



SECURITI

18001298

Washington, D.C. 20549

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

Mail Processing  
Section

FEB 27 2018

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

|  |
|--|
| OMB APPROVAL   |
| OMB Number: 3235-0123                                |
| Expires: August 31, 2020                             |
| Estimated average burden<br>hours per response 12.00 |

|                 |
|-----------------|
| SEC FILE NUMBER |
| 8-16750         |

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REPORT FOR THE PERIOD BEGINNING 1/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

|  |  |
|--|--|
| NAME OF BROKER-DEALER: AEI SECURITIES, INC.<br>ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)<br><br>30 EAST SEVENTH STREET, SUITE 1300 | OFFICIAL USE ONLY<br><br>FIRM I.D. NO. |
|--|--|

(No. and Street)

SAINT PAUL

MINNESOTA

55101

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

KEITH PETERSEN/ROBERT P JOHNSON

651-227-7333

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

BOULAY PLLP

(Name - if individual, state last, first, middle name)

7500 FLYING CLOUD DR., SUITE 800

MINNEAPOLIS

MINNESOTA

55344

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

|                       |
|-----------------------|
| FOR OFFICIAL USE ONLY |
|                       |

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, ROBERT P JOHNSON, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of AEI SECURITIES, INC., as of DECEMBER 31, 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

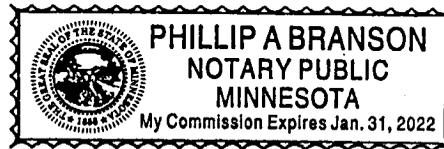
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Robert P Johnson*  
Signature

CHIEF EXECUTIVE OFFICER

Title

*Phillip A Branson*  
Notary Public



This report \*\* contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statements of Financial Condition.
- (c) Statements of Income (Loss).
- (d) Statements of Changes in Financial Condition.
- (e) Statements of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital. (Statement of Operations & Retained Earnings)
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors. (1)
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3. (1)
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation. (1)
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit. (1)

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

(1) Not Applicable.



February 23, 2018

Securities & Exchange Commission  
Registrations Branch  
100 F. Street NE  
Washington, DC 20549

Re: AEI Securities, Inc.  
SEC File No. 8-1675

To Whom It May Concern:

Enclosed are two copies of the Annual Audited Focus Report and two copies of the SIPC-7 Report for the above company for the year ended December 31, 2017.

Sincerely,

A handwritten signature in black ink, appearing to read 'Patrick W. Keene', is written over a faint, large watermark of the signature.

Patrick W. Keene  
Chief Financial Officer

Enclosures



B O U L A Y

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder  
of AEI Securities, Inc.

### Opinion on the Financial Statements

We have audited the accompanying statements of financial condition of AEI Securities, Inc. (the Company) as of December 31, 2017 and 2016, the related statements of operations and retained earnings, and cash flows for the years then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Supplemental Information

The supplemental information contained in Schedule I, Schedule II, and Schedule III has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. The supplemental information is the responsibility of the Company's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

*Boulay PLLP*

Boulay PLLP

We have served as AEI Securities, Inc.'s auditor since 1986.

Minneapolis, Minnesota  
February 22, 2018

**AEI SECURITIES, INC.**  
**STATEMENTS OF FINANCIAL CONDITION**

**ASSETS**

|                                   | <u>December 31,<br/>2017</u> | <u>December 31,<br/>2016</u> |
|-----------------------------------|------------------------------|------------------------------|
| <b>Assets:</b>                    |                              |                              |
| Cash                              | \$ 612,075                   | \$ 581,967                   |
| Receivable from Related Companies | 4,460                        | 9,099                        |
| Prepaid Expenses                  | <u>2,022</u>                 | <u>2,645</u>                 |
| Total Assets                      | <u>\$ 618,557</u>            | <u>\$ 593,711</u>            |

**LIABILITIES AND STOCKHOLDER'S EQUITY**

|   |                   |                   |
|---|-------------------|-------------------|
| <b>Liabilities:</b>   |                   |                   |
| Commissions Payable   | \$ 68,259         | \$ 33,749         |
| Payable to Related Companies                                      | <u>5,172</u>      | <u>14,569</u>     |
| Total Liabilities   | <u>73,431</u>     | <u>48,318</u>     |
| <b>Commitments and Contingencies</b>                              | 0                 | 0                 |
| <b>Stockholder's Equity:</b>                                      |                   |                   |
| Common Stock – 2,500 shares authorized,<br>issued and outstanding | 12,500            | 12,500            |
| Additional Paid-In-Capital  | 37,500            | 37,500            |
| Retained Earnings   | <u>495,126</u>    | <u>495,393</u>    |
| Total Stockholder's Equity  | <u>545,126</u>    | <u>545,393</u>    |
| Total Liabilities and Stockholder's Equity                        | <u>\$ 618,557</u> | <u>\$ 593,711</u> |

The accompanying Notes to Financial Statements are an integral part of this statement

**AEI SECURITIES, INC.**  
**STATEMENTS OF OPERATIONS AND RETAINED EARNINGS**

**OPERATIONS**

|                            | <b>Year Ended December 31</b> |              |
|----------------------------|-------------------------------|--------------|
|                            | <b>2017</b>                   | <b>2016</b>  |
| <b>Revenues:</b>           |                               |              |
| Commissions                | \$ 1,694,018                  | \$ 2,534,268 |
| Interest                   | 1,551                         | 1,164        |
| Total Revenues             | 1,695,569                     | 2,535,432    |
| <b>Expenses:</b>           |                               |              |
| Commissions Reallowed      | 1,483,625                     | 2,293,907    |
| General and Administrative | 12,211                        | 13,782       |
| Total Expenses             | 1,495,836                     | 2,307,689    |
| <b>Net Income</b>          | 199,733                       | 227,743      |

**RETAINED EARNINGS**

|                                   |            |            |
|-----------------------------------|------------|------------|
| <b>Balance, beginning of year</b> | 495,393    | 367,650    |
| Distributions to Stockholder      | (200,000)  | (100,000)  |
| <b>Balance, end of year</b>       | \$ 495,126 | \$ 495,393 |

The accompanying Notes to Financial Statements are an integral part of this statement

**AEI SECURITIES, INC.**  
**STATEMENTS OF CASH FLOWS**

|   | <b>Year Ended December 31</b> |             |
|---|-------------------------------|-------------|
|   | <b>2017</b>                   | <b>2016</b> |
| <b>Cash Flows from Operating Activities:</b>                |                               |             |
| Net Income  | \$ 199,733                    | \$ 227,743  |
| Adjustments to Reconcile Net Income                         |                               |             |
| To Net Cash Provided by Operating Activities:               |                               |             |
| (Increase) Decrease in Receivable<br>from Related Companies | 4,639                         | 1,026       |
| (Increase) Decrease in Prepaid Expenses                     | 623                           | (95)        |
| Increase (Decrease) in Commissions Payable                  | 34,510                        | (25,568)    |
| Increase (Decrease) in Payable to Related Companies         | (9,397)                       | 5,149       |
| Total Adjustments   | 30,375                        | (19,488)    |
| Net Cash Provided By<br>Operating Activities                | 230,108                       | 208,255     |
| <b>Cash Flows from Financing Activities:</b>                |                               |             |
| Distributions to Stockholder                                | (200,000)                     | (100,000)   |
| <b>Net Increase in Cash</b>                                 | 30,108                        | 108,255     |
| <b>Cash, beginning of year</b>                              | 581,967                       | 473,712     |
| <b>Cash, end of year</b>                                    | \$ 612,075                    | \$ 581,967  |

The accompanying Notes to Financial Statements are an integral part of this statement

**AEI SECURITIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**(1) Summary of Organization and Significant Accounting Policies –**

**Organization**

AEI Securities, Inc. (“Company”) is a licensed broker-dealer under the jurisdiction of the Financial Industry Regulatory Authority (“FINRA”). The Company operates as a wholly owned subsidiary of AEI Capital Corporation (“ACC”). Robert P. Johnson is President of the Company and is the President and majority stockholder of ACC. Mr. Johnson is also the sole stockholder and President of AEI Fund Management, Inc., which provides management services to the Company.

The Company's major source of income is commissions earned on the sale of units in limited partnerships that have been organized by Mr. Johnson and affiliated entities. Revenue is recognized when the proceeds from the sale of units are accepted by the limited partnerships.

**Financial Statement Presentation**

The accounts of the Company are maintained on the accrual basis of accounting for both federal income tax purposes and financial reporting purposes.

**Accounting Estimates**

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Cash Concentrations of Credit Risk**

The Company's cash is deposited in one financial institution and at times during the year it may exceed FDIC insurance limits.

**Income Taxes**

The Company is a qualified subchapter S subsidiary of ACC. As a result, the income of the Company is treated as belonging to the parent corporation, ACC. In general, no recognition has been given to income taxes in the accompanying financial statements. Primarily due to the S Corporation tax status, the Company does not have any significant tax uncertainties that would require recognition or disclosure.

**AEI SECURITIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**(2) Related Party Transactions –**

The Company and its affiliates have common management and utilize the same facility. As a result, certain general and administrative expenses are allocated among these related companies. The Company was reimbursed for certain general and administrative costs by limited partnerships whose offerings were underwritten by the Company. In 2017 and 2016, these reimbursements totaled \$52,674 and \$61,073, respectively. These costs consisted of license fees, broker bond insurance, FINRA filing costs, professional fees and overhead costs necessary to maintain the Company as a licensed broker-dealer with FINRA.

**(3) Net Capital Requirements –**

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) of the Securities Exchange Act of 1934. This Rule provides that aggregate indebtedness, as defined, may not exceed 15 times net capital, as defined. Alternatively, the Company's net capital may not be less than \$5,000 or 6-2/3% of total aggregate indebtedness, whichever is greater. As of December 31, 2017 and 2016, the Company had adjusted net capital of \$538,644 and \$533,649, respectively, which exceeded the required adjusted net capital by \$533,644 and \$528,649, respectively. As of December 31, 2017 and 2016, the ratio of aggregate indebtedness to net capital was .14 to 1 and .09 to 1, respectively.

**(4) Subsequent Events –**

The Company has evaluated subsequent events through February 22, 2018, the date that the financial statements were available to be issued. Subsequent events, if any, were disclosed in the appropriate note in the Notes to Financial Statements.

SCHEDULE I

**AEI SECURITIES, INC.  
COMPUTATION OF NET CAPITAL  
IN ACCORDANCE WITH RULE 15c3-1  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2017**

|   |    |                |
|---|----|----------------|
| Total Assets  | \$ | 618,557        |
| Less – Aggregate Indebtedness                           |    | <u>73,431</u>  |
| Unadjusted Capital                                      |    | 545,126        |
| Adjustments:  |    |                |
| Receivable from Related Companies                       |    | (4,460)        |
| Prepaid Expenses  |    | <u>(2,022)</u> |
| Adjusted Net Capital                                    | \$ | <u>538,644</u> |
| Ratio of Aggregate Indebtedness to Adjusted Net Capital |    | <u>0.14:1</u>  |

There were no material differences between the audited Computation of Net Capital included in this report and the corresponding schedule included in AEI Securities, Inc.’s unaudited December 31, 2017 Part IIA FOCUS filing. There were no material inadequacies found to exist or to have existed since the previous audit.

SCHEDULE II

**AEI SECURITIES, INC.  
RECONCILIATION OF COMPUTATION OF NET CAPITAL  
AND THE COMPUTATION FOR DETERMINATION  
OF THE RESERVE REQUIREMENTS  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2017**

AEI Securities, Inc. is exempt from Rule 15c3-3 as it does not carry customer funds or securities. Thus, no reconciliation is necessary.

SCHEDULE III

**AEI SECURITIES, INC.  
INFORMATION RELATING TO POSSESSION OR  
CONTROL REQUIREMENTS UNDER RULE 15c3-3  
OF THE SECURITIES AND EXCHANGE COMMISSION  
DECEMBER 31, 2017**

AEI Securities, Inc. is exempt from Rule 15c3-3 under Subparagraph k(2)(i) as it does not possess, control or otherwise hold customer funds or securities.

See Report of Independent Registered Public Accounting Firm



BOULAY

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder  
of AEI Securities, Inc.

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) AEI Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which AEI Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: (2)(i) (the "exemption provisions") and (2) AEI Securities, Inc. stated that they met the identified exemption provisions throughout the most recent fiscal year without exception. AEI Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about AEI Securities, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

*Boulay PLLP*

Boulay PLLP

Minneapolis, Minnesota  
February 22, 2018



**AEI SECURITIES, INC.  
EXEMPTION REPORT**

Pursuant to Securities Exchange Act Rule 17a-5, "Reports to be made by certain brokers and dealers", AEI Securities, Inc. (the "Company"), states that to the best of its knowledge and belief:

1. The Company claimed an exemption from SEC Rule 15c3-3 under the provisions in paragraph (k)(2)(i) from January 1, 2017 – December 31, 2017.
2. The Company has met the identified exemption provisions under Rule 15c3-3 for the most recent fiscal year without exception.

AEI SECURITIES, INC.

I, Robert P. Johnson, affirm that, to the best of my knowledge and belief, this Exemption Report is true and correct.

  
Robert P. Johnson  
President

February 23, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

FOCUS REPORT

(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)

PART IIA 12

FORM  
X-17A-5

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

AEI SECURITIES, INC. 13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.)

1300 WELLS FARGO PLACE, 30 SEVENTH STREET EAST 20  
(No. and Street)

ST. PAUL 21 MN 22 55101-4901 23  
(City) (State) (Zip Code)

SEC. FILE NO.

8-16750 14

FIRM ID NO.

6158 15

FOR PERIOD BEGINNING (MM/DD/YY)

10/01/17 24

AND ENDING (MM/DD/YY)

12/31/17 25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

KEITH PETERSEN/ROBERT JOHNSON 30

(651) 227-7333 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32

33

34

35

36

37

38

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ?

YES 40

NO X 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the 22nd day of February 20 18

Manual Signatures of:

1)  Principal Executive Officer or Managing Partner

2) \_\_\_\_\_ Principal Financial Officer or Partner

3) \_\_\_\_\_ Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

FINRA



**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**  
AEI SECURITIES, INC.

as of 12/31/17

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING,  
NONCLEARING AND CERTAIN OTHER BROKERS OR DEALERS  
LIABILITIES AND OWNERSHIP EQUITY**

| <u>Liabilities</u>   | <u>A.I.<br/>Liabilities</u> | <u>Non-A.I.<br/>Liabilities</u> | <u>Total</u>          |
|--|-----------------------------|---------------------------------|-----------------------|
| 13. Bank loans payable .....   | \$ <u>1045</u>              | \$ <u>1255</u>                  | \$ <u>1470</u>        |
| 14. Payable to brokers or dealers:   |                             |                                 |                       |
| A. Clearance account .....   | <u>1114</u>                 | <u>1315</u>                     | <u>1560</u>           |
| B. Other .....   | 68,259 <u>1115</u>          | <u>1305</u>                     | 68,259 <u>1540</u>    |
| 15. Payable to non-customers .....   | <u>1155</u>                 | <u>1355</u>                     | <u>1610</u>           |
| 16. Securities sold not yet purchased,<br>at market value .....                  |                             | <u>1360</u>                     | <u>1620</u>           |
| 17. Accounts payable, accrued liabilities,<br>expenses and other .....           | 5,172 <u>1205</u>           | <u>1385</u>                     | 5,172 <u>1685</u>     |
| 18. Notes and mortgages payable:   |                             |                                 |                       |
| A. Unsecured .....   | <u>1210</u>                 |                                 | <u>1690</u>           |
| B. Secured .....   | <u>1211</u>                 | <u>1390</u>                     | <u>1700</u>           |
| 19. Liabilities subordinated to claims<br>of general creditors:                  |                             |                                 |                       |
| A. Cash borrowings:  |                             |                                 |                       |
| 1. from outsiders \$ .....   | <u>970</u>                  |                                 | <u>1710</u>           |
| 2. Includes equity subordination (15c3-1(d))<br>of .....                         | <u>980</u>                  |                                 |                       |
| B. Securities borrowings, at market value<br>from outsiders \$ .....             |                             | <u>1410</u>                     | <u>1720</u>           |
| <u>990</u>   |                             |                                 |                       |
| C. Pursuant to secured demand note<br>collateral agreements .....                |                             | <u>1420</u>                     | <u>1730</u>           |
| 1. from outsiders \$ .....   | <u>1000</u>                 |                                 |                       |
| 2. includes equity subordination (15c3-1(d))<br>of .....                         | <u>1010</u>                 |                                 |                       |
| D. Exchange memberships contributed for<br>use of company, at market value ..... |                             | <u>1430</u>                     | <u>1740</u>           |
| E. Accounts and other borrowings not<br>qualified for net capital purposes ..... | <u>1220</u>                 | <u>1440</u>                     | <u>1750</u>           |
| 20. TOTAL LIABILITIES .....  | \$ 73,431 <u>1230</u>       | \$ <u>1450</u>                  | \$ 73,431 <u>1760</u> |

Ownership Equity

|  |                |                        |
|--|----------------|------------------------|
| 21. Sole proprietorship .....                    |                | \$ <u>1770</u>         |
| 22. Partnership (limited partners) .....         | \$ <u>1020</u> | <u>1780</u>            |
| 23. Corporation:                                 |                |                        |
| A. Preferred stock .....                         |                | <u>1791</u>            |
| B. Common stock .....                            |                | 12,500 <u>1792</u>     |
| C. Additional paid-in capital .....              |                | 37,500 <u>1793</u>     |
| D. Retained earnings .....                       |                | 495,126 <u>1794</u>    |
| E. Total .....                                   |                | 545,126 <u>1795</u>    |
| F. Less capital stock in treasury .....          |                | ( ) <u>1796</u>        |
| 24. TOTAL OWNERSHIP EQUITY .....                 |                | \$ 545,126 <u>1800</u> |
| 25. TOTAL LIABILITIES AND OWNERSHIP EQUITY ..... |                | \$ 618,557 <u>1810</u> |

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER

AEI SECURITIES, INC.

as of

12/31/17

COMPUTATION OF NET CAPITAL

|  |    |           |          |
|--|----|-----------|----------|
| 1. Total ownership equity from Statement of Financial Condition                                    | \$ | 545,126   | 3480     |
| 2. Deduct ownership equity not allowable for Net Capital   |    |           | ( 3490 ) |
| 3. Total ownership equity qualified for Net Capital  |    | 545,126   | 3500     |
| 4. Add:  |    |           |          |
| A. Liabilities subordinated to claims of general creditors allowable in computation of net capital |    |           | 3520     |
| B. Other (deductions) or allowable credits (List)  |    |           | 3525     |
| 5. Total capital and allowable subordinated liabilities  | \$ | 545,126   | 3530     |
| 6. Deductions and/or charges:  |    |           |          |
| A. Total non-allowable assets from   |    |           |          |
| Statement of Financial Condition (Notes B and C)   | \$ | 6,482     | 3540     |
| B. Secured demand note deficiency  |    |           | 3590     |
| C. Commodity futures contracts and spot commodities-proprietary capital charges                    |    |           | 3600     |
| D. Other deductions and/or charges   |    |           | 3610     |
|  |    | ( 6,482 ) | 3620     |
| 7. Other additions and/or allowable credits (List)   |    |           | 3630     |
| 8. Net Capital before haircuts on securities positions   | \$ | 538,644   | 3640     |
| 9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)) :                    |    |           |          |
| A. Contractual securities commitments  | \$ |           | 3660     |
| B. Subordinated securities borrowings  |    |           | 3670     |
| C. Trading and investment securities:  |    |           |          |
| 1. Exempted securities   |    |           | 3735     |
| 2. Debt securities   |    |           | 3733     |
| 3. Options   |    |           | 3730     |
| 4. Other securities  |    |           | 3734     |
| D. Undue concentration   |    |           | 3650     |
| E. Other (List)  |    |           | 3736     |
|  |    |           | ( 3740 ) |
| 10. Net Capital  | \$ | 538,644   | 3750     |

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**  
AEI SECURITIES, INC.

as of 12/31/17

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

|   |    |         |      |
|---|----|---------|------|
| 11. Minimum net capital required (6-2/3% of line 19)  | \$ | 4,895   | 3756 |
| 12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A) | \$ | 5,000   | 3758 |
| 13. Net capital requirement (greater of line 11 or 12)  | \$ | 5,000   | 3760 |
| 14. Excess net capital (line 10 less 13)  | \$ | 533,644 | 3770 |
| 15. Net capital less greater of 10% of line 19 or 120% of line 12   | \$ | 531,301 | 3780 |

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

|  |    |        |      |
|--|----|--------|------|
| 16. Total A.I. liabilities from Statement of Financial Condition                         | \$ | 73,431 | 3790 |
| 17. Add:   |    |        |      |
| A. Drafts for immediate credit   | \$ | 3800   |      |
| B. Market value of securities borrowed for which no equivalent value is paid or credited | \$ | 3810   |      |
| C. Other unrecorded amounts (List)   | \$ | 3820   | 3830 |
| 19. Total aggregate indebtedness   | \$ | 73,431 | 3840 |
| 20. Percentage of aggregate indebtedness to net capital (line 19 divided by line 10)     | %  | 13.63  | 3850 |
| 21. Percentage of debt to debt-equity total computed in accordance with Rule 15c-3-1(d)  | %  | 0.00   | 3860 |

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

|  |    |      |      |
|--|----|------|------|
| 22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits | \$ | 3870 |      |
| 23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)  | \$ | 3880 |      |
| 24. Net capital requirement (greater of line 22 or 23)   | \$ | 3760 | 3760 |
| 25. Excess net capital (line 10 less 24)   | \$ | 3910 | 3910 |
| 26. Net capital in excess of the greater of:<br>5% of combined aggregate debit items or 120% of minimum net capital requirement  | \$ | 3920 | 3920 |

**NOTES:**

(A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:

1. Minimum dollar net capital requirement, or
2. 6-2/3% of aggregate indebtedness or 4% of aggregate debits if alternative method is used.

(B) Do not deduct the value of securities borrowed under subordination agreements or secured demand notes covered by subordination agreements not in satisfactory form and the market values of the memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.

(C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**

AEI SECURITIES, INC.

For the period (MMDDYY) from 10/01/17 3932 to 12/31/17 3933  
 Number of months included in this statement 3 3931

**REVENUE**

**STATEMENT OF INCOME (LOSS)**

|   |    |                            |
|---|----|----------------------------|
| 1. Commissions:   |    |                            |
| a. Commissions on transactions in exchange listed equity securities executed on an exchange | \$ | <u>3935</u>                |
| b. Commissions on listed option transactions  |    | <u>3938</u>                |
| c. All other securities commissions   |    | <u>3939</u>                |
| d. Total securities commissions   |    | <u>3940</u>                |
| 2. Gains or losses on firm securities trading accounts                                      |    |                            |
| a. From market making in options on a national securities exchange                          |    | <u>3945</u>                |
| b. From all other trading   |    | <u>3949</u>                |
| c. Total gain (loss)  |    | <u>3950</u>                |
| 3. Gains or losses on firm securities investment accounts                                   |    | <u>3952</u>                |
| 4. Profits (losses) from underwriting and selling groups                                    |    | <u>265,146</u> <u>3955</u> |
| 5. Revenue from sale of investment company shares   |    | <u>3970</u>                |
| 6. Commodities revenue  |    | <u>3990</u>                |
| 7. Fees for account supervision, investment advisory and administrative services            |    | <u>3975</u>                |
| 8. Other revenue  |    | <u>362</u> <u>3995</u>     |
| 9. Total revenue  | \$ | <u>265,508</u> <u>4030</u> |

**EXPENSES**

|  |    |                            |
|--|----|----------------------------|
| 10. Salaries and other employment costs for general partners and voting stockholder officers |    | <u>4120</u>                |
| 11. Other employee compensation and benefits   |    | <u>4115</u>                |
| 12. Commissions paid to other brokers-dealers  |    | <u>222,259</u> <u>4140</u> |
| 13. Interest expense   |    | <u>4075</u>                |
| a. Includes interest on accounts subject to subordination agreements                         |    | <u>4070</u>                |
| 14. Regulatory fees and expenses   |    | <u>4195</u>                |
| 15. Other expenses   |    | <u>6,302</u> <u>4100</u>   |
| 16. Total expenses   | \$ | <u>228,561</u> <u>4200</u> |

**NET INCOME**

|   |    |                           |
|---|----|---------------------------|
| 17. Net Income (loss) before Federal income taxes and items below (Item 9 less Item 16) | \$ | <u>36,947</u> <u>4210</u> |
| 18. Provision for Federal income taxes (for parent only)                                |    | <u>4220</u>               |
| 19. Equity in earnings (losses) of unconsolidated subsidiaries not included above       |    | <u>4222</u>               |
| a. After Federal income taxes of  |    | <u>4238</u>               |
| 20. Extraordinary gains (losses)  |    | <u>4224</u>               |
| a. After Federal income taxes of  |    | <u>4239</u>               |
| 21. Cumulative effect of changes in accounting principles                               |    | <u>4225</u>               |
| 22. Net income (loss) after Federal income taxes and extraordinary items                | \$ | <u>36,947</u> <u>4230</u> |

**MONTHLY INCOME**

|   |  |                           |
|---|--|---------------------------|
| 23. Income (current month only) before provision for Federal Income taxes and extraordinary items |  | <u>10,083</u> <u>4211</u> |
|---|--|---------------------------|

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER  
AEI SECURITIES, INC.

For the period (MMDDYY) from 10/01/17 to 12/31/17

STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

|   |    |         |      |
|---|----|---------|------|
| 1. Balance, beginning of period .....                   | \$ | 608,179 | 4240 |
| A. Net income (loss) .....                              |    | 36,947  | 4250 |
| B. Additions (includes non-conforming capital of .....  | \$ | 4262    | 4260 |
| C. Deductions (includes non-conforming capital of ..... | \$ | 4272    | 4270 |
| 2. Balance, end of period (from item 1800) .....        | \$ | 545,126 | 4290 |

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS

|  |    |  |      |
|--|----|--|------|
| 3. Balance, beginning of period .....            | \$ |  | 4300 |
| A. Increases .....                               |    |  | 4310 |
| B. Decreases .....                               |    |  | 4320 |
| 4. Balance, end of period (from item 3520) ..... | \$ |  | 4330 |

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

|   |                       |
|---|-----------------------|
| <b>BROKER OR DEALER</b><br>AEI SECURITIES, INC. | as of <u>12/31/17</u> |
|---|-----------------------|

**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based :

- A. (k) (1) - Limited business (mutual funds and/or variable annuities only) \$ 4550
- B. (k) (2) (i) - "Special Account for the Exclusive Benefit of customers" maintained ..... X 4560
- C. (k) (2) (ii) - All customer transactions cleared through another broker-dealer on a fully disclosed basis.  
 Name(s) of Clearing Firm(s) - Please separate multiple names with a semi-colon  
4335 4570
- D. (k) (3) - Exempted by order of the Commission ..... 4580

**Ownership Equity and Subordinated Liabilities maturing or proposed to be  
withdrawn within the next six months and accruals, (as defined below),  
which have not been deducted in the computation of Net Capital.**

| Type of Proposed<br>Withdrawal or<br>Accrual<br>(See below for<br>code to enter) | Name of Lender or Contributor | Insider or<br>Outsider ?<br>(In or Out) | Amount to be with-<br>drawn (cash amount<br>and/or Net Capital<br>Value of Securities) | (MMDDYY)<br>Withdrawal<br>or Maturity<br>Date | Expect<br>to<br>Renew<br>(Yes or No) |
|--|-------------------------------|---|--|---|--------------------------------------|
| <u>4600</u>  | <u>4601</u>                   | <u>4602</u>                             | <u>4603</u>  | <u>4604</u>                                   | <u>4605</u>                          |
| <u>4610</u>  | <u>4611</u>                   | <u>4612</u>                             | <u>4613</u>  | <u>4614</u>                                   | <u>4615</u>                          |
| <u>4620</u>  | <u>4621</u>                   | <u>4622</u>                             | <u>4623</u>  | <u>4624</u>                                   | <u>4625</u>                          |
| <u>4630</u>  | <u>4631</u>                   | <u>4632</u>                             | <u>4633</u>  | <u>4634</u>                                   | <u>4635</u>                          |
| <u>4640</u>  | <u>4641</u>                   | <u>4642</u>                             | <u>4643</u>  | <u>4644</u>                                   | <u>4645</u>                          |
| <u>4650</u>  | <u>4651</u>                   | <u>4652</u>                             | <u>4653</u>  | <u>4654</u>                                   | <u>4655</u>                          |
| <u>4660</u>  | <u>4661</u>                   | <u>4662</u>                             | <u>4663</u>  | <u>4664</u>                                   | <u>4665</u>                          |
| <u>4670</u>  | <u>4671</u>                   | <u>4672</u>                             | <u>4673</u>  | <u>4674</u>                                   | <u>4675</u>                          |
| <u>4680</u>  | <u>4681</u>                   | <u>4682</u>                             | <u>4683</u>  | <u>4684</u>                                   | <u>4685</u>                          |
| <u>4690</u>  | <u>4691</u>                   | <u>4692</u>                             | <u>4693</u>  | <u>4694</u>                                   | <u>4695</u>                          |
| <b>TOTAL</b>   |                               |   | \$ <u>4699</u>   |   |                                      |

OMIT PENNIES

**Instructions:** Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c) (2) (iv)), which could be required by the lender on demand or in less than six months.

**WITHDRAWAL CODE: DESCRIPTION**

1. Equity Capital
2. Subordinated Liabilities
3. Accruals
4. 15c3-1(c) (2) (iv) Liabilities



B O U L A Y

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON  
APPLYING AGREED-UPON PROCEDURES

Board of Directors  
AEI Securities, Inc.  
Saint Paul, Minnesota

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below, which were agreed to by AEI Securities, Inc. (the Company) and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of the Company for the year ended December 31, 2017, solely to assist you and SIPC in evaluating the Company's compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2) Compared the Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2017 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2017, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Boulay PLLP*

Certified Public Accountants

Minneapolis, Minnesota  
February 22, 2018

**SIPC-7**

(35-REV 6/17)

SECURITIES INVESTOR PROTECTION CORPORATION  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation**

**SIPC-7**

(35-REV 6/17)

For the fiscal year ended 12/31/2017

(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

12\*12\*\*\*\*\*2305\*\*\*\*\*MIXED AADC 220  
16750 FINRA DEC  
AEI SECURITIES INC  
1300 WELLS FARGO PLACE  
30 7TH ST E  
SAINT PAUL, MN 55101-4014

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Robert P Johnson 651.227.7333

|   |     |              |
|---|-----|--------------|
| 2. A. General Assessment (item 2e from page 2)  | \$  | <u>318</u>   |
| B. Less payment made with SIPC-6 filed (exclude interest)                                     | (   | <u>169</u> ) |
| <u>7/26/17</u><br>Date Paid   |     |              |
| C. Less prior overpayment applied   | (   | <u>0</u> )   |
| D. Assessment balance due or (overpayment)  |     | <u>149</u>   |
| E. Interest computed on late payment (see instruction E) for _____ days at 20% per annum      |     | <u>0</u>     |
| F. Total assessment balance and interest due (or overpayment carried forward)                 | \$  | <u>149</u>   |
| G. PAID WITH THIS FORM:<br>Check enclosed, payable to SIPC<br>Total (must be same as F above) | \$  | <u>149</u>   |
| H. Overpayment carried forward  | \$( | <u>0</u> )   |

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

AEI SECURITIES Inc.  
(Name of Corporation, Partnership or other organization)  
[Signature]  
(Authorized Signature)  
CHIEF EXECUTIVE OFFICER  
(Title)

Dated the 22nd day of February, 2018.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER** Dates:            Postmarked            Received            Reviewed           

Calculations            Documentation            Forward Copy           

Exceptions:           

Disposition of exceptions:

# DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period  
beginning 1/1/2017  
and ending 12/31/2017

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 1,695,569

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.

(See Instruction C):

Commissions reallocated to participating broker-dealers from revenue associated with the sale of LP units.  
(Deductions in excess of \$100,000 require documentation)

1,483,625

(9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

(ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

1,483,625

2d. SIPC Net Operating Revenues

\$ 211,944

2e. General Assessment @ .0015

\$ 318

(to page 1, line 2.A.)

**AEI**  
**NATIONAL INCOME PROPERTY FUND VIII**  
**\$200,000,000 of Limited Partnership Units**  
**Offering Price: \$10.00 per Unit**  
**Minimum Purchase: 2,500 Units**

AEI National Income Property Fund VIII ("Fund VIII" or "Fund") will acquire, without debt, a diversified portfolio of net leased, single tenant, income-producing commercial properties that are 100% leased to major national and regional creditworthy corporate tenants. The investment goals of Fund VIII are to provide current income, capital growth potential, and comparatively lower investment risk than real estate programs that utilize leverage. The General Partner expects to actively manage the Fund's assets, which means that the Fund intends to sell properties from time to time, distribute some or all of the proceeds from the sale, and reinvest the remaining proceeds in similar properties. Not earlier than five years or later than seven years following completion of the Fund's offering phase, it will present for vote by its investors the alternative of liquidating its assets and terminating operations or continuing to operate. If the holders of a majority of the outstanding units vote to liquidate, the Fund will undertake an orderly disposition of its assets and wind up its business. If the holders of a majority of the outstanding units vote to continue its operations, then the Fund will do so, and solicit a vote by its investors on the same question in another five years. Any other undertaking for liquidation, except as described above, will require an affirmative vote of holders of at least two-thirds of the then outstanding units.

Fund VIII is offering 20,000,000 units of limited partnership interest at a price of \$10.00 per unit to investors who qualify as "Accredited Investors" under federal securities laws. The General Partner may supplement this Memorandum to increase the size of the offering by up to an additional 10,000,000 units if it is oversubscribed. The price per unit is \$9.35 if investors are purchasing through an investment advisor who does not receive a commission on the transaction. The minimum purchase is 2,500 units. Commission discounts for individual orders of \$5,000,000 or more may be negotiated by selling group member firms. If the Fund has not received orders and payment for 100,000 units before October 31, 2014, all subscriptions will be returned to investors and the offering will be terminated. This offering will continue for 24 months from the date that initial subscription proceeds are released from escrow or until such time as the Fund is fully subscribed, although the General Partner may extend such offering period for up to 12 months.

**Investors must rely upon their own examination of this Memorandum in making a decision to invest. No regulatory authority has recommended this investment and no regulatory authority has confirmed the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense. Fund VIII has not registered the sale of these units under federal or state securities laws and the units will therefore be "restricted securities" under those laws. Accordingly, investors may not be able to resell the units without registering their sale, or providing the Fund with an opinion of counsel that the sale is exempt from registration. The Fund is not required to register the units or to facilitate the development of a market in the units and does not expect a market to develop. Because of these limitations, the units may not be readily saleable or transferable and investors must, therefore, purchase them for investment and not for resale. Investors are advised to read the "Risks" detailed on Pages 7 to 12 of this Memorandum. Fund VIII believes the most significant investment risks include the following:**

- Investors will not be able to evaluate properties prior to their purchase by the Fund.
- The General Partner will receive compensation from the Fund whether it operates profitably or not.
- The General Partner will be subject to conflicts of interest in managing the Fund.
- The General Partner will make all operating decisions for the Fund, including when to purchase and sell properties.
- The timing of the purchase and sale of properties may expose the Fund to changing rental rates and property prices.

Fund VIII has retained AEI Securities, Inc., an Affiliate, to act as dealer-manager for this offering. AEI Securities will endeavor to form a selling group of FINRA securities dealers to offer the units to accredited investors on a "best efforts" basis. The following table shows the net proceeds that the Fund expects to receive from this offering.

|                                 | Per Unit | Total       |               |
|---------------------------------|----------|-------------|---------------|
|                                 |          | Minimum     | Maximum       |
| Offering price                  | \$ 10.00 | \$1,000,000 | \$200,000,000 |
| Commissions                     | .70      | 70,000      | 14,000,000    |
| Organization and offering costs | .50      | 50,000      | 10,000,000    |
| Proceeds to Fund VIII           | \$ 8.80  | \$ 880,000  | \$176,000,000 |



**AEI**  
**NET LEASE INCOME FUND 36**  
**\$200,000,000 of Limited Partnership Units**  
**Offering Price: \$10.00 per Unit**  
**Minimum Purchase: 2,500 Units**

AEI Net Lease Income Fund 36 ("Fund 36" or "the Fund") will acquire, without debt, a diversified portfolio of net leased, single tenant, income-producing commercial properties that are 100% leased to major national and regional creditworthy corporate tenants. The investment goals of Fund 36 are to provide current income, capital growth potential, and comparatively lower investment risk than real estate funds that utilize leverage. The General Partner expects to actively manage the Fund's assets, which means that the Fund intends to sell properties from time to time, distribute some or all of the proceeds from the sale, and reinvest the remaining proceeds in similar properties. Not earlier than five years nor later than seven years following completion of the Fund's offering phase, the General Partner will present for vote by the Fund's investors the alternative of liquidating its assets and terminating operations or continuing to operate. If the holders of a majority of the outstanding units vote to liquidate, the Fund will undertake an orderly disposition of its assets and wind up its business. If the holders of a majority of the outstanding units vote to continue its operations, then the Fund will do so, and solicit a vote by its investors on the same question in another five years. Any other action by limited partners, whether for liquidation or otherwise, requires an affirmative vote of holders of at least two-thirds of the then outstanding units.

Fund 36 is offering 20,000,000 units of limited partnership interest at a price of \$10.00 per unit to investors who qualify as "Accredited Investors" under federal securities laws. The General Partner may supplement this Memorandum to increase the size of the offering by up to an additional 10,000,000 units if it is oversubscribed. The price per unit is \$9.30 if investors are purchasing through an investment advisor who does not receive a commission on the transaction. The minimum purchase is 2,500 units. If the Fund has not received orders and payment for 100,000 units before March 31, 2018, all subscriptions will be returned to investors and the offering will be terminated. This offering will continue through June 30, 2020 or until such time as the Fund is fully subscribed.

Investors must rely upon their own examination of this Memorandum in making a decision to invest. No regulatory authority has recommended this investment and no regulatory authority has confirmed the accuracy or adequacy of this Memorandum. Any representation to the contrary is a criminal offense. Fund 36 has not registered the sale of these units under federal or state securities laws and the units will therefore be "restricted securities" under those laws. Accordingly, investors may not resell the units without registering their sale, or providing the Fund with an opinion of counsel that the sale is exempt from registration. The Fund is not required to register the units or to facilitate the development of a market in the units and does not expect a market to develop. Because of these limitations, the units may not be readily saleable or transferable and investors must, therefore, purchase them for investment and not for resale. Investors are advised to read the "Risks" detailed on pages 7 to 12 of this Memorandum. The General Partner believes the most significant investment risks include the following:

- Investors will not be able to evaluate properties prior to their purchase by the Fund.
- The General Partner will receive compensation from the Fund whether it operates profitably or not.
- The General Partner will be subject to conflicts of interest in managing the Fund.
- The General Partner will make all operating decisions for the Fund, including when to purchase and sell properties.
- The timing of the purchase and sale of properties may expose the Fund to changing rental rates and property prices.

Fund 36 has retained AEI Securities, Inc., an Affiliate, to act as dealer-manager for this offering. AEI Securities will endeavor to form a selling group of FINRA securities dealers to offer the units to accredited investors on a "best efforts" basis. The following table shows the net proceeds that the Fund expects to receive from this offering.

|   | Per Unit | Total       |               |
|---|----------|-------------|---------------|
|   |          | Minimum     | Maximum       |
| Offering price                            | \$ 10.00 | \$1,000,000 | \$200,000,000 |
| Commissions                               | .70      | 70,000      | 14,000,000    |
| Dealer-Manager Fee                        | .15      | 15,000      | 3,000,000     |
| Organization and offering costs (at cost) | .35      | 35,000      | 7,000,000     |
| Proceeds to Fund 36                       | \$ 8.80  | \$ 880,000  | \$176,000,000 |

