

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2014

Commission File Number: 000-23778

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP

(Exact name of registrant as specified in its charter)

State of Minnesota

(State or other jurisdiction of
incorporation or organization)

41-1729121

(I.R.S. Employer
Identification No.)

30 East 7th Street, Suite 1300
St. Paul, Minnesota 55101

(Address of principal executive offices)

(651) 227-7333

(Registrant's telephone number)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
 Non-accelerated filer

Accelerated filer
 Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP

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**AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
BALANCE SHEET**

ASSETS

	March 31, 2014	December 31, 2013
	(unaudited)	
Current Assets:		
Cash	\$ 2,601,031	\$ 2,414,005
Real Estate Held for Investment:		
Land	3,788,830	3,788,830
Buildings and Equipment	8,149,958	8,149,958
Acquired Intangible Lease Assets	703,997	703,997
Real Estate Investments, at cost	12,642,785	12,642,785
Accumulated Depreciation and Amortization	(2,573,322)	(2,489,448)
Real Estate Held for Investment, Net	10,069,463	10,153,337
Real Estate Held for Sale	1,555,237	1,653,573
Total Real Estate	11,624,700	11,806,910
Total Assets	\$ 14,225,731	\$ 14,220,915

LIABILITIES AND PARTNERS' CAPITAL

Current Liabilities:		
Payable to AEI Fund Management, Inc.	\$ 75,932	\$ 74,979
Distributions Payable	297,472	299,700
Unearned Rent	76,143	13,474
Total Current Liabilities	449,547	388,153
Long-term Liabilities:		
Acquired Below-Market Lease Intangibles, Net	70,602	71,978
Partners' Capital:		
General Partners	4,581	5,133
Limited Partners – 24,000 Units authorized; 21,367 Units issued and outstanding	13,701,001	13,755,651
Total Partners' Capital	13,705,582	13,760,784
Total Liabilities and Partners' Capital	\$ 14,225,731	\$ 14,220,915

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

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
STATEMENT OF INCOME
(unaudited)

	Three Months Ended March 31	
	2014	2013
Rental Income	\$ 298,963	\$ 298,963
Expenses:		
Partnership Administration – Affiliates	56,787	58,996
Partnership Administration and Property Management – Unrelated Parties	17,367	14,957
Depreciation and Amortization	76,700	76,700
Total Expenses	<u>150,854</u>	<u>150,653</u>
Operating Income	148,109	148,310
Other Income:		
Interest Income	<u>1,739</u>	<u>270</u>
Income from Continuing Operations	149,848	148,580
Income from Discontinued Operations	<u>92,422</u>	<u>55,078</u>
Net Income	<u>\$ 242,270</u>	<u>\$ 203,658</u>
Net Income Allocated:		
General Partners	\$ 2,423	\$ 2,037
Limited Partners	239,847	201,621
Total	<u>\$ 242,270</u>	<u>\$ 203,658</u>
Income per Limited Partnership Unit:		
Continuing Operations	\$ 6.94	\$ 6.82
Discontinued Operations	4.29	2.53
Total – Basic and Diluted	<u>\$ 11.23</u>	<u>\$ 9.35</u>
Weighted Average Units Outstanding – Basic and Diluted	<u>21,367</u>	<u>21,560</u>

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

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
STATEMENT OF CASH FLOWS
(unaudited)

	Three Months Ended March 31	
	2014	2013
Cash Flows from Operating Activities:		
Net Income	\$ 242,270	\$ 203,658
Adjustments to Reconcile Net Income To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	82,498	105,819
Gain on Sale of Real Estate	(63,797)	0
(Increase) Decrease in Receivables	0	1,843
Increase (Decrease) in Payable to AEI Fund Management, Inc.	953	16,822
Increase (Decrease) in Unearned Rent	62,669	(4,935)
Total Adjustments	<u>82,323</u>	<u>119,549</u>
Net Cash Provided By Operating Activities	<u>324,593</u>	<u>323,207</u>
Cash Flows from Investing Activities:		
Proceeds from Sale of Real Estate	<u>162,133</u>	<u>0</u>
Cash Flows from Financing Activities:		
Distributions Paid to Partners	<u>(299,700)</u>	<u>(299,696)</u>
Net Increase (Decrease) in Cash	187,026	23,511
Cash, beginning of period	<u>2,414,005</u>	<u>458,643</u>
Cash, end of period	<u>\$ 2,601,031</u>	<u>\$ 482,154</u>

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

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
STATEMENT OF CHANGES IN PARTNERS' CAPITAL
(unaudited)

	<u>General Partners</u>	<u>Limited Partners</u>	<u>Total</u>	<u>Limited Partnership Units Outstanding</u>
Balance, December 31, 2012	\$ 4,274	\$ 14,301,104	\$ 14,305,378	21,559.91
Distributions Declared	(2,997)	(296,699)	(299,696)	
Net Income	2,037	201,621	203,658	
Balance, March 31, 2013	<u>\$ 3,314</u>	<u>\$ 14,206,026</u>	<u>\$ 14,209,340</u>	<u>21,559.91</u>
Balance, December 31, 2013	\$ 5,133	\$ 13,755,651	\$ 13,760,784	21,367.42
Distributions Declared	(2,975)	(294,497)	(297,472)	
Net Income	2,423	239,847	242,270	
Balance, March 31, 2014	<u>\$ 4,581</u>	<u>\$ 13,701,001</u>	<u>\$ 13,705,582</u>	<u>21,367.42</u>

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

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014
(unaudited)

(1) The condensed statements included herein have been prepared by the registrant, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results of operations for the interim period, on a basis consistent with the annual audited statements. The adjustments made to these condensed statements consist only of normal recurring adjustments. Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the registrant believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these condensed financial statements be read in conjunction with the financial statements and the summary of significant accounting policies and notes thereto included in the registrant's latest annual report on Form 10-K.

(2) Organization –

AEI Net Lease Income & Growth Fund XX Limited Partnership ("Partnership") was formed to acquire and lease commercial properties to operating tenants. The Partnership's operations are managed by AEI Fund Management XX, Inc. ("AFM"), the Managing General Partner. Robert P. Johnson, the President and sole director of AFM, serves as the Individual General Partner. AFM is a wholly owned subsidiary of AEI Capital Corporation of which Mr. Johnson is the majority shareholder. AEI Fund Management, Inc. ("AEI"), an affiliate of AFM, performs the administrative and operating functions for the Partnership.

The terms of the Partnership offering called for a subscription price of \$1,000 per Limited Partnership Unit, payable on acceptance of the offer. The Partnership commenced operations on June 30, 1993 when minimum subscriptions of 1,500 Limited Partnership Units (\$1,500,000) were accepted. On January 19, 1995, the offering terminated when the maximum subscription limit of 24,000 Limited Partnership Units was reached. Under the terms of the Limited Partnership Agreement, the Limited Partners and General Partners contributed funds of \$24,000,000 and \$1,000, respectively.

During operations, any Net Cash Flow, as defined, which the General Partners determine to distribute will be distributed 90% to the Limited Partners and 10% to the General Partners; provided, however, that such distributions to the General Partners will be subordinated to the Limited Partners first receiving an annual, noncumulative distribution of Net Cash Flow equal to 10% of their Adjusted Capital Contribution, as defined, and, provided further, that in no event will the General Partners receive less than 1% of such Net Cash Flow per annum. Distributions to Limited Partners will be made pro rata by Units.

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

(2) Organization – (Continued)

Any Net Proceeds of Sale, as defined, from the sale or financing of properties which the General Partners determine to distribute will, after provisions for debts and reserves, be paid in the following manner: (i) first, 99% to the Limited Partners and 1% to the General Partners until the Limited Partners receive an amount equal to: (a) their Adjusted Capital Contribution plus (b) an amount equal to 12% of their Adjusted Capital Contribution per annum, cumulative but not compounded, to the extent not previously distributed from Net Cash Flow; (ii) any remaining balance will be distributed 90% to the Limited Partners and 10% to the General Partners. Distributions to the Limited Partners will be made pro rata by Units.

For tax purposes, profits from operations, other than profits attributable to the sale, exchange, financing, refinancing or other disposition of property, will be allocated first in the same ratio in which, and to the extent, Net Cash Flow is distributed to the Partners for such year. Any additional profits will be allocated in the same ratio as the last dollar of Net Cash Flow is distributed. Net losses from operations will be allocated 99% to the Limited Partners and 1% to the General Partners.

For tax purposes, profits arising from the sale, financing, or other disposition of property will be allocated in accordance with the Partnership Agreement as follows: (i) first, to those partners with deficit balances in their capital accounts in an amount equal to the sum of such deficit balances; (ii) second, 99% to the Limited Partners and 1% to the General Partners until the aggregate balance in the Limited Partners' capital accounts equals the sum of the Limited Partners' Adjusted Capital Contributions plus an amount equal to 12% of their Adjusted Capital Contributions per annum, cumulative but not compounded, to the extent not previously allocated; (iii) third, the balance of any remaining gain will then be allocated 90% to the Limited Partners and 10% to the General Partners. Losses will be allocated 98% to the Limited Partners and 2% to the General Partners.

The General Partners are not required to currently fund a deficit capital balance. Upon liquidation of the Partnership or withdrawal by a General Partner, the General Partners will contribute to the Partnership an amount equal to the lesser of the deficit balances in their capital accounts or 1% of total Limited Partners' and General Partners' capital contributions.

In December 2008, the Managing General Partner solicited by mail a proxy statement seeking the consent of the Limited Partners to continue the Partnership for an additional 60 months or to initiate the final disposition, liquidation and distribution of all of the Partnership's properties and assets within 24 months. On January 9, 2009, the proposal to continue the Partnership was approved with a majority of Units voted in favor of the continuation proposal. As a result, the Managing General Partner will continue the operations of the Partnership for an additional 60 months at which time it will again ask the Limited Partners to vote on the same two proposals. The Managing General Partner anticipates mailing a proxy statement in May 2014 asking the Limited Partners to vote on these two proposals.

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

(3) Recently Adopted Accounting Standards -

In April 2014, the FASB issued ASU No. 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." This topic amends the requirements for reporting discontinued operations. The disposal of a component must represent a strategic shift that will have a major effect on the Partnership's operations and financial results in order to be reported as discontinued operations, and require certain additional interim and annual disclosures. The amendments in this ASU are effective for reporting periods beginning after December 15, 2014 with early adoption permitted. The Partnership has early adopted this standard effective January 1, 2014 and has applied the provisions prospectively. As a result, the Partnership anticipates that properties will not be considered discontinued operations when the properties are sold after January 1, 2014, with the exception of properties that were classified as Real Estate Held for Sale at December 31, 2013.

(4) Reclassification –

Certain items related to discontinued operations in the prior year's financial statements have been reclassified to conform to 2014 presentation. These reclassifications had no effect on Partners' capital, net income or cash flows.

(5) Real Estate Held for Investment –

The Partnership owns a 40.1354% interest in a HomeTown Buffet restaurant in Albuquerque, New Mexico. The remaining interests in this property are owned by unrelated third parties, who own the property with the Partnership as tenants-in-common. On January 31, 2011, the lease term expired and the tenant returned possession of the property to the owners. The owners listed the property for lease or sale with a real estate broker in the Albuquerque area. While the property is vacant, the Partnership is responsible for its 40.1354% share of real estate taxes and other costs associated with maintaining the property.

Based on its long-lived asset valuation analysis, the Partnership determined the HomeTown Buffet restaurant was impaired. As a result, in the fourth quarter of 2013, a charge to continuing operations for real estate impairment of \$61,002 was recognized, which was the difference between the carrying value at December 31, 2013 of \$336,002 and the estimated fair value of \$275,000. The charge was recorded against the cost of the land and building.

(6) Payable to AEI Fund Management, Inc. –

AEI Fund Management, Inc. performs the administrative and operating functions for the Partnership. The payable to AEI Fund Management represents the balance due for those services. This balance is non-interest bearing and unsecured and is to be paid in the normal course of business.

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

(7) Discontinued Operations –

During 2012, the Partnership decided to sell its 44% interest in the Champps Americana restaurant in Utica, Michigan and classified it as Real Estate Held for Sale. In February 2013, Champps Operating Corporation (“Champps”), the tenant of the property, approached the Partnership with a request to adjust the rent on the property to a market rental rate based on the restaurant’s performance and the current conditions in the market. In April 2013, after reviewing financial information for the restaurant and the tenant, and analyzing the local real estate market for the property, the Partnership and the property’s other co-owners entered into an agreement to reduce the annual rent for the property by 63% to \$90,880. The Partnership’s share of this rent was \$39,987. On December 15, 2013, Champps filed for Chapter 11 bankruptcy reorganization. In February 2014, Champps closed the restaurant, filed a motion with the bankruptcy court to reject the lease and returned possession of the property to the owners. The owners listed the property for sale or lease with a real estate broker in the Utica area. While the property is vacant, the Partnership is responsible for its 44% share of real estate taxes and other costs associated with maintaining the property.

Based on its long-lived asset valuation analysis, the Partnership determined the Champps property was impaired. As a result, in the fourth quarter of 2013, a charge to discontinued operations for real estate impairment of \$85,000 was recognized, which was the difference between the carrying value at December 31, 2013 of \$733,000 and the estimated fair value of \$648,000. The charge was recorded against the cost of the land and building.

In April 2014, the Partnership and the other co-owners of the Champps property received a non-binding letter of intent for the purchase of the property from an unrelated third party. The sale is subject to contingencies, including negotiating a written purchase agreement, and may not be completed. If the sale is completed, the Partnership expects to receive net proceeds of approximately \$718,000. If the sale is not completed, the owners will seek another buyer for the property and may not be able to negotiate a purchase agreement with similar economic terms.

In September 2013, the Partnership decided to sell the Royal Buffet restaurant in Colorado Springs, Colorado and classified it as Real Estate Held for Sale. Based on its long-lived asset valuation analysis, the Partnership determined the Royal Buffet restaurant was impaired. As a result, in the third quarter of 2013, a charge to discontinued operations for real estate impairment of \$322,868 was recognized, which was the difference between the carrying value at September 30, 2013 of \$642,868 and the estimated fair value of \$320,000. The charge was recorded against the cost of the land and building. On December 20, 2013, the Partnership sold the property to an unrelated third party. The Partnership received net sale proceeds of \$339,514, which resulted in a net gain of \$19,514.

On August 2, 2013, the Partnership sold its 40% interest in the Scott & White Clinic in College Station, Texas to an unrelated third party. The Partnership received net sale proceeds of \$1,869,225, which resulted in a net gain of \$504,826. At the time of sale, the cost and related accumulated depreciation was \$1,470,224 and \$105,825, respectively.

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

(7) Discontinued Operations – (Continued)

On February 26, 2014, the Partnership sold 4.4006% of the Applebee’s restaurant in Sandusky, Ohio to an unrelated third party. The Partnership received net sale proceeds of \$162,133, which resulted in a net gain of \$63,797. The cost and related accumulated depreciation of the interest sold was \$124,874 and \$26,538, respectively.

Subsequent to March 31, 2014, the Partnership sold an additional 8.2855% of the Applebee’s restaurant in Sandusky, Ohio, in two separate transactions, to unrelated third parties. The Partnership received total net sale proceeds of approximately \$304,000, which resulted in a net gain of approximately \$118,900. The cost and related accumulated depreciation of the interests sold was \$235,113 and \$49,965, respectively. The Partnership is attempting to sell its remaining 32.3139% interest in the property. At March 31, 2014 and December 31, 2013, the property was classified as Real Estate Held for Sale with a carrying value of \$907,237 and \$1,005,573, respectively.

During the first three months of 2014, the Partnership distributed net sale proceeds of \$36,501. The Limited Partners received distributions of \$36,136 and the General Partners received distributions of \$365 for the period. The Limited Partners’ distributions represented \$1.69 per Unit for the period.

The financial results for these properties are reflected as Discontinued Operations in the accompanying financial statements. The following are the results of discontinued operations for the three months ended March 31:

	2014	2013
Rental Income	\$ 33,748	\$ 90,110
Property Management Expenses	(5,123)	(11,711)
Depreciation	0	(23,321)
Gain on Disposal of Real Estate	63,797	0
Income from Discontinued Operations	\$ 92,422	\$ 55,078
	2014	2013
Cash Flows from Discontinued Operations:		
Operating Activities	\$ 28,625	\$ 55,078
Investing Activities	\$ 162,133	\$ 0

AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS
(Continued)

(8) Fair Value Measurements –

Fair value, as defined by United States Generally Accepted Accounting Principles (“US GAAP”), is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or most advantageous market. US GAAP establishes a hierarchy in determining the fair value of an asset or liability. The fair value hierarchy has three levels of inputs, both observable and unobservable. US GAAP requires the utilization of the lowest possible level of input to determine fair value. Level 1 inputs include quoted market prices in an active market for identical assets or liabilities. Level 2 inputs are market data, other than Level 1 inputs, that are observable either directly or indirectly. Level 2 inputs include quoted market prices for similar assets or liabilities, quoted market prices in an inactive market, and other observable information that can be corroborated by market data. Level 3 inputs are unobservable and corroborated by little or no market data.

At March 31, 2014 and December 31, 2013, the Partnership had no financial assets or liabilities measured at fair value on a recurring basis or nonrecurring basis that would require disclosure under this pronouncement. The Partnership had the following nonfinancial assets measured on a nonrecurring basis that were recorded at fair value during 2013.

The Champps restaurant in Utica, Michigan, with a carrying amount of \$733,000 at December 31, 2013, was written down to its estimated fair value of \$648,000 after completing our long-lived asset valuation analysis. The resulting impairment charge of \$85,000 was included in earnings for the fourth quarter of 2013. The fair value of the property was based upon comparable sales of similar properties, which are considered Level 2 inputs in the valuation hierarchy.

The Royal Buffet restaurant in Colorado Springs, Colorado, with a carrying amount of \$642,868 at September 30, 2013, was written down to its estimated fair value of \$320,000 after completing our long-lived asset valuation analysis. The resulting impairment charge of \$322,868 was included in earnings for the third quarter of 2013. The fair value of the property was based upon comparable sales of similar properties, which are considered Level 2 inputs in the valuation hierarchy.

The HomeTown Buffet restaurant in Albuquerque, New Mexico, with a carrying amount of \$336,002 at December 31, 2013, was written down to its estimated fair value of \$275,000 after completing our long-lived asset valuation analysis. The resulting impairment charge of \$61,002 was included in earnings for the fourth quarter of 2013. The fair value of the property was based upon comparable sales of similar properties, which are considered Level 2 inputs in the valuation hierarchy.

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS.**

This section contains "forward-looking statements" which represent management's expectations or beliefs concerning future events, including statements regarding anticipated application of cash, expected returns from rental income, growth in revenue, the sufficiency of cash to meet operating expenses, rates of distribution, and other matters. These, and other forward-looking statements, should be evaluated in the context of a number of factors that may affect the Partnership's financial condition and results of operations, including the following:

- Market and economic conditions which affect the value of the properties the Partnership owns and the cash from rental income such properties generate;
- the federal income tax consequences of rental income, deductions, gain on sales and other items and the effects of these consequences for the Partners;
- resolution by the General Partners of conflicts with which they may be confronted;
- the success of the General Partners of locating properties with favorable risk return characteristics;
- the effect of tenant defaults; and
- the condition of the industries in which the tenants of properties owned by the Partnership operate.

Application of Critical Accounting Policies

The Partnership's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Preparing the financial statements requires management to use judgment in the application of these accounting policies, including making estimates and assumptions. These judgments will affect the reported amounts of the Partnership's assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and will affect the reported amounts of revenue and expenses during the reporting periods. It is possible that the carrying amount of the Partnership's assets and liabilities, or the results of reported operations, will be affected if management's estimates or assumptions prove inaccurate.

Management of the Partnership evaluates the following accounting estimates on an ongoing basis, and has discussed the development and selection of these estimates and the management discussion and analysis disclosures regarding them with managing partner of the Partnership.

Allocation of Purchase Price of Acquired Properties

Upon acquisition of real properties, the Partnership records them in the financial statements at cost. The purchase price is allocated to tangible assets, consisting of land and building, and to identified intangible assets and liabilities, which may include the value of above market and below market leases and the value of in-place leases. The allocation of the purchase price is based upon the fair value of each component of the property. Although independent appraisals may be used to assist in the determination of fair value, in many cases these values will be based upon management's assessment of each property, the selling prices of comparable properties and the discounted value of cash flows from the asset.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)

The fair values of above market and below market in-place leases will be recorded based on the present value (using an interest rate which reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) an estimate of fair market lease rates for the corresponding in-place leases measured over a period equal to the non-cancelable term of the lease including any bargain renewal periods. The above market and below market lease values will be capitalized as intangible lease assets or liabilities. Above market lease values will be amortized as an adjustment of rental income over the remaining terms of the respective leases. Below market leases will be amortized as an adjustment of rental income over the remaining term of the respective leases, including any bargain renewal periods. If a lease were to be terminated prior to its stated expiration, all unamortized amounts of above market and below market in-place lease values relating to that lease would be recorded as an adjustment to rental income.

The fair values of in-place leases will include estimated direct costs associated with obtaining a new tenant, and opportunity costs associated with lost rentals which are avoided by acquiring an in-place lease. Direct costs associated with obtaining a new tenant may include commissions, tenant improvements, and other direct costs and are estimated, in part, by management's consideration of current market costs to execute a similar lease. These direct costs will be included in intangible lease assets on the balance sheet and will be amortized to expense over the remaining term of the respective leases. The value of opportunity costs will be calculated using the contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. These intangibles will be included in intangible lease assets on the balance sheet and will be amortized to expense over the remaining term of the respective leases. If a lease were to be terminated prior to its stated expiration, all unamortized amounts of in-place lease assets relating to that lease would be expensed.

The determination of the fair values of the assets and liabilities acquired will require the use of significant assumptions with regard to the current market rental rates, rental growth rates, discount and capitalization rates, interest rates and other variables. If management's estimates or assumptions prove inaccurate, the result would be an inaccurate allocation of purchase price, which could impact the amount of reported net income.

Carrying Value of Properties

Properties are carried at original cost, less accumulated depreciation and amortization. The Partnership tests long-lived assets for recoverability when events or changes in circumstances indicate that the carrying value may not be recoverable. For properties the Partnership will hold and operate, management determines whether impairment has occurred by comparing the property's probability-weighted future undiscounted cash flows to its current carrying value. For properties held for sale, management determines whether impairment has occurred by comparing the property's estimated fair value less cost to sell to its current carrying value. If the carrying value is greater than the net realizable value, an impairment loss is recorded to reduce the carrying value of the property to its net realizable value. Changes in these assumptions or analysis may cause material changes in the carrying value of the properties.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)

Allocation of Expenses

AEI Fund Management, Inc. allocates expenses to each of the funds they manage primarily on the basis of the number of hours devoted by their employees to each fund's affairs. They also allocate expenses at the end of each month that are not directly related to a fund's operations based upon the number of investors in the fund and the fund's capitalization relative to other funds they manage. The Partnership reimburses these expenses subject to detailed limitations contained in the Partnership Agreement.

Results of Operations

For the three months ended March 31, 2014 and 2013, the Partnership recognized rental income from continuing operations of \$298,963 for both periods. Based on the scheduled rent for the properties owned as of April 30, 2014, the Partnership expects to recognize rental income from continuing operations of approximately \$1,196,000 in 2014.

For the three months ended March 31, 2014 and 2013, the Partnership incurred Partnership administration expenses from affiliated parties of \$56,787 and \$58,996, respectively. These administration expenses include costs associated with the management of the properties, processing distributions, reporting requirements and communicating with the Limited Partners. During the same periods, the Partnership incurred Partnership administration and property management expenses from unrelated parties of \$17,367 and \$14,957, respectively. These expenses represent direct payments to third parties for legal and filing fees, direct administrative costs, outside audit costs, taxes, insurance and other property costs.

The Partnership owns a 40.1354% interest in a HomeTown Buffet restaurant in Albuquerque, New Mexico. The remaining interests in this property are owned by unrelated third parties, who own the property with the Partnership as tenants-in-common. On January 31, 2011, the lease term expired and the tenant returned possession of the property to the owners. The owners listed the property for lease or sale with a real estate broker in the Albuquerque area. While the property is vacant, the Partnership is responsible for its 40.1354% share of real estate taxes and other costs associated with maintaining the property.

Based on its long-lived asset valuation analysis, the Partnership determined the HomeTown Buffet restaurant was impaired. As a result, in the fourth quarter of 2013, a charge to continuing operations for real estate impairment of \$61,002 was recognized, which was the difference between the carrying value at December 31, 2013 of \$336,002 and the estimated fair value of \$275,000. The charge was recorded against the cost of the land and building.

For the three months ended March 31, 2014 and 2013, the Partnership recognized interest income of \$1,739 and \$270, respectively. In 2014, interest income increased primarily due to the Partnership having more money invested in a money market account due to two property sales in 2013.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)

In April 2014, the FASB issued ASU No. 2014-08, "Presentation of Financial Statements (Topic 205) and Property, Plant, and Equipment (Topic 360) Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." This topic amends the requirements for reporting discontinued operations. The Partnership has early adopted this standard effective January 1, 2014 and has applied the provisions prospectively. As a result, the Partnership anticipates that properties will not be considered discontinued operations when the properties are sold after January 1, 2014, with the exception of properties that were classified as Real Estate Held for Sale at December 31, 2013.

Prior to January 1, 2014, upon complete disposal of a property or classification of a property as Real Estate Held for Sale, the Partnership included the operating results and sale of the property in discontinued operations. In addition, the Partnership reclassified the prior periods' operating results of the property to discontinued operations. For the three months ended March 31, 2014, the Partnership recognized income from discontinued operations of \$92,422, representing rental income less property management expenses of \$28,625 and gain on disposal of real estate of \$63,797. For the three months ended March 31, 2013, the Partnership recognized income from discontinued operations of \$55,078, representing rental income less property management expenses and depreciation.

During 2012, the Partnership decided to sell its 44% interest in the Champps Americana restaurant in Utica, Michigan and classified it as Real Estate Held for Sale. In February 2013, Champps Operating Corporation ("Champps"), the tenant of the property, approached the Partnership with a request to adjust the rent on the property to a market rental rate based on the restaurant's performance and the current conditions in the market. In April 2013, after reviewing financial information for the restaurant and the tenant, and analyzing the local real estate market for the property, the Partnership and the property's other co-owners entered into an agreement to reduce the annual rent for the property by 63% to \$90,880. The Partnership's share of this rent was \$39,987. On December 15, 2013, Champps filed for Chapter 11 bankruptcy reorganization. In February 2014, Champps closed the restaurant, filed a motion with the bankruptcy court to reject the lease and returned possession of the property to the owners. The owners listed the property for sale or lease with a real estate broker in the Utica area. While the property is vacant, the Partnership is responsible for its 44% share of real estate taxes and other costs associated with maintaining the property.

Based on its long-lived asset valuation analysis, the Partnership determined the Champps property was impaired. As a result, in the fourth quarter of 2013, a charge to discontinued operations for real estate impairment of \$85,000 was recognized, which was the difference between the carrying value at December 31, 2013 of \$733,000 and the estimated fair value of \$648,000. The charge was recorded against the cost of the land and building.

In April 2014, the Partnership and the other co-owners of the Champps property received a non-binding letter of intent for the purchase of the property from an unrelated third party. The sale is subject to contingencies, including negotiating a written purchase agreement, and may not be completed. If the sale is completed, the Partnership expects to receive net proceeds of approximately \$718,000. If the sale is not completed, the owners will seek another buyer for the property and may not be able to negotiate a purchase agreement with similar economic terms.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)

In September 2013, the Partnership decided to sell the Royal Buffet restaurant in Colorado Springs, Colorado and classified it as Real Estate Held for Sale. Based on its long-lived asset valuation analysis, the Partnership determined the Royal Buffet restaurant was impaired. As a result, in the third quarter of 2013, a charge to discontinued operations for real estate impairment of \$322,868 was recognized, which was the difference between the carrying value at September 30, 2013 of \$642,868 and the estimated fair value of \$320,000. The charge was recorded against the cost of the land and building. On December 20, 2013, the Partnership sold the property to an unrelated third party. The Partnership received net sale proceeds of \$339,514, which resulted in a net gain of \$19,514.

On August 2, 2013, the Partnership sold its 40% interest in the Scott & White Clinic in College Station, Texas to an unrelated third party. The Partnership received net sale proceeds of \$1,869,225, which resulted in a net gain of \$504,826. At the time of sale, the cost and related accumulated depreciation was \$1,470,224 and \$105,825, respectively.

On February 26, 2014, the Partnership sold 4.4006% of the Applebee's restaurant in Sandusky, Ohio to an unrelated third party. The Partnership received net sale proceeds of \$162,133, which resulted in a net gain of \$63,797. The cost and related accumulated depreciation of the interest sold was \$124,874 and \$26,538, respectively.

Subsequent to March 31, 2014, the Partnership sold an additional 8.2855% of the Applebee's restaurant in Sandusky, Ohio, in two separate transactions, to unrelated third parties. The Partnership received total net sale proceeds of approximately \$304,000, which resulted in a net gain of approximately \$118,900. The cost and related accumulated depreciation of the interests sold was \$235,113 and \$49,965, respectively. The Partnership is attempting to sell its remaining 32.3139% interest in the property. At March 31, 2014 and December 31, 2013, the property was classified as Real Estate Held for Sale with a carrying value of \$907,237 and \$1,005,573, respectively.

Management believes inflation has not significantly affected income from operations. Leases may contain rent increases, based on the increase in the Consumer Price Index over a specified period, which will result in an increase in rental income over the term of the leases. Inflation also may cause the real estate to appreciate in value. However, inflation and changing prices may have an adverse impact on the operating margins of the properties' tenants, which could impair their ability to pay rent and subsequently reduce the Net Cash Flow available for distributions.

Liquidity and Capital Resources

During the three months ended March 31, 2014, the Partnership's cash balances increased \$187,026 as a result of cash generated from the sale of property and cash generated from operating activities in excess of distributions paid to the Partners. During the three months ended March 31, 2013, the Partnership's cash balances increased \$23,511 as a result of cash generated from operating activities in excess of distributions paid to the Partners.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)

Net cash provided by operating activities increased from \$323,207 in 2013 to \$324,593 in 2014 as a result of a decrease in Partnership administration and property management expenses in 2014 and net timing differences in the collection of payments from the tenants and the payment of expenses, which were partially offset by a decrease in total rental and interest income in 2014.

The major components of the Partnership's cash flow from investing activities are investments in real estate and proceeds from the sale of real estate. During the three months ended March 31, 2014, the Partnership generated cash flow from the sale of real estate of \$162,133.

The Partnership's primary use of cash flow, other than investment in real estate, is distribution and redemption payments to Partners. The Partnership declares its regular quarterly distributions before the end of each quarter and pays the distribution in the first week after the end of each quarter. The Partnership attempts to maintain a stable distribution rate from quarter to quarter. Redemption payments are paid to redeeming Partners on a semi-annual basis.

For the three months ended March 31, 2014 and 2013, the Partnership declared distributions of \$297,472 and \$299,696, respectively, which were distributed 99% to the Limited Partners and 1% to the General Partners. The Limited Partners received distributions of \$294,497 and \$296,699 and the General Partners received distributions of \$2,975 and \$2,997 for the periods, respectively.

As part of the distributions discussed above, the Partnership distributed net sale proceeds of \$36,501 in 2014. The Limited Partners received distributions of \$36,136 and the General Partners received distributions of \$365 for the period. The Limited Partners' distributions represented \$1.69 per Unit for the period. The Partnership anticipates the remaining net sale proceeds will either be reinvested in additional property or distributed to the Partners in the future.

The Partnership may acquire Units from Limited Partners who have tendered their Units to the Partnership. Such Units may be acquired at a discount. The Partnership will not be obligated to purchase in any year any number of Units that, when aggregated with all other transfers of Units that have occurred since the beginning of the same calendar year (excluding Permitted Transfers as defined in the Partnership Agreement), would exceed 5% of the total number of Units outstanding on January 1 of such year. In no event shall the Partnership be obligated to purchase Units if, in the sole discretion of the Managing General Partner, such purchase would impair the capital or operation of the Partnership. During the three months ended March 31, 2014 and 2013, the Partnership did not redeem any Units from the Limited Partners.

The continuing rent payments from the properties, together with cash generated from property sales, should be adequate to fund continuing distributions and meet other Partnership obligations on both a short-term and long-term basis.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS. (Continued)

The Economy and Market Conditions

The impact of conditions in the economy over the last several years, including the turmoil in the credit markets, has adversely affected many real estate investment funds. However, the absence of mortgage financing on the Partnership's properties eliminates the risks of foreclosure and debt-refinancing that can negatively impact the value and distributions of leveraged real estate investment funds. Nevertheless, a prolonged economic downturn may adversely affect the operations of the Partnership's tenants and their cash flows. If a tenant were to default on its lease obligations, the Partnership's income would decrease, its distributions would likely be reduced and the value of its properties might decline.

Off-Balance Sheet Arrangements

As of March 31, 2014 and December 31, 2013, the Partnership had no material off-balance sheet arrangements that had or are reasonably likely to have current or future effects on its financial condition, results of operations, liquidity or capital resources.

ITEM 3. QUANTITATIVE & QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not required for a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Disclosure Controls and Procedures.

Under the supervision and with the participation of management, including its President and Chief Financial Officer, the Managing General Partner of the Partnership evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")). Based upon that evaluation, the President and Chief Financial Officer of the Managing General Partner concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and that such information is accumulated and communicated to management, including the President and Chief Financial Officer of the Managing General Partner, in a manner that allows timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting.

During the most recent period covered by this report, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

There are no material pending legal proceedings to which the Partnership is a party or of which the Partnership's property is subject.

ITEM 1A. RISK FACTORS.

Not required for a smaller reporting company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES & USE OF PROCEEDS.

(a) None.

(b) Not applicable.

(c) Pursuant to Section 7.7 of the Partnership Agreement, as amended, each Limited Partner has the right to present Units to the Partnership for purchase by submitting notice to the Managing General Partner during January or July of each year. The purchase price of the Units is equal to 90% of the net asset value per Unit, as of the first business day of January or July of each year, as determined by the Managing General Partner in accordance with the provisions of the Partnership Agreement. Units tendered to the Partnership during January and July are redeemed on April 1st and October 1st, respectively, of each year subject to the following limitations. The Partnership will not be obligated to purchase in any year any number of Units that, when aggregated with all other transfers of Units that have occurred since the beginning of the same calendar year (excluding Permitted Transfers as defined in the Partnership Agreement), would exceed 5% of the total number of Units outstanding on January 1 of such year. In no event shall the Partnership be obligated to purchase Units if, in the sole discretion of the Managing General Partner, such purchase would impair the capital or operation of the Partnership. During the period covered by this report, the Partnership did not purchase any Units.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not Applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

- 31.1 Certification of Chief Executive Officer of General Partner pursuant to Rule 15d-14(a)(17 CFR 240.15d-14(a)) and Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer of General Partner pursuant to Rule 15d-14(a)(17 CFR 240.15d-14(a)) and Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certification of Chief Executive Officer and Chief Financial Officer of General Partner pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 14, 2014

AEI Net Lease Income & Growth Fund XX
Limited Partnership
By: AEI Fund Management XX, Inc.
Its: Managing General Partner

By: /s/ ROBERT P JOHNSON
Robert P. Johnson
President
(Principal Executive Officer)

By: /s/ PATRICK W KEENE
Patrick W. Keene
Chief Financial Officer
(Principal Accounting Officer)

CERTIFICATIONS

I, Robert P. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AEI Net Lease Income & Growth Fund XX Limited Partnership;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2014

/s/ ROBERT P JOHNSON
Robert P. Johnson, President
AEI Fund Management XX, Inc.
Managing General Partner

CERTIFICATIONS

I, Patrick W. Keene, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AEI Net Lease Income & Growth Fund XX Limited Partnership;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 14, 2014

/s/ PATRICK W KEENE
Patrick W. Keene, Chief Financial
Officer
AEI Fund Management XX, Inc.
Managing General Partner

**CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AEI Net Lease Income & Growth Fund XX Limited Partnership (the "Partnership") on Form 10-Q for the period ended March 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Robert P. Johnson, President of AEI Fund Management XX, Inc., the Managing General Partner of the Partnership, and Patrick W. Keene, Chief Financial Officer of AEI Fund Management XX, Inc., each certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ ROBERT P JOHNSON
Robert P. Johnson, President
AEI Fund Management XX, Inc.
Managing General Partner
May 14, 2014

/s/ PATRICK W KEENE
Patrick W. Keene, Chief Financial
Officer
AEI Fund Management XX, Inc.
Managing General Partner
May 14, 2014
