties promptly, or on favorable terms, in response to economic or other market conditions, and this may adversely impact Fund XIV's ability to make distributions to you.

In addition, Fund XIV may be required to expend funds to correct defects or to make improvements before a property can be sold. Fund XIV cannot assure you that it will have funds available to correct such defects or to make such improvements.

### **Tenant Risk**

*The success of Fund XIV is highly dependent on the financial stability of the tenants.*

Poor financial performance by tenants or adverse economic conditions affecting a particular industry could affect the ability of Fund XIV's tenants to make rental payments under their leases. This could result in a tenant bankruptcy or a vacancy in one or more properties for an extended period of time. Lease payment defaults by tenants could cause Fund XIV to reduce the amount of distributions it pays. A default of a tenant on its lease payments to Fund XIV and the potential resulting vacancy would cause Fund XIV to lose the revenue from the property and force Fund XIV to find an alternative source of revenue to meet any mortgage payment and prevent a foreclosure if the property is subject to a mortgage. In the event of default, Fund XIV may experience delays in enforcing its rights as landlord and may incur substantial costs in protecting Fund XIV's investment and re-leasing the property.

If a lease is terminated, Fund XIV cannot ensure that it will be able to lease the property for the same rent previously received or sell without incurring a loss. In addition, the resale value of the property could be diminished because the market value of a particular property will depend principally on the value of the lease. A default by a tenant, the failure of a guarantor to fulfill its obligations or other premature termination of a lease, or a tenant's election not to extend a lease upon its expiration, could have an adverse effect on Fund XIV's financial condition and its ability to pay distributions.

*Fund XIV's real estate investments may include special use single tenant properties that may be difficult to sell or re-lease upon tenant defaults or early lease terminations.*

Fund XIV may invest in industrial and commercial properties, which may include manufacturing facilities and special use single tenant properties. These types of properties are relatively illiquid compared to other types of real estate and financial assets. This illiquidity will limit Fund XIV's ability to quickly change Fund XIV's portfolio in response to changes in economic or other conditions. With these properties, if the current lease is terminated or not renewed, Fund XIV may be required to renovate the property or to make rent concessions in order to lease the property to another tenant or sell the property. In addition, in the event Fund XIV is forced to sell the property, Fund XIV may have difficulty selling it to a party other than the tenant or borrower due to the special purpose for which the property may have been designed. These and other limitations may affect Fund XIV's ability to sell or re-lease properties and adversely affect returns to you.



## **Financing Risk**

*Fund XIV's success is dependent upon the availability of loans with attractive terms.*

Fund XIV anticipates borrowing 60-65% of the initial purchase price of each property in Fund XIV. Fund XIV's failure to obtain leverage at the contemplated levels, or to obtain leverage on attractive terms, could have a material adverse effect on Fund XIV. In addition, the use of leverage will subject Fund XIV to risks normally associated with debt financing, including the risk that Fund XIV's cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on the investments will not be able to be refinanced and the risk that the terms of such refinancing will not be as favorable as the terms of the existing indebtedness. In addition, lenders may require that Fund XIV provide an unconditional guarantee of the loans and/or cross-collateralize the loans with other loans secured by other properties owned by Fund XIV. To the extent that one or more of the properties in Fund XIV is sold at prices below the loan balance, equity and/or profits from the sale of other assets within Fund XIV may be required to satisfy the obligations on the underperforming loans. Under such circumstances, the equity in Fund XIV may be lost or substantially reduced. Fund XIV may incur mortgage debt and pledge all or some of Fund XIV's real properties as security for that debt to obtain funds to acquire real properties. Fund XIV may also borrow if it deems it necessary or advisable to assure that Fund XIV maintain each REIT's qualification as a real estate investment trust for federal income tax purposes. If there is a shortfall between the cash flow from Fund XIV's properties and the cash flow needed to service mortgage debt, then the amount available for distribution to the Investors may be reduced.

Additionally, if a tenant defaults on a lease, Fund XIV may be required to reduce or suspend distributions to the Investors and use these proceeds to reduce the loan balance until such time that the lender deems that the loan is adequately secured. This event would disrupt distributions to the Investors even if the rest of Fund XIV is performing.

*If Fund XIV is unable to make its debt payments when required, a lender could foreclose on the property or properties securing such debt, which could reduce the amount of distributions paid to you and decrease the value of Fund XIV's investment.*

Fund XIV may have a significant amount of acquisition indebtedness secured by first priority mortgages or UCC filings on Fund XIV's properties. In addition, all of Fund XIV's properties contain, and any future acquisitions Fund XIV makes will likely contain, mortgage financing or unsecured financing. If Fund XIV is unable to make Fund XIV's debt payments when required, a lender could foreclose on the property or properties securing such debt. In any such event, Fund XIV could lose some or all of Fund XIV's investment in these properties, which would reduce the amount of distributions it pays to each Investor and decrease the value of Fund XIV's investment.

*Increases in interest rates could increase the amount of Fund XIV's debt payments and adversely affect Fund XIV's ability to make distributions.*

Fund XIV expects that it will incur indebtedness. Interest Fund XIV pays will reduce cash available for distribution. Additionally, if Fund XIV incurs variable rate debt, increases in interest rates would increase Fund XIV's interest costs, which could reduce Fund XIV's cash flows and Fund XIV's ability to make distributions to you. In addition, if Fund XIV needs to repay existing debt during periods of rising interest rates, it could be required to liquidate one or more of Fund XIV's investments in properties at times that may not permit realization of the maximum return on such investments.

## **Risk Associated with Interest Rate Hedging**

Fund XIV may employ various hedging strategies to limit the effects of changes in interest rates on its operations, including engaging in interest rate swaps, caps, floors and other interest rate exchange contracts. However, hedging investments involve certain additional risks such as the legal enforceability of hedging contracts and the risk that unanticipated and significant changes in interest rates may cause a significant loss of basis in the contract. Thus, while Fund XIV may benefit from the use of hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a lower overall performance for Fund XIV than if it had not entered into such hedging investments. There can be no assurance that Fund XIV will be able to enter into hedging investments or that consummated hedging investments will adequately protect Fund XIV against the foregoing risks.



Increases in interest rates could also adversely affect the ability of potential purchasers of Fund XIV's investments to obtain desirable financing and thus could limit the ability of Fund XIV to sell its investments.

### ***Risks Associated with Distributions***

*Fund XIV and the REITs may be unable to pay or maintain cash distributions or increase distributions over time.*

There are many factors that can affect the availability and timing of cash distributions to the Investors. Distributions will be based principally on cash available from Fund XIV's operations. The amount of cash available for distribution will be affected by many factors, such as Fund XIV's ability to buy properties in a timely manner as offering proceeds become available, and Fund XIV's operating expense levels. Actual cash available for distribution may vary substantially from estimates. Fund XIV cannot assure you that it will be able to pay or maintain distributions or that distributions will increase over time, nor can Fund XIV give any assurance that rents from the properties will increase, or that future acquisitions of real properties will increase Fund XIV's cash available for distribution to the Investors. Fund XIV's and the REITs' actual results may differ significantly from the assumptions used by the General Partner in establishing distribution rates.

### ***Risk Associated with Federal Income Tax***

*The Investors may incur tax liabilities prior to receiving distributions.*

As a result of Fund XIV being treated as a partnership for federal income tax purposes such that Fund XIV's taxable income will be allocated to the Investors, an Investor's tax liability may exceed the cash distributions, if any, received from Fund XIV. Although not anticipated, in such event, the Investor will have to utilize other means to satisfy such tax liabilities. The General Partner expects to make quarterly distributions of available cash from operations but such amounts may not be sufficient to satisfy an Investors' tax liability.

*Potential conflict of interest.*

The holding period of a capital asset generally must exceed three years for gain from the disposition of such asset to be treated as long-term capital gain (and subject to preferential tax rates) with respect to certain partnership interests. Property used in a trade or business, such as Fund XIV's anticipated real estate investments, is not expected to be treated as a capital asset for purposes of this rule. Future legislation, administrative rulings or judicial decisions may result in property used in a trade or business being treated as a capital asset for purposes of this rule. In such event, there may be a conflict of interest between the General Partner (whose interest in Fund XIV may be subject to the rule) and the Investors with respect to the timing of a disposition by Fund XIV of certain investments.

*The General Partner can bind the Limited Partners with respect to tax audits.*

The General Partner will act as the "partnership representative" of Fund XIV. As partnership representative, the General Partner will have the sole authority to act on behalf of Fund XIV in connection with any administrative or judicial review of items of Fund XIV's income, gain, loss, deduction, or credit. Any action by the General Partner in its capacity as partnership representative, including an extension of Fund XIV's statute of limitations or a settlement with the Internal Revenue Service, will bind the Limited Partners. No Limited Partner will have the right to enter into an independent settlement with the Internal Revenue Service with respect to Fund items or petition the U.S. Tax Court to challenge an adjustment. If an audit of Fund XIV results in an imputed underpayment, Fund XIV may pay any resulting taxes, penalties and interest directly or elect to shift such tax liability to the Partners. If the Fund makes payments of taxes, penalties and interest resulting from audit adjustments, its cash available for distribution may be substantially reduced.



*Investors' deductions for pass-through income will differ depending on individual circumstances.*

For tax years beginning after December 31, 2017 and before January 1, 2026, a taxpayer, other than a corporation, that has "qualified business income" (including income allocated to such taxpayer from a partnership) or that receives dividends from a real estate investment trust (other than certain dividends that are taxable at capital gain tax rates) is generally allowed a deduction of up to 20% of the amount of such qualified business income or dividends, subject to certain limitations. Although qualified business income does not include certain investment items (including capital gain or loss, dividends from non-REIT corporations and certain interest income), Fund XIV may make investments which give rise to qualified business income which is allocated to a Limited Partner. Certain limitations on the deduction relating to qualified business income are not applicable with respect to dividends from a real estate investment trust. As a result, the availability or amount of the deduction may differ between the Investors depending on whether such investor is a Limited Partner of Fund XIV or a REIT Shareholder and the Investor's individual circumstances.

*Tax laws may change.*

Significant and fundamental changes in the federal income tax laws have been made in recent years, and additional changes are likely. Any such change may negatively affect Fund XIV, the General Partner and the Investors. Moreover, judicial decisions, regulations or administrative pronouncements could negatively affect the tax consequences of an investment in Fund XIV. Significant legislative and budgetary proposals affecting tax laws have been made, and may continue to be made, by the legislative and executive branches of the U.S. federal government. The enactment of any such proposals into law could have material adverse effects on the Fund and/or the Limited Partners.

### ***Risk Associated with the REITs***

*Complying with the REIT requirements may cause Fund XIV to forego otherwise attractive opportunities.*

To qualify as a REIT for federal income tax purposes, each REIT must continually satisfy tests concerning, among other things, the sources of the REIT's income, the nature and diversification of the REIT's assets, the amounts the REIT distributes to stockholders and the ownership of the REIT's shares. A REIT may be required to make distributions to its stockholders at disadvantageous times or when it does not have funds readily available for distribution, or Fund XIV may be required to liquidate otherwise attractive investments to enable the REIT to comply with the REIT tests. Thus, compliance with the REIT requirements may hinder Fund XIV's ability to operate solely on the basis of maximizing profits.

### ***Risks and Attributes of the REITs***

Investing in REIT Shares involves the risks generally applicable to investing in Fund XIV along with the following risks applicable only to the REIT Shares. Any of the following risks could harm the business, operating results and financial condition and could result in a complete loss of your investment. The risks described below are not the only risks the REITs face. Additional risks and uncertainties of which the REITs or General Partner are unaware or currently believe are immaterial may also impair business operations. Carefully consider these risks in reviewing this Memorandum, and these risks qualify, in their entirety, each statement in this Memorandum.

Each prospective investor is advised to consult with his own legal, tax and financial advisor regarding the specific consequences to him of the purchase, ownership and sale of the REIT Shares, including the federal, state, local, non-U.S., and other tax consequences of such purchase, ownership or sale and of potential changes in applicable tax laws. The following discussion is not exhaustive of all possible tax or other legal considerations that may be relevant to a prospective stockholder in light of his particular circumstances.

*The REITs must satisfy a lengthy set of tests to maintain their status as real estate investment trusts for federal income tax purposes, and failure to maintain that status may cause the REITs to be taxed as regular corporations.*

The REITs intend to operate in a manner so as to qualify as real estate investment trusts for federal income tax purposes. To qualify as real estate investment trusts, the REITs must each satisfy certain requirements concerning the nature of their assets and income, which may restrict their ability to invest in various types of assets. To satisfy the income requirements of a REIT, the REITs will be restricted to



acquiring assets which generate qualifying income for purposes of certain income tests. These restrictions could affect adversely the REIT's and Fund XIV's ability to optimize or adequately diversify their portfolio of assets.

If a REIT were to fail to qualify as a real estate investment trust in any taxable year, the REIT would be subject to federal income tax on its taxable income at regular corporate rates, and distributions to stockholders would not be deductible by the REIT in computing its taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for distribution to stockholders, including cash flow available for payment of dividends on the REIT Shares. Unless entitled to relief under certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the REIT also would be disqualified from taxation as a real estate investment trust for the four taxable years following the year during which the REIT ceased to qualify as a real estate investment trust. In addition, the REIT's shareholders would lose the potential deduction of 20% of the amount of certain dividends received from the REIT, as described above, during such period.

The REITs must distribute annually at least 90% of their taxable income (excluding any net capital gain) to avoid corporate incometaxation of the earnings that they distribute. In addition, each REIT will be subject to a 4% nondeductible excise tax on the amount, if any, by which certain distributions paid by it with respect to any calendar year are less than certain thresholds. The REITs intend to make distributions to their stockholders to comply with the above distribution requirement and to avoid the nondeductible excise tax. Differences in timing between the recognition of taxable income and the actual receipt of cash may require the REITs to borrow funds, issue capital stock, make "consent dividends" or sell assets on a short-term basis to meet the distribution requirements and to avoid the nondeductible excise tax. In addition, the requirement to distribute a substantial portion of the REITs' taxable income could cause the REITs or Fund XIV (i) to sell assets in adverse market conditions, (ii) to distribute amounts that represent a return of capital, or (iii) to distribute amounts that would otherwise be spent on future investments or repayment of debt. There is no assurance that the REITs will have sufficient cash flow to satisfy the REIT distribution requirements and not be subject to the 4% nondeductible excise tax.

*Ownership limitations imposed by the real estate investment trusts rules may restrict the REITs and Fund XIV's business combination opportunities.*

For the REITs to maintain their qualification as real estate investment trusts, not more than 50% in value of each REIT's outstanding shares of capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during certain time periods. For the purpose of preserving its REIT qualification, each REIT's Certificate of Incorporation generally prohibits direct or indirect ownership of more than 9.8% of the number of outstanding shares of either Common Stock or Preferred Stock (the "Ownership Limit"). The Ownership Limit could have the effect of discouraging a takeover or other transaction in which holders of some, or a majority, of the shares of a REIT might receive a premium for such shares over the then prevailing market price or which such holders might believe to be otherwise in their best interests. Additionally, the Ownership Limit and other restrictions set forth below may have the effect of precluding an acquisition of control of a REIT without approval of its Board of Directors.

*Stockholders will be subject to significant limitations and restrictions on transfer under the real estate investment trust rules.*

The REIT Shares offered hereby have not been, and will not be, registered under the Securities Act. Accordingly, the United States securities laws impose certain restrictions upon the ability of a holder of REIT Shares to subsequently transfer such shares. Each REIT's organizational documents impose additional restrictions upon the transferability of the REIT Shares (including its sale, transfer, gift, assignment, devise or other disposition) to ensure the REITs' continued qualification as real estate investment trusts and require written notice to the REIT of any proposed transfer of REIT Shares (such restrictions are different than those imposed on Limited Partners). For these reasons and other reasons, REIT Stockholders may be required to bear the financial risks of their investment for an indefinite period of time.

*REIT Stockholders have limited voting rights.*

The Certificate of Incorporation for each REIT imposes limitations on the voting rights of REIT Shares. As a result, REIT Stockholders will only be entitled to vote on limited matters specified in the applicable Certificate of Incorporation and as may be required by statute.



*The REITs and Fund XIV would suffer adverse consequences if they were required to register as investment companies.*

Each REIT and Fund XIV believe that they will not be, and intend to conduct their operations so as not to become, regulated as an investment company under the Investment Company Act. The REITs' and Fund XIV's need to preserve the availability of an exemption may further limit the transferability of the REIT Shares and any investment in Fund XIV. Under the Investment Company Act, an investment company is required to register with the Securities and Exchange Commission and is subject to extensive and potentially adverse regulation relating to, among other things, operating methods, management, capital structure, dividends and transactions with affiliates. As discussed above, the REITs and Fund XIV intend to conduct their operations in such a way as to perfect an exemption from registration as an investment company. If, however, either REIT or Fund XIV is unable to maintain an exemption, it could be required, among other things, to (i) change the manner in which it conducts its operations to avoid being required to register as an investment company or (ii) register as an investment company, either of which could materially adversely affect the REITs and Fund XIV. Further, if either REIT or Fund XIV were deemed an unregistered investment company, the REITs or Fund XIV could be subject to severe monetary penalties and injunctive relief. The REITs and Fund XIV would be unable to enforce contracts with third parties and third parties could seek to obtain rescission of transactions undertaken during the period that the REITs or Fund XIV were deemed an unregistered investment company. Any of these possibilities would likely have a material adverse effect on the REITs and Fund XIV.

### ***Risks Associated with the Plan Asset Rule under ERISA and the Code***

If ERISA's "plan asset rule" applies to Fund XIV, it may become subject to additional requirements and restrictions imposed by ERISA and the Code which would significantly increase its operating costs. The applicability of these additional regulatory provisions may result in (i) fiduciary standards not otherwise applicable being imposed on Fund XIV's investment decisions, (ii) potential liability of the General Partner (and other persons having investment discretion over the assets of an ERISA-Covered Plan) for violation of ERISA's fiduciary standards, and (iii) the possibility that certain transactions that Fund XIV enters into in the ordinary course of business might constitute "prohibited transactions" under ERISA and the Code. Engaging in a prohibited transaction may trigger an excise tax of 15% of the amount involved, or 100% of the amount involved if the prohibited transaction is not timely corrected. A prohibited transaction could also result in the disqualification and loss of the tax-exempt status of any IRA that has purchased REIT Shares.

In addition, failure of a fiduciary of an ERISA-Covered Plan to abide by its duties under ERISA may result in personal liability of the fiduciary for any losses to the plan resulting from the fiduciary's breach of duty, and for restoration to the plan of any profits of the fiduciary that were made through the use of the assets of the plan, as well as various excise taxes and penalties that may be imposed upon the fiduciary under the Code and ERISA.



## KEY PERSONNEL

### **Paul Robshaw** *Founder*

Paul is the Founder of AIC Ventures and is a member of the Executive Committee. He has been active in real estate investment and asset management for over 60 years and has formed 58 real estate partnerships and 15 funds that have invested in over \$2.6 billion of real estate. Born in Buffalo, New York, Paul owned and operated one of the largest real estate firms in Western New York. He has been involved in commercial construction, rehabilitation, land development and apartment and office building management and leasing. Paul is a founder, director and past Chairman of L3 Organization and is also a founder and trustee of the Leadership Legacy Life Foundation. Paul was an International Director of the World Presidents Organization (WPO) for seven years and served as the Chairman of the Board in 2004. He studied economics at Canisius College and Niagara University.

### **David Robshaw** *President, Managing Partner*

Dave joined AIC Ventures in 2005 and leads the Executive Committee. As President, Dave manages all channels of the organization including Acquisitions, Investor Relations, Portfolio Operations, Finance and Accounting, and Administration. Prior to joining AIC Ventures, he was Global Account Manager for Dell Inc. where he directed the strategic relationship with Exxon Mobil, one of the company's largest global accounts. Before joining Dell, he served as a Global Account Manager for both Compaq and Level (3) Communications in sales and consulting capacities. He is active in the Young Presidents Organization, Vistage and CEO and has served as Education and Chapter Chair in both YPO and YPO Gold Austin chapters. Additionally, he was a member of the Board of Directors for the Central Texas Chapter of the Juvenile Diabetes Foundation. Dave earned a BBA in Marketing with a concentration in Finance from the University of Texas at Austin.

### **Michael Baucus** *Managing Partner – Portfolio Operations*

Mike joined AIC Ventures in 2001 and is a member of the Executive Committee. Mike is responsible for oversight on negotiating debt terms for purchases and refinancing, overseeing asset management responsibilities and leading the activities for portfolio asset sales. Prior to joining AIC Ventures, Mike was a Managing Director at Cohen Financial, a Chicago-based mortgage banking firm, from 1994 to 2001. He led Cohen's capital markets activities and oversaw the placement of over \$3 billion in real estate debt and equity financing on a variety of projects around the country. Prior to Cohen, Mike worked for Oppenheimer & Co.'s commercial mortgage-backed securities group, Chemical Bank's real estate investment banking group, Integrated Resources and Williams Real Estate. Mike graduated from The University of Pennsylvania's Wharton School of Business with a degree in Economics with a concentration in Finance.

### **Luis Medina** *Managing Partner – Acquisitions*

Luis joined AIC Ventures in 2004 and is a member of the Executive Committee. His responsibilities include leading AIC Ventures' Acquisition team in the origination, evaluation and structuring of sale leaseback investments, and leading AIC Ventures' legal department. Prior to joining AIC Ventures, Luis was a real estate attorney with the law firm of Fulbright & Jaworski L.L.P. where he represented clients in various real estate matters, including acquisitions and sales of real property, mortgage lending, leasing, land planning and development, zoning and land use regulations, code compliance, real estate brokerage and management and formation of business entities. Luis earned a BA degree from the University of Texas at Austin and a JD from the University of Texas School of Law.

### **Laura Haggarty** *Managing Partner – Investor Relations, Marketing, and Business Intelligence*

Laura joined AIC Ventures in 2015 and is a member of the Executive Committee. Her responsibilities include leading AIC Ventures' Investor Relations, Marketing and Business Intelligence teams. She has 20 years of investment banking, private equity, and business development experience. During her career, she has managed \$650 million of private equity placement and \$80 billion in securitization and principal finance transactions while at Hawkeye Partners, Citigroup, Salomon Smith Barney and Prudential Securities. Laura holds a Bachelor of Science degree in Physics and English from Georgetown University and a Master of Business Administration from the McCombs School of Business at the University of Texas at Austin.



**Todd Frerichs** *Managing Director – Finance & Administration*

Todd joined AIC Ventures in 2017. He is responsible for managing Accounting, Finance, and Administration. Todd has an extensive background in financial services spanning the past 30 years. He has worked in leadership roles at well-known institutions such as KPMG, Bank of America, the Federal Reserve Bank of New York, Fannie Mae, and Nationstar Mortgage. In these roles, Todd has worked to develop strong financial controls and leveraged technology to develop insightful analysis to provide transparency into business performance. Todd earned a BBA in Accounting from the University of Texas at Austin and a Master of Business Administration from the University of Texas at Dallas. Todd is a Certified Public Accountant in the State of Texas.



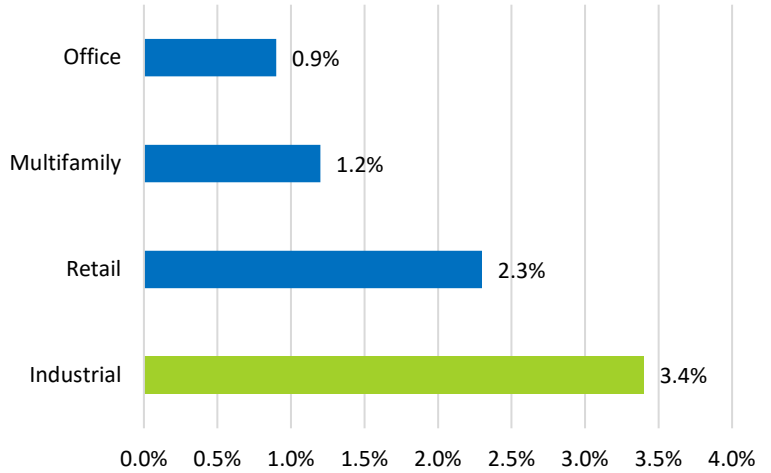
# WHY INVEST IN THIS OFFERING

## Strong Industrial Real Estate Market for Investing

Industrial real estate investing benefits from a number of current factors:

- **U.S. Economy** – The U.S. economy is currently experiencing moderate growth with low unemployment and healthy wage increases.
- **Investor Demand** - Industrial real estate investing is desirable due to its relative stability and attractive risk-adjusted returns.
- **Vacancy** - Vacancy rates remain low and rents are expected to continue rising, supported by strong demand.
- **Tenant Demand** - Demand for high quality, well-located properties remains robust. Companies are streamlining supply chains by bringing their manufacturing and distribution back to U.S. soil from overseas. Increased U.S. factory investment is also boosting domestic production of valuable goods.

**Rent Growth across Sectors for the Last Twelve Months Ending August 2024**



Source: CoStar

## AIC Ventures Approach Focused on Capital Preservation

Fund XIV will achieve capital preservation through the following initiatives:

Sound Investment Criteria	Risk Adjusted Investment Methodology	Investment Management
<ul style="list-style-type: none"> <li>• Identification of tenants that are financially able to withstand economic volatility.</li> <li>• Investment diversification across industry, geography and tenant.</li> <li>• Generic real estate asset selection, broadly marketable to new tenants (if needed).</li> </ul>	<ul style="list-style-type: none"> <li>• Disciplined and conservative acquisition and underwriting process.</li> <li>• Long-term, absolute-net leases requiring annual rent escalations and additional collateral (i.e. security deposits, personal guarantees).</li> <li>• Mitigation of interest rate risk through hedging instruments.</li> </ul>	<ul style="list-style-type: none"> <li>• 34 years of experience.</li> <li>• Proactive and disciplined asset management.</li> <li>• Transparent dissemination of information to Investors.</li> </ul>

## Investment Seeks to Generate Consistent Income Stream and Value Creation via Opportunistic Sales

Investing in this offering presents a compelling opportunity for Investors seeking both income and capital gains. The portfolio will be designed to generate diversified, consistent, and escalating income streams, which are tax-efficient and paid quarterly. These income streams will be backed by financially sound tenants, ensuring long-term stability and appreciation.

The portfolio’s diversification across industries, geographies, and tenants will reduce risk, while its attractiveness to institutional buyers—who seek predictable, long-term returns—will enhance its value. Additionally, the ability to secure financing at favorable institutional terms will allow for consistent capitalization rate arbitrage, further boosting returns. Investors can also expect value appreciation through strategically timed exits.

These exits will return capital while generating additional profits by leveraging institutional market efficiencies to attract buyers willing to pay a premium. In short, Fund XIV has the potential to combine stable, growing income with significant appreciation, making it an attractive investment for those seeking both consistent cash flow and capital growth.

