



**ACKERBERG**  
DREAM. CREATE. INSPIRE.

# A PRIVATE INVESTMENT OPPORTUNITY

**ACKERBERG INVESTORS FUND III**



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Dear Potential Investor,

Thank you for your interest in Ackerberg Investors Fund III, LLC (the "Fund"). We invite you to join us as an equity investor in our newest real estate opportunity.

We take pride in acquiring and/or developing projects that lean outward by enhancing the community and improving neighborhoods while delivering strong investor returns.

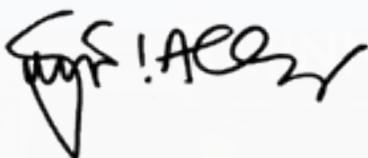
We are grateful to have survived all real estate and economics periods, including the one we are currently living through as we maneuver not just a pandemic but also the greatest civil uprising of the current generation.

The investment intent of our funds has always been to diversify risk through acquiring multiple properties at various levels of stability and value, ranging from fully stabilized assets through ground-up development, as well as all product types. The balance of product type allows our investors a steady return, as the various sectors might ebb and flow based on economic realities and needs.

Though we are proud of the work we've done recently in the Twin Cities, and plan to continue some of our investment here, we are looking at other markets as a part of this new fund's investment strategy to diversify risk and take advantage of pandemic-related opportunities.

We are excited about the opportunity to launch our next wave of investment, and we hope you will share in our excitement.

Sincerely,



Stuart Ackerberg  
Chief Executive Officer  
The Ackerberg Group



# ABOUT THE ACKERBERG GROUP

Over the last 58 years, The Ackerberg Group (“ACKERBERG”) has grown into one of the Midwest’s leading real estate investment firms.

A Minneapolis-based boutique real estate investment organization, we strive to help our investors achieve superior returns while building and improving urban environments and communities for generations to come. We create these returns through the acquisition of stable assets, active repositioning where value-add opportunities exist, and ground-up development of all product types.

Throughout our history we have been involved with a portfolio of nearly \$5 billion of diversified real estate assets across 10 states.

## ACKERBERG HIGHLIGHTS

- More than 100 properties purchased and/or developed
- 8.7 million square feet of real estate acquired and/or developed
- \$4.85 billion total portfolio acquired and/or managed
- Recent Environmental Certifications including LEED, IREM Sustainable Certified, BOMA 360 Performance, Energy Star, and Minneapolis Energy Challenge.
- Recent Project Recognition includes Finance & Commerce (Top Projects), NAIOP (Award of Excellence), Minnesota Real Estate Journal (Real Estate Awards), and MN Brownfields (reScape Awards)

# OUR HISTORY



## OUR CORE VALUES



### **PLAY BIG.**

In the words of our Founder, Norman Ackerberg, "It's better to be wrong than to be nothing." So, we always raise our hands, offer new ideas, throw things at the wall to see what sticks, knowing that if we fail, we fail forward.



### **PASSIONATE DETERMINATION.**

We have an insatiable drive to learn, create, transform, and make things better. Our relentless perseverance and fierce commitment towards a "Yes" drives us to dream big and deliver even bigger.



### **EVERYONE LEADS.**

Everyone on our team is a leader. We know when to step in to solve a problem, step aside to allow others to lead, and step up because no one else is leading. We lead based on our conviction to get the job done, not based on job title.



### **HUMBLE CONFIDENCE.**

We always show up "team first, ego second." We voice our ideas with clarity and confidence, and listen to others with the same intensity. We learn from each other, embrace new ideas, listen, and ask questions.



### **PEOPLE MATTER.**

We honor everyone we come into contact with and believe that everything we touch — every life, every event, every space — should be better for us having been in it. We choose to acknowledge people's contributions, choose to recognize people's values, choose to help others, and always, always, choose kindness.



# OUR PEOPLE

## ACKERBERG INVESTORS FUND III GOVERNORS



### STUART ACKERBERG

**Chief Executive Officer**  
ACKERBERG

Stuart is the owner and serves as the Chief Executive Officer of ACKERBERG, setting the long term vision for the organization. Stuart serves on the Governance Committee, setting strategic direction for the company and executing annual goals.

Stuart is a Trustee of the Urban Land Institute and has over 40 years of experience in the real estate industry.

In addition to his work at ACKERBERG, Stuart created a non-profit development corporation, Catalyst Community Partners, a 501(c)(3), wherein he serves as its Chairman of the Board.



### STANFORD BARATZ

**Founder & President**  
Baratz Financial, Inc.

Stan is the Founder and President of Baratz Financial, Inc., a Minneapolis-based company specializing in the private placement of debt and equity for growing Midwestern companies. Stan is also one of the Founding Partners and Board Members of Opportunity Partners which has successfully operated Opportunity Partners Funds 1, 2, 3, 4, 5, and 6, which invest in opportunistic real estate assets, and has over 40 years of experience in the real estate industry.



### JACKIE KNIGHT

**Chief Operating Officer**  
ACKERBERG

Jackie is the Chief Operating Officer for ACKERBERG. She oversees all aspects of commercial services for the organization, overseeing asset and property management, investor services, and serves as the company's Broker of Record. Jackie also plays an active role in new development and acquisitions activity, and directs the implementation of programs and strategies for the portfolios and the organization. Jackie also serves on the Executive Committee for ACKERBERG, setting strategic direction for the company, and executing annual plans.



### JACK FITERMAN

**Vice President of Business Development**  
Liberty Diversified International

Jack is the Vice President of Business Development. As a fourth generation family business owner, Jack looks for strategic acquisitions in their core business of Paper and Packaging, Office Products and Roofing Ventilation to differentiate and grow Strategy and M+A at Liberty Diversified International (LDI) in these strategic markets.



### MICHAEL MILLER

**Owner & CEO**  
The Airtex Group

Mike is the Owner and Chief Executive Officer of The Airtex Group, a Minneapolis-based company that designs, develops and manufactures custom sewn products and textile solutions for premier retailers and OEMs. Mike also oversees his portfolio of commercial real estate.



### RAFIK MOORE

**Owner & CEO**  
Caspian Group

Rafik is the Chief Executive Officer of Caspian Group, a full service commercial real estate firm, providing investment services, brokerage, and property management. The company started in 2016 and has grown from three people to 30 professionals. Over the course of his career Rafik has been involved in over \$500 million worth of transactions.



### MARK SCHLITTER

**Chief Financial Officer**  
ACKERBERG

Mark is the Chief Financial Officer for ACKERBERG, where he is responsible for all fiscal aspects of the organization as well as the investment funds, utilizing his 25 years of experience. Mark also serves on the Executive Committee for ACKERBERG, setting strategic financial direction for the company and executing annual plans.

# ABOUT ACKERBERG

## ACKERBERG INVESTORS FUND III ADVISORS



**BRIAN BEAILIEU**  
**CEO & Chief Economist**  
ITR Economics

Brian serves as CEO and Chief Economist of ITR Economics™ since 1987, where he researches the use of business cycle analysis and economic forecasting as tools for improving profitability. Based in Boston, ITR Economics is the oldest privately held, continuously operating economic research and consulting firm in the United States. Brian has shared his expertise through various media outlets, including: USA Today, Knight Ridder, The Atlanta Journal-Constitution, The Wall Street Journal, Barron's, The Washington Post, Kudlow and Friends, First on Fox, Canadian television, and numerous other outlets.



**DOROTHY BRIDGES**  
**Former Senior Vice President**  
Federal Reserve Bank of Minneapolis

Dorothy has more than 40 years of banking experience – much of it focused on commercial and community development lending, including to minority, small businesses and development markets. She has served as President and CEO of City First Bank in Washington, D.C., of Franklin National Bank in Minneapolis, and is a former executive of the Federal Reserve Bank of Minnesota.

She is a member of the Board of Directors for US Bancorp (USB), which is ranked fifth on the list of largest banks in the United States.



**LEITH DUMAS**  
**Former Vice President**  
Opus Group

Leith has more than 40 years of construction industry experience and served as a Vice President for Opus Design Build, LLC. The Opus Group is a family of commercial real estate development, construction and design companies headquartered in Minneapolis with offices and projects across the country. Leith provided guidance and oversight to teams of project managers and designers working on Opus projects across multiple sectors and states, including office, industrial, institutional, retail, and residential. In addition to team leadership, his responsibilities and experience included all aspects of integrated project delivery on large, complex projects, from project pursuit through design, construction, and activation.



**JEAN KANE**  
**Former CEO**  
Colliers International - Minneapolis/St. Paul

Jean is a visionary leader, experienced Board Director and progressive thought leader best known for driving enterprise-wide business transformations that propel shareholder value. Most recently, Jean was Chief Executive Officer of Colliers International-Minneapolis/St. Paul, the Minnesota business unit of Colliers International Group Inc., a global \$3.5B professional services and investment management firm.

She currently serves on the board of Children's Minnesota Hospital & Clinics, and previously served as Board Chair for National NAIOP, a 17,000-member real estate trade association, and currently serves as a Trustee and Vice Chair of the NAIOP Research Foundation.

## GUIDING VALUES

- Every transaction and partnership should create the best possible opportunity for the investor based upon sound analysis, strong negotiating, and bottom-line results.
- Every project should enhance the quality of life for those who lease, work, live, shop, visit or transact business in those environments.
- Every project must be managed in relation to its neighborhood to ensure a positive contribution to the sustainability, quality of life, and aesthetics of that particular community.



## WHY INVEST WITH ACKERBERG?

### TRACK RECORD OF SUCCESS

ACKERBERG has a strong track record of unique and insightful investments which have performed well through time and economic downturns. We have weathered every recession since our inception. We have never given back an asset or ever had a property foreclosed upon.

### INDUSTRY EXPERTS

The Ackenberg Investors Fund III Governors have over 200 years of combined industry experience.

### NATIONAL EXPERTISE

We have extensive knowledge of local and national markets, having nurtured real estate projects here at home and in 16 states.

### COMMITMENT TO RETURNS

We strive to maximize risk-adjusted returns through debt and/or equity investments in high-quality commercial properties.

# LEGACY OF RESULTS

## ACKERBERG PROJECTS

ACKERBERG has acquired, developed, and transformed more than 100 properties in the last 55 years. These projects have provided a strong foundation of experience to support Ackerberg Investors Fund III. Featured assets include:

- Warner Crossings, Arizona
- Lexington Hills, California
- International Village Apartments, Florida
- Winn-Dixie, Florida
- Winn-Dixie, Georgia
- Homewood Manor, Illinois
- International Village Apartments, Illinois
- Clifton Estates, Iowa
- Alvera, Minnesota
- Cedar/73 Business Center, Minnesota
- Edina Business Plaza, Minnesota
- Lakeside Center, Minnesota
- Miller Textile, Minnesota
- MoZaic, Minnesota
- The Hue, Minnesota
- Fairway Tower & Manor Apartments, Ohio
- C-Tech, Texas
- Shopko Super Plus Plaza, Wisconsin

## CORPORATE RESPONSIBILITY

ACKERBERG focuses on environmental, social, and governance (ESG) guidelines to honor the truth that all people matter as we fight for a more equitable future for everyone.

### ENVIRONMENTAL

ACKERBERG commits to environmental stewardship by finding and implementing various conservation features throughout our properties. From solar panels to pollinator gardens, our team strives to create thoughtful solutions to maximize efficiency and protect the natural world.

### SOCIAL

Social responsibility is central to our work at ACKERBERG. We strive to ensure every project creates positive change for the tenants, neighborhoods, and communities we serve. Our team is dedicated to creating inspired environments that celebrate diversity, empower people, and foster belonging.

### GOVERNANCE

At ACKERBERG, our core values guide every aspect of our work — from selecting employees to running our firm. We've adopted multiple policies to eliminate internal bias across our workplace and create better governance standards and organization to ensure our people are heard, respected, and supported.



**DIRECT COMMERCIAL REAL ESTATE HAS PERFORMED SOLIDLY OVER THE PAST DECADE. WHILE SECTOR GAINS HAVE VARIED SIGNIFICANTLY OVER THAT TIME, ALL-PROPERTY RETURNS, ON A RISK-ADJUSTED BASIS, HAVE OUTPERFORMED OTHER ASSET CLASSES.**

Oxford Economics, March 2022

 **The FINN**

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**Edina Realty**

**LEGACY OF RESULTS**

**ARE YOU INVESTED IN REAL ESTATE?**

**OVER THE LONG TERM, INVESTORS EXPECT REAL ESTATE ALLOCATIONS TO OUTPERFORM A TRADITIONAL 60/40 STOCK AND BOND PORTFOLIO – AND TO DELIVER INFLATION PROTECTION IN A RISING RATE ENVIRONMENT.**

**J.P. Morgan Asset Management  
2022 Global Alternatives Outlook**

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Real estate is an enduring and desirable investment asset class for private and institutional investors alike.

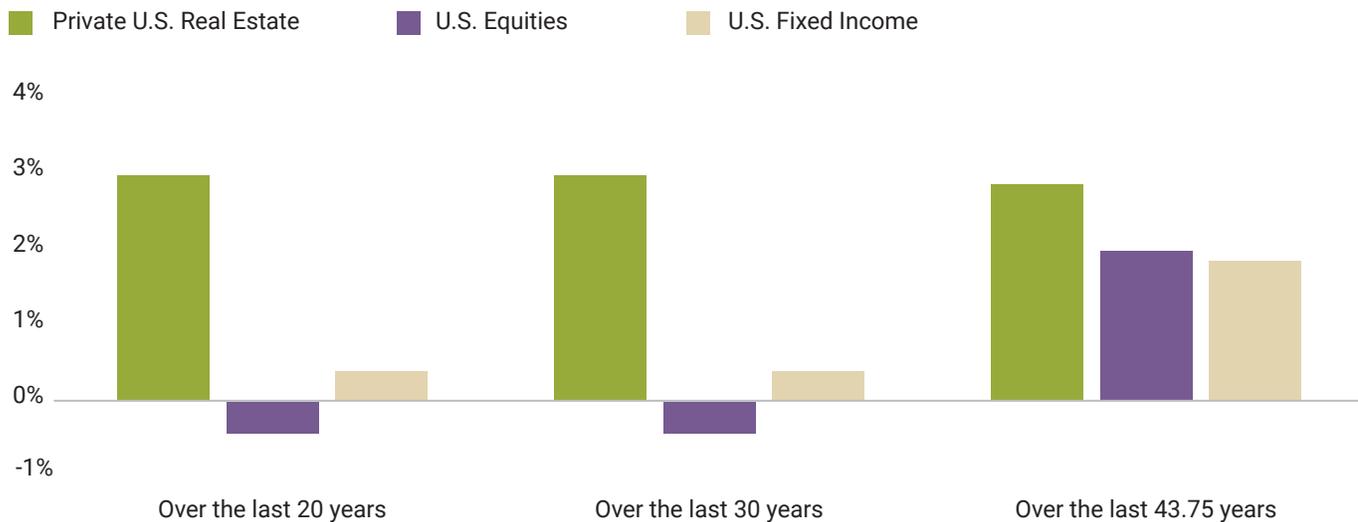
- Consistent Cash Flow
- Superior Risk-Adjusted Performance
- Diversification
- Inflationary Hedge
- Taxable Benefits

Ackerberg Investors Fund III, LLC provides an opportunity for private and institutional investors to invest capital alongside a long-standing company with a proven track record.



## REAL ESTATE HAS GENERATED STRONG RETURNS AMID HIGH INFLATION

Average quarterly returns when U.S. consumer inflation was higher than average



As of September 30, 2021. Source: Bloomberg, National Council of Real Estate Investment Fiduciaries. Higher-than-average inflation is measured as when the year-over-year U.S. Consumer Price Index exceeded 4%. In the chart above, the average returns of private U.S. real estate (as measured by the NCREIF Property Index (NPI)); U.S. equities (as measured by the S&P 500 Index); and U.S. fixed income (as measured by the Bloomberg US Aggregate Bond Index) were examined during those periods. The 43.75 time period represents the number of years since the inception of the NPI. Past performance does not guarantee future results.

## TOTAL RETURN DURING PERIODS WITH THE LARGEST SPIKES IN U.S. CONSUMER INFLATION

TIME PERIOD	CPI INCREASE (ANNUALIZED)	PRIVATE U.S. REAL ESTATE (ANNUALIZED)
<b>The Late 1970s/ Early 1980s</b> (3/31/1978 – 6/30/1980)	+11.8%	+18.9%
<b>Late 1980s/ Gulf War I</b> (12/31/1986 – 9/30/1990)	+4.9%	+7.8%
<b>Global Health Crisis</b> (6/30/2020 – 9/30/2021)	+5.2%	+10.2%

As of September 30, 2021. Source: Bloomberg, National Council of Real Estate Investment Fiduciaries. CPI stands for the U.S. Consumer Price Index. Past performance does not guarantee future results.

# ACKERBERG INVESTORS FUND III

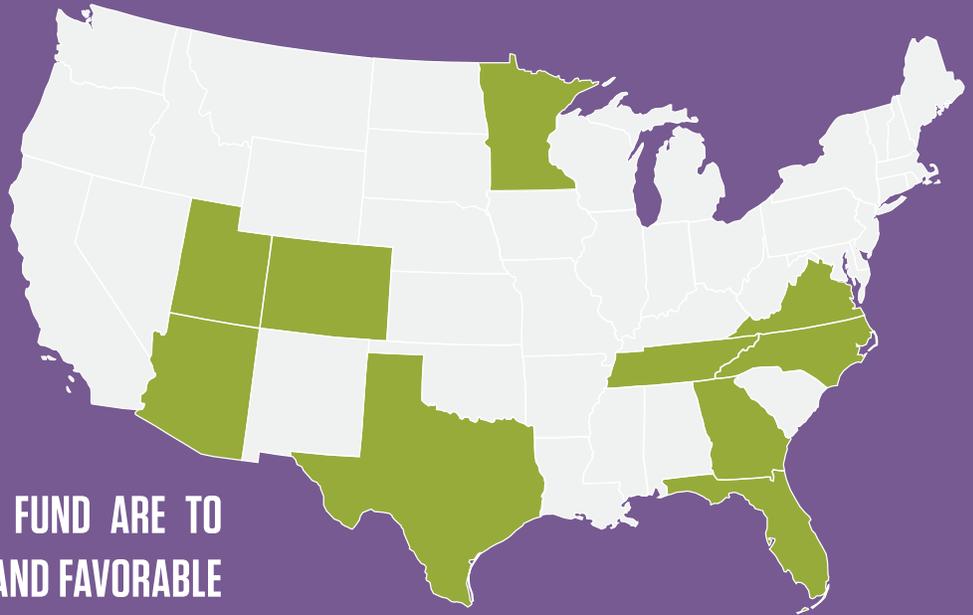
Ackerberg Investors Fund III (the "Fund") will create a dynamic portfolio of commercial real estate, diversified by:

**Asset Type:** office, retail, industrial, and multi-family

**Risk Profile:** stabilized, value-add, and development

**Geographically:** through both the acquisition or development of real estate, and placement of high-quality, safe mortgages, secured by real estate.

## PRIMARY MARKETS OF INTEREST



**THE PRIMARY OBJECTIVES OF THE FUND ARE TO GENERATE CONSISTENT CASH FLOW AND FAVORABLE RISK-ADJUSTED TOTAL RETURNS.**

## FUND III HIGHLIGHTS & STRUCTURE

### HIGHLIGHTS

- Accredited Investors only
- \$75 million of private equity (subject to increase)
- \$250,000 minimum investment
- Competitive management fee structure
- Anticipate selling assets between years 5 and 7
- Seasoned Investment Committee
- Experienced Fund Manager
- Manager committed to investing up to the lesser of 5% or \$2.5 million of total equity requirement
- Expert Advisory Board

### FUND STRUCTURE





## FACTORS DRIVING MARKETS OF INTEREST

- Favorable for business – Taxes, Pro-Business, Right to Work States
- Favorable for people – Taxes, Cost of Living, Quality of Life (top 200 Places to Live), Quality Education
- Research Hospitals/Universities/Life Sciences
- In-Migration Population Growth
- Unique Employers – Immobile (Universities, Government, Military, Hospitals)
- Fortune 1000 Companies
- Major Transportation – Airports/Railroad Lines/ Freeway Infrastructure/Ports

# POST-PANDEMIC OPPORTUNITIES FOR CONSIDERATION

- 1** We foresee some timely investment opportunities in office coming out of the COVID-19 pandemic. Many employers and employees will not be returning to their pre-pandemic office activity for some time to come, leaving many property owners with significant vacancy and without the wherewithal to invest in improvements for future leasing.
- 2** “Obsolete” industrial and office/warehouse properties, e.g. with low ceilings 12–16 feet may be ripe for purchase as many investors/developers are chasing larger bulk warehouses.
- 3** Converting failing hotels into affordable housing, senior housing, or other uses.
- 4** Converting failed retail assets into other uses, such as industrial, or redeveloping into multi-family.
- 5** Class “C” apartment complexes, likely more concentrated in suburban locations, may be attractive purchases on a price-per-unit basis, because in tough times, the lowest price often “wins.”
- 6** Forward-looking industrial assets, leveraging accelerating trends in supply line and distribution models and consumer habits, e.g. cold storage, micro-fulfillment centers.
- 7** Environment, Social, and Governance (ESG) is the focus for many businesses and very much so for real estate. Federal and sometimes state funding is available for this type of investment, and creative implementation of ESG standards may assist in both lease-up efforts of an asset and add value at disposition.
- 8** Available cash for lending creates advantages to capitalize on opportunities; property owners or institutions may be stretched and need short term relief, or a development may need a bridge loan to close; purchasing secured mortgage notes at a discount may also be an option.
- 9** Joint ventures have been very successful for both Ackerberg Investors Funds I & II, especially where existing owners need help in executing intensifications of a site.



## TARGETED FUND RETURNS AND PARAMETERS\*

- Property Level annual cash-on-cash returns of approximately 9% – 11%
- Property Level internal rate of return (IRR) of approximately 13% – 15%
- Modest Leverage of 50% – 75% per property
- Assets in 6 – 10 states

## DISTRIBUTION GUIDELINES

The Fund intends to make distributions of available net cash flow from the portfolio; as well as distribute net cash proceeds from the sale or disposition of properties during the life of the Fund (in each case to the extent not reinvested). All distributions to Investors will be made pro-rata according to the Investor Members capital contributions, and based on the following payment structure:

1. Each investor member will be entitled to an allocation of preferred return equal to 8.0% per annum. The Preferred Return is a priority payment, cumulative and non-compounding; and it will be made before the return of Investor Members capital contribution and periodically as directed by the Fund Manager.
2. Thereafter, distributions will be made 95% to Investor Members and 5% to the Fund Manager distributed pari-passu until all Investor Members capital contributions have been returned.
3. Thereafter, distributions will be made 75% to Investor Members and 25% to the Fund Manager until all remaining net cash flow has been returned.

*\* There is no guarantee Ackerberg Fund III will achieve these results.*

**ACKERBERG INVESTORS FUND III**

**INVEST IN OUR PLANET PROGRAM**

**THE ENVIRONMENT AND THE ECONOMY ARE  
REALLY BOTH TWO SIDES OF THE SAME COIN.  
IF WE CANNOT SUSTAIN THE ENVIRONMENT,  
WE CANNOT SUSTAIN OURSELVES.**

**Wangari Maathai**

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ACKERBERG is committed to minimizing our environmental impact and building a more sustainable future for our planet. We are partnering with a non-profit to ensure Fund III yields positive returns for investors and future generations alike.

For each investor, we will be planting a tree in an effort to be conscious of the impact of real estate on the environment.

ACKERBERG uses its best efforts to protect the environment and use sustainable practices.

ACKERBERG is pleased to provide a copy of our ESG Guidelines for any interested party.



# ORGANIZATIONAL RELATIONSHIPS MATTER

ACKERBERG is a proud member of the following organizations:



# APPENDIX

## DISCLOSURES

### CONFIDENTIALITY

This Offering Summary is being distributed in advance of the Ackerberg Investors Fund III, LLC Confidential Private Placement Memorandum dated June 1, 2022, and all other supporting documents in their entirety (the "Offering Documents"). The existence of this document itself shall be deemed confidential. By accepting this Offering Summary, the recipient agrees that it and its directors, officers, employees, attorneys, accountants, financial advisors, representatives and other affiliates who are assisting in the evaluation of the proposed investment (i) will use this Offering Summary only to evaluate the proposed opportunity and for no other purpose, (ii) will share this Offering Summary only with parties necessary for the proper evaluation of the proposed opportunity, and (iii) will not divulge the contents of this Offering Summary or any details related to the proposed opportunity described herein to any other party in any way or form whatsoever.

### SAFE HARBOR DISCLOSURE

This document contains forward-looking statements. These forward-looking statements include, in particular, statements about plans, strategies and prospects. These statements are based on our current expectations and projections about future events. The words "may," "will," "should," "expect," "scheduled," "plan," "seek," "intend," "anticipate," "believe," "estimate," "aim," "potential" or "continue" or the negative of those terms or other similar expressions are intended to identify forward-looking statements and information. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their respective dates. These forward-looking statements are based on assumptions and estimates by Ackerberg Ventures III, LLC, the manager of the Fund (the "Manager") that, although believed to be reasonable, are inherently uncertain and subject to risks and uncertainties that could cause actual results to differ from historical results or those anticipated or predicted by such forward-looking statements. In light of these risks and uncertainties, the matters referred to in the forward-looking statements contained in this document may not, in fact, occur. The Fund undertakes no obligation to update or revise any forward-looking statement after the date of this brochure as a result of new information, future events or otherwise, except as required by law. The Fund qualifies all of our forward-looking statements by these cautionary statements.

### NO OFFERING OF INVESTMENT OPPORTUNITY

The information contained in this document alone has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any securities or to participate in any investment strategy and may not be used or relied upon in connection with any offer or sale of securities. Securities will be offered only to designated potential investors by means of the Offering Documents, which contain important information regarding the Fund and its investment offering, including a description of important risk factors which every prospective investor should consider.

### COMPANY-SOURCED INFORMATION

The information contained in this document was obtained from the Fund, its Manager and other sources. Any statements, data, estimates, or projections contained herein have been prepared by the Fund or the Manager and may involve elements of subjective judgment and analysis that may or may not prove to be accurate. While the information contained herein is believed to be reliable, none of the Fund, the Manager or their respective representatives or affiliates, by delivery hereof, makes any representations or warranties, expressed or implied, as to the accuracy or completeness of such information. This document does not intend to contain all of the information that may be required to evaluate an investment in the Fund or any other transaction, and any recipient hereof should conduct its own analysis of the Offering, of the Offering Documents, and the information contained herein.







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