

CS1031 Louisburg MOB, DST

ALL CASH/NO MORTGAGE DEBT OFFERING

CAPITAL SQUARE 1031

Section 1031 Exchange/DST Investments

ANTICIPATED ACQUISITION DATE: MID-JANUARY, 2017



Newly-constructed dialysis clinic
in **Certificate of Need State**,
placed in service in October 2016



935 North Main Street, Louisburg, North Carolina 27549

Newly built-to-suit for Fresenius, this 8,213-square-foot medical office building is 100 percent leased to Bio-Medical Applications of North Carolina (the “Tenant”), doing business as Fresenius Medical Care Tar River. The lease is guaranteed by Fresenius Medical Care Holdings, Inc. (“Fresenius Medical Care Holdings”), a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA, a German partnership limited by shares (“Fresenius”). Fresenius is the world’s leading provider of dialysis products and services. The common stock for Fresenius is listed on the New York Stock Exchange under the symbol “FMS.” Fresenius has a current credit rating of Baa3 by Moody’s with a stable outlook.



Investment Highlights

Stable, Long-Term Net Leased Health Care Investment

- 15-year double net lease
- Fixed rent escalations of 10% every 5 years
- All cash/no mortgage debt DST offering

Strong Tenant

Bio-Medical Applications of North Carolina, Inc. (the "Tenant") operates 106 dialysis facilities in North Carolina caring for 7,247 patients with 2,345 certificated dialysis stations as of June 3, 2016¹. A utilization rate of 156 visits per year (or 3 per week) with a 7,247 patient base translates to approximately 1,130,532 patient visits per year. The Tenant also enjoys other financial benefits from its vertically integrated affiliates that manufacture dialyzers, medications and supplies and operate a laboratory. These related businesses generate additional revenue from sale of medications, supplies and laboratory services.

Creditworthy Guarantor

The Guarantor of the Lease is Fresenius Medical Care Holdings, Inc. ("Fresenius Medical Care Holdings"), which is Ba2 by Moody's with a stable outlook and is a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA, a German partnership limited by shares ("Fresenius"). Fresenius is listed on the Frankfurt Stock Exchange (FME) and the New York Stock Exchange (FMS), and is **the world's leading provider of products and services for people with chronic kidney failure.**

North Carolina is a Certificate of Need (CON) State

Under North Carolina law, the NC Division of Health Services Regulation (the "Division") is required to issue a CON before a new dialysis clinic may be opened and operated. Applying for a CON is a public process to determine if there is both sufficient demand and it would serve the public interest to open a new medical facility. Fresenius applied, and the Division issued, a CON for the property based on the Division's determination that there is sufficient demand in the area and operation of the property would be in the public interest. This reflects an exceptional commitment to the property by both Fresenius and the Division.

Barriers to Entry

The CON process creates barriers of entry to potential competitors and increases the likelihood of lease renewal since Division approval would be needed to terminate a lease and leave a property subject to a CON.

Positioned for Stability Through Necessary Medical Care

Fresenius provides products and services for people with chronic kidney failure, a disease that affects millions worldwide. More than 2.5 million patients regularly undergo dialysis therapy. Fresenius has completed more than 42.7 million dialysis treatments in the Americas.

¹According to The North Carolina Semiannual Dialysis Report, as issued by the North Carolina Department of Health and Human Services on July 1, 2016.

ALL CASH NO MORTGAGE DEBT OFFERING.

CS1031 Louisburg MOB, DST is being offered without any mortgage debt for investors who seek an all cash/no debt DST property.

Property Overview

935 North Main Street
Louisburg, North Carolina 27549

Property Details

LEASE
15-year lease

STRUCTURE
Double net lease with fixed rent escalations of 10% every five years

RENEWAL OPTIONS
Three five-year renewal options

STORIES
One

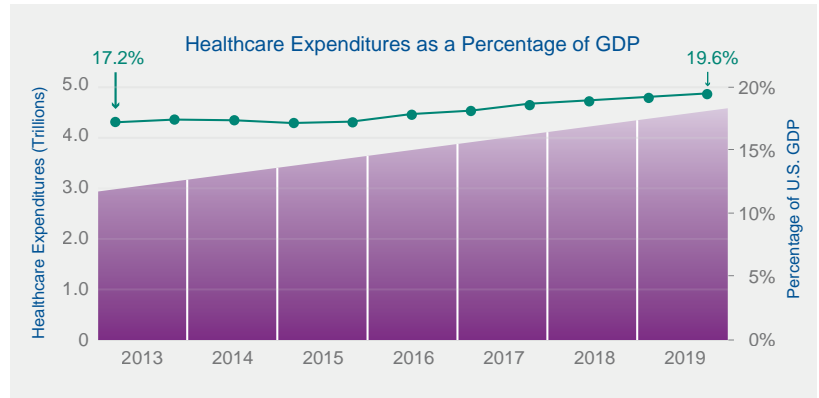
LAND
1.87 Acres



Investing in Medical Real Estate

BY THE NUMBERS: The Increasing Demand for Medical Real Estate

- The aging of America has created a demand for more healthcare real estate.
- Approximately 20 million people have obtained coverage under the Affordable Care Act, generating additional need for medical real estate.
- Healthcare expenditures are expected to increase to \$4.8 trillion by 2021, up over 58 percent from 2012.
- Healthcare represents 18 percent of the U.S. gross domestic product, and is expected to increase to nearly 20 percent of GDP by 2021.
- Between 2008 and 2018, healthcare employment is projected to increase by nearly 29 percent.
- Advances in technology and research increase life expectancies, producing additional interest in healthcare assets.



Aging of America Drives Demand for Medical Real Estate

Population Projections: 65+

2015	2030	2040	2050	2060
47.8 million	74.1 million	82.3 million	88 million	98.1 million

Source: U.S. Census Bureau. "2014 National Population Projections: Table 3. Projections of the Population by Sex and Selected Age Groups in the United States: 2015 to 2060."

The Baby Boomers

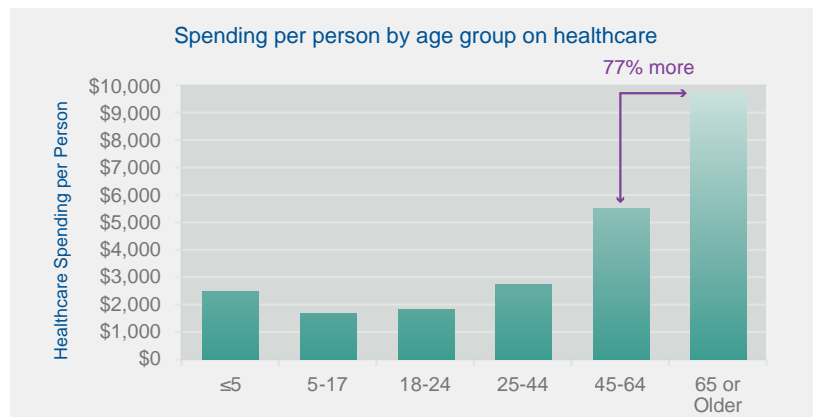
The first of the "baby boomer" generation began turning 65 in 2011. The population over 65 is expected to grow significantly, rising by nearly 42 percent over the next 10 years.ⁱ By 2060, the population over 65 is expected to reach 98 million, compared to 47.8 million in 2015.

People 65 years and older average 2.5 times the number of physician office visits than the rest of the population.

Insurance exchanges and Medicaid expansion provided coverage to an additional 27 million people in this population segment.ⁱⁱ

Elderly Population

People 85 years and older will reach 4.5 percent of the total population by 2050.ⁱⁱⁱ



Source: Kaiser Family Foundation calculations using data from U.S. Department of Health and Human Services, Agency for Healthcare Research and Quality, Medical Expenditure

ⁱ "Medical Office Research Report," Marcus & Millichap 2016.

ⁱⁱ "Projections of the Population by Selected Age Groups and Sex for the United States: 2015 to 2060." U.S. Census Bureau, December 2012.

ⁱⁱⁱ U.S. Census Bureau. "An Aging Nation: The Older Population in the United States." Page 6.

Fresenius Medical Care

Fresenius Medical Care Holdings, Inc. is a wholly-owned subsidiary of Fresenius Medical Care AG & Co. KGaA ("Fresenius") which is listed on both the Frankfurt Stock Exchange (FME) and New York Stock Exchange (FMS).

Fresenius is the world's leading provider of products and services for people with chronic kidney failure. The company is primarily engaged in providing kidney dialysis services and clinical laboratory testing, manufacturing and distributing products and equipment for kidney dialysis treatment, and providing other ancillary medical services.

Dialysis is a vital blood cleansing procedure that substitutes for the function of the kidney in case of kidney failure. During 2014, Fresenius cared for more than 283,000 dialysis patients in 3,349 proprietary clinics in over 45 countries worldwide. Fresenius continues to develop its network of clinics - the largest and most international in the world - to accommodate the growing number of dialysis patients. The company also operates more than 40 production sites around the world, making Fresenius the world's leading provider of dialysis products including dialysis machines, dialyzers and disposable accessories.

Recession Resistant Asset Class

Medical real estate proved to be a recession resistant asset class during the most recent economic downturn.

Fresenius Medical Care AG & Co. KGaA, the parent company of Fresenius Medical Care Holdings, Inc., has a Moody's credit rating of Baa3 with a stable outlook and net revenue of approximately \$16.7 billion for fiscal year 2015.



ABOUT CAPITAL SQUARE 1031

Capital Square is a real estate advisory company specializing in the creation and management of real estate investments. Capital Square uses the DST and other investment structures to fit the needs of its high net worth individual and institutional investors. Capital Square is also active in property and asset management, key elements in a successful real estate investment.

FOR FURTHER INFORMATION, CONTACT

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Consider the Risks

An investment in the Interests involves substantial investment and tax risks, including, without limitation, the following risks:

- There are various risks associated with owning, financing, operating, and leasing commercial properties in North Carolina.
- The Interests do not represent a diversified investment.
- Beneficial Owners must completely rely on the Master Tenant to collect the rent and operate, manage, lease, and maintain the Property.
- The Beneficial Owners have no voting rights with respect to the management or operations of the Trust or in connection with the sale of the property.
- There are various conflicts of interest among the Trust, the Sponsor, the Signatory Trustee, and their Affiliates.
- The Interests are illiquid.
- There are tax risks associated with an investment in the Interests.
- There are risks related to competition from properties similar to and near the property.
- There may be environmental risks related to the property.