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: September 30, 2018

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	41-1729121
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
30 East 7th Street, Suite 1300 St. Paul, Minnesota 55101	(651) 227-7333
(Address of principal executive offices)	(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	☐ Accelerated filer
☐ Non-accelerated filer	☒ Smaller reporting company
☐ Emerging growth company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

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AEI NET LEASE INCOME & GROWTH FUND XX LIMITED PARTNERSHIP
BALANCE SHEETS

ASSETS

	September 30, 2018 (unaudited)	December 31, 2017
Current Assets:		
Cash	$ 1,038,948	$ 1,031,804
Real Estate Investments:		
Land	2,853,052	3,759,032
Buildings	7,400,945	8,724,155
Acquired Intangible Lease Assets	959,720	959,720
Real Estate Held for Investment, at cost	11,213,717	13,442,907
Accumulated Depreciation and Amortization	(2,336,057)	(3,131,489)
Real Estate Held for Investment, Net	8,877,660	10,311,418
Real Estate Held for Sale	2,071,728	899,271
Total Real Estate Investments	10,949,388	11,210,689
Total Assets	$ 11,988,336	$ 12,242,493

LIABILITIES AND PARTNERS' CAPITAL

	September 30, 2018 (unaudited)	December 31, 2017
Current Liabilities:		
Payable to AEI Fund Management, Inc.	$ 126,915	$ 118,883
Distributions Payable	279,798	279,801
Unearned Rent	43,333	13,474
Total Current Liabilities	450,046	412,158
Partners' Capital (Deficit):		
General Partners	(9,738)	(6,818)
Limited Partners – 24,000 Units authorized; 19,908 and 20,015 Units issued and outstanding as of 9/30/2018 and 12/31/2017, respectively	11,548,028	11,837,153
Total Partners' Capital	11,538,290	11,830,335
Total Liabilities and Partners' Capital	$ 11,988,336	$ 12,242,493

The accompanying Notes to Financial Statements are an integral part of these statements.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2018	**2017**	**2018**	**2017**
Rental Income	$ 353,094	$ 307,881	$ 1,058,931	$ 1,004,134
Expenses:				
Partnership Administration – Affiliates	42,605	41,554	121,701	131,892
Partnership Administration and Property Management – Unrelated Parties	12,874	9,792	55,854	73,312
Depreciation and Amortization	78,701	89,728	239,779	278,499
Total Expenses	134,180	141,074	417,334	483,703
Operating Income	218,914	166,807	641,597	520,431
Other Income:				
Miscellaneous Income	0	0	0	35,705
Interest Income	2,249	758	4,573	2,293
Total Other Income	2,249	758	4,573	37,998
Net Income	$ 221,163	$ 167,565	$ 646,170	$ 558,429
Net Income Allocated:				
General Partners	$ 2,212	$ 1,675	$ 6,462	$ 5,584
Limited Partners	218,951	165,890	639,708	552,845
Total	$ 221,163	$ 167,565	$ 646,170	$ 558,429
Net Income per Limited Partnership Unit	$ 11.00	$ 8.24	$ 32.08	$ 27.44
Weighted Average Units Outstanding – Basic and Diluted	19,908	20,134	19,944	20,144

The accompanying Notes to Financial Statements are an integral part of these statements.

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

	Nine Months Ended September 30	
	2018	**2017**
Cash Flows from Operating Activities:		
Net Income	$ 646,170	$ 558,429
Adjustments to Reconcile Net Income To Net Cash Provided by Operating Activities:		
Depreciation and Amortization	261,301	300,021
Increase (Decrease) in Payable to AEI Fund Management, Inc.	8,032	33,301
Increase (Decrease) in Unearned Rent	29,859	54,130
Total Adjustments	299,192	387,452
Net Cash Provided By (Used For) Operating Activities	945,362	945,881
Cash Flows from Investing Activities:		
Investments in Real Estate	0	(43,350)
Cash Flows from Financing Activities:		
Distributions Paid to Partners	(839,401)	(841,720)
Repurchase of Partnership Units	(98,817)	(25,998)
Net Cash Provided By (Used For) Financing Activities	(938,218)	(867,718)
Net Increase (Decrease) in Cash	7,144	34,813
Cash, beginning of period	1,031,804	1,152,822
Cash, end of period	$ 1,038,948	$ 1,187,635

The accompanying Notes to Financial Statements are an integral part of these statements.

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

	General Partners	Limited Partners	Total	Limited Partnership Units Outstanding
Balance, December 31, 2016	$ (1,848)	$ 12,329,173	$ 12,327,325	20,163.04
Distributions Declared	(8,394)	(831,008)	(839,402)	
Repurchase of Partnership Units	(260)	(25,738)	(25,998)	(28.72)
Net Income	5,584	552,845	558,429	
Balance, September 30, 2017	$ (4,918)	$ 12,025,272	$ 12,020,354	20,134.32
Balance, December 31, 2017	$ (6,818)	$ 11,837,153	$ 11,830,335	20,015.30
Distributions Declared	(8,394)	(831,004)	(839,398)	
Repurchase of Partnership Units	(988)	(97,829)	(98,817)	(107.56)
Net Income	6,462	639,708	646,170	
Balance, September 30, 2018	$ (9,738)	$ 11,548,028	$ 11,538,290	19,907.74

The accompanying Notes to Financial Statements are an integral part of these statements.

(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 United States Generally Accepted Accounting Principles (US GAAP) 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.

(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 June 2014, the Managing General Partner mailed a Consent Statement (Proxy) 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 to 36 months. Approval of either proposal required the affirmative vote of holders of a majority of the outstanding units. On July 23, 2014, the votes were counted and neither proposal received the required majority vote. As a result, the Partnership will not liquidate and will continue in operation until the Limited Partners vote to authorize the sale of all of the Partnership's properties or December 31, 2043, as stated in the Limited Partnership Agreement. However, in approximately five years, the Managing General Partner expects to again submit the question to liquidate to a vote by the Limited Partners.

(3) Recently Adopted Accounting Pronouncements –

In May 2014, with subsequent updates issued in August 2015 and March, April and May 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09 regarding ASC Topic 606, Revenue from Contracts with Customers. This standard was developed to enable financial statement users to better understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The update's core principle is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Entities are to use a five-step contract review model to ensure revenue is recognized, measured and disclosed in accordance with this principle. Those steps include the following: (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to each performance obligation in the contract, and (v) recognize revenue when or as the entity satisfies a performance obligation.

Management has concluded that all of the Partnership's material revenue streams fall outside of the scope of this guidance. The new standard may be applied retrospectively to each prior period presented or prospectively with the cumulative effect, if any, recognized as of the date of adoption. During 2018, the Partnership selected the modified retrospective transition method as of the date of adoption effective January 1, 2018. Management has concluded that the majority of total revenues consist of rental income from leasing arrangements, which are specifically excluded from the standard. The Partnership analyzed its remaining revenue streams, inclusive of gains and losses on real estate sales, and concluded there are no changes in revenue recognition with the adoption of the new standard. As such, adoption of the standard did not result in a cumulative adjustment recognized as of January 1, 2018, and the standard did not have a material impact on the Partnership's financial statements.

In January 2017, the FASB issued ASU 2017-01, which clarifies the definition of a business by adding guidance to assist entities in evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The guidance is effective for annual periods beginning after December 15, 2017, including interim periods within those periods, with early adoption permitted, and is required to be applied prospectively to any transactions occurring within the period of adoption. We expect the new standard will result in all of our real estate acquisitions being considered asset acquisitions, whereby substantially all acquisition costs related to our real estate acquisitions will be capitalized. Prior to the adoption of the new standard, all of our real estate acquisitions completed after January 1, 2009, were considered acquisitions of businesses, whereby all acquisition-related costs were expensed as incurred. During 2018, the Partnership has adopted the accounting pronouncement effective January 1, 2018, and applied this guidance prospectively. The adoption did not have a material effect on its financial statements.

(4) Recently Issued Accounting Pronouncements –

In August 2018, the SEC adopted the final rule under SEC Release No. 33-10532, Disclosure Update and Simplification, amending certain disclosure requirements that were redundant, duplicative, overlapping, outdated or superseded. In addition, the amendments expanded the disclosure requirements for the analysis of partners' capital for interim financial statements. Under the amendments, an analysis of changes in each caption of partners' capital presented in the balance sheet must be provided in a note or separate statement. The analysis should present a reconciliation of the beginning balance to the ending balance of each period for which a statement of comprehensive income is required to be filed. The Partnership anticipates its first presentation of year-to-date quarterly changes in partners' capital will be included in its Form 10-Q for the quarter ended March 31, 2019.

(5) Real Estate Investments –

In March 2017, the Partnership entered into an agreement with the tenant of the KinderCare daycare center in Mayfield Heights, Ohio to extend the lease term five years to end on June 30, 2022. The annual rent was scheduled to remain the same throughout the remainder of the extended lease term. As part of the agreement, the Partnership paid a tenant improvement allowance of $43,350 that was capitalized. In addition, beginning on July 1, 2017, the tenant received free rent for three months that equaled $40,421. In the first quarter of 2017, the Partnership decided to sell the property. In October 2018, the Partnership entered into a second agreement with the tenant to extend the lease term 6.3 years to end on September 30, 2028. The annual rent remains the same with a 10% increase scheduled for October 1, 2023. In October 2018, as part of the agreement, the Partnership made a payment to the tenant of $100,000 that will be capitalized. The General Partner believes that the additional lease term will increase the number of buyers interested in the property and increase the value of the property by more than the $100,000 paid to the tenant. At September 30, 2018, the property was classified as Real Estate Held for Sale with a carrying value of $899,271.

In January 2018, the Partnership decided to sell the Red Robin restaurant in Colorado Springs, Colorado. In August 2018, the Partnership entered into an agreement to sell the property to an unrelated third party. On October 30, 2018, the sale closed with the Partnership receiving net proceeds of approximately $5,517,000, which resulted in a net gain of approximately $4,344,500. At the time of sale, the cost and related accumulated depreciation was $2,229,190 and $1,056,733, respectively. At September 30, 2018, the property was classified as Real Estate Held for Sale with a carrying value of $1,172,457.

In August 2018, the Partnership entered into an agreement with the tenant of the Staples store in Vernon Hills, Illinois to extend the lease term five years to end on October 31, 2023. As part of the agreement, the annual rent will decrease from $308,315 to $214,480 effective November 1, 2018.

(5) Real Estate Investments – (Continued)

The Partnership owned a 40.1354% interest in a HomeTown Buffet restaurant in Albuquerque, New Mexico. The remaining interests in this property were owned by unrelated third parties, who owned the property with the Partnership as tenants-in-common. On November 10, 2015, the Partnership sold the property to an unrelated third party. In December 2014, the Partnership and three of the other co-owners of the property (the "Plaintiffs") commenced legal action against a fourth co-owner ("Defendant") for breach of contract related to a prior attempt to sell the property. The Plaintiffs are suing to recover damages and attorney's fees. In July 2015, the judge ruled that the Defendant had breached the contract. On March 24, 2016, the judge heard the Plaintiffs' motion for summary judgment as to damages. The judge ruled that the Plaintiffs are entitled to attorney's fees, but declined to award damages until additional proof of damages could be provided. On March 22, 2017, the Plaintiffs signed a settlement agreement with the Defendant for damages related to the breach of contract. The Partnership's share of the settlement is $35,705. This amount was recognized as Miscellaneous Income in the first quarter of 2017.

In addition, on April 30, 2017, the Plaintiffs filed a motion with the court that details the Plaintiffs' legal and other costs related to the legal action and why the Plaintiffs believe the costs should be recovered from the Defendant. On July 7, 2017, the judge issued a ruling that set the amount that the Plaintiffs can recover from the Defendant. The Partnership's share of this amount is $50,689. The Defendant subsequently filed a motion requesting that the judge reconsider the amount awarded. The Plaintiffs filed a response to the Defendant's motion. On September 6, 2017, the judge denied the Defendant's motion to reconsider. Subsequently, the Defendant filed an appeal with the New Mexico Court of Appeals. In September 2018, the Court of Appeals affirmed the attorneys' fees award. The Plaintiffs are reviewing options to collect the award from the Defendant. Due to the uncertainty of this situation, the Partnership did not accrue a receivable for the recovery of any legal costs. Through September 30, 2018, the Partnership's share of the legal and other costs incurred related to the legal action was $139,044. For the nine months ended September 30, 2018 and 2017, the legal and other costs were $618 and $27,941, respectively.

(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.

(7) Partners' Capital –

For the nine months ended September 30, 2018 and 2017, the Partnership declared distributions of $839,398 and $839,402, respectively. The Limited Partners received distributions of $831,004 and $831,008 and the General Partners received distributions of $8,394 and $8,394 for the periods, respectively. The Limited Partners' distributions represented $41.67 and $41.25 per Limited Partnership Unit outstanding using 19,944 and 20,144 weighted average Units in 2018 and 2017, respectively. The distributions represented $27.17 and $26.16 per Unit of Net Income and $14.50 and $15.09 per Unit of return of capital in 2018 and 2017, respectively.

As part of the distributions discussed above, the Partnership distributed net sale proceeds (from property sales completed in 2015) of $57,983 in 2018. The Limited Partners received distributions of $57,403 and the General Partners received distributions of $580. The Limited Partners' distributions represented $2.88 per Unit.

On April 1, 2018, the Partnership repurchased a total of 107.56 Units for $97,829 from nine Limited Partners in accordance with the Partnership Agreement. On April 1, 2017, the Partnership repurchased a total of 28.72 Units for $25,738 from three Limited Partners. The Partnership acquired these Units using Net Cash Flow from operations. The repurchases increase the remaining Limited Partners' ownership interest in the Partnership. As a result of these repurchases and pursuant to the Partnership Agreement, the General Partners received distributions of $988 and $260 in 2018 and 2017, respectively.

(8) Fair Value Measurements –

As of September 30, 2018 and December 31, 2017, the Partnership had no assets or liabilities measured at fair value on a recurring basis or nonrecurring basis.

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 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 the 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.

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 term of the respective leases. Below market lease values 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.

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 nine months ended September 30, 2018 and 2017, the Partnership recognized rental income of $1,058,931 and $1,004,134, respectively. In 2018, rental income increased due to rent increases on two properties. In addition, in 2017, rental income was lower due to the tenant of the KinderCare daycare center receiving free rent, as discussed below. Based on the scheduled rent for the properties as of October 31, 2018, the Partnership expects to recognize rental income from continuing operations of approximately $1,396,000 and $1,320,000 in 2018 and 2019, respectively.

For the nine months ended September 30, 2018 and 2017, the Partnership incurred Partnership administration expenses from affiliated parties of $121,701 and $131,892, 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 $55,854 and $73,312, 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. These expenses were higher in 2017, when compared to 2018, due to expenses related to the legal action involving the owners of the HomeTown Buffet restaurant, as discussed below.

The Partnership owned a 40.1354% interest in a HomeTown Buffet restaurant in Albuquerque, New Mexico. The remaining interests in this property were owned by unrelated third parties, who owned the property with the Partnership as tenants-in-common. On November 10, 2015, the Partnership sold the property to an unrelated third party. In December 2014, the Partnership and three of the other co-owners of the property (the "Plaintiffs") commenced legal action against a fourth co-owner ("Defendant") for breach of contract related to a prior attempt to sell the property. The Plaintiffs are suing to recover damages and attorney's fees. In July 2015, the judge ruled that the Defendant had breached the contract. On March 24, 2016, the judge heard the Plaintiffs' motion for summary judgment as to damages. The judge ruled that the Plaintiffs are entitled to attorney's fees, but declined to award damages until additional proof of damages could be provided. On March 22, 2017, the Plaintiffs signed a settlement agreement with the Defendant for damages related to the breach of contract. The Partnership's share of the settlement is $35,705. This amount was recognized as Miscellaneous Income in the first quarter of 2017.

In addition, on April 30, 2017, the Plaintiffs filed a motion with the court that details the Plaintiffs' legal and other costs related to the legal action and why the Plaintiffs believe the costs should be recovered from the Defendant. On July 7, 2017, the judge issued a ruling that set the amount that the Plaintiffs can recover from the Defendant. The Partnership's share of this amount is $50,689. The Defendant subsequently filed a motion requesting that the judge reconsider the amount awarded. The Plaintiffs filed a response to the Defendant's motion. On September 6, 2017, the judge denied the Defendant's motion to reconsider. Subsequently, the Defendant filed an appeal with the New Mexico Court of Appeals. In September 2018, the Court of Appeals affirmed the attorneys' fees award. The Plaintiffs are reviewing options to collect the award from the Defendant. Due to the uncertainty of this situation, the Partnership did not accrue a receivable for the recovery of any legal costs. Through September 30, 2018, the Partnership's share of the legal and other costs incurred related to the legal action was $139,044. For the nine months ended September 30, 2018 and 2017, the legal and other costs were $618 and $27,941, respectively.

In March 2017, the Partnership entered into an agreement with the tenant of the KinderCare daycare center in Mayfield Heights, Ohio to extend the lease term five years to end on June 30, 2022. The annual rent was scheduled to remain the same throughout the remainder of the extended lease term. As part of the agreement, the Partnership paid a tenant improvement allowance of $43,350 that was capitalized. In addition, beginning on July 1, 2017, the tenant received free rent for three months that equaled $40,421. In the first quarter of 2017, the Partnership decided to sell the property. In October 2018, the Partnership entered into a second agreement with the tenant to extend the lease term 6.3 years to end on September 30, 2028. The annual rent remains the same with a 10% increase scheduled for October 1, 2023. In October 2018, as part of the agreement, the Partnership made a payment to the tenant of $100,000 that will be capitalized. The General Partner believes that the additional lease term will increase the number of buyers interested in the property and increase the value of the property by more than the $100,000 paid to the tenant. At September 30, 2018, the property was classified as Real Estate Held for Sale with a carrying value of $899,271.

In August 2018, the Partnership entered into an agreement with the tenant of the Staples store in Vernon Hills, Illinois to extend the lease term five years to end on October 31, 2023. As part of the agreement, the annual rent will decrease from $308,315 to $214,480 effective November 1, 2018.

For the nine months ended September 30, 2018 and 2017, the Partnership recognized interest income of $4,573 and $2,293, 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 nine months ended September 30, 2018, the Partnership's cash balances increased $7,144 as a result of cash generated from operating activities in excess of distributions paid to the Partners and cash used to repurchase Units. During the nine months ended September 30, 2017, the Partnership's cash balances increased $34,813 as a result of cash generated from operating activities in excess of distributions paid to the Partners and cash used to repurchase Units, which was partially offset by cash paid for a tenant improvement allowance.

Net cash provided by operating activities decreased from $945,881 in 2017 to $945,362 in 2018 as a result of net timing differences in the collection of payments from the tenants and the payment of expenses, which were partially offset by an increase in total income in 2018 and a decrease in Partnership administration and property management expenses in 2018.

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 nine months ended September 30, 2017, the Partnership expended $43,350 to invest in real properties.

In January 2018, the Partnership decided to sell the Red Robin restaurant in Colorado Springs, Colorado. In August 2018, the Partnership entered into an agreement to sell the property to an unrelated third party. On October 30, 2018, the sale closed with the Partnership receiving net proceeds of approximately $5,517,000, which resulted in a net gain of approximately $4,344,500. At the time of sale, the cost and related accumulated depreciation was $2,229,190 and $1,056,733, respectively. At September 30, 2018, the property was classified as Real Estate Held for Sale with a carrying value of $1,172,457.

The Partnership's primary use of cash flow, other than investment in real estate, is distribution payments to Partners and cash used to repurchase Units. 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. The Partnership may repurchase tendered Units on April 1st and October 1st of each year subject to limitations.

For the nine months ended September 30, 2018 and 2017, the Partnership declared distributions of $839,398 and $839,402, respectively, which were distributed 99% to the Limited Partners and 1% to the General Partners. The Limited Partners received distributions of $831,004 and $831,008 and the General Partners received distributions of $8,394 and $8,394 for the periods, respectively.

As part of the distributions discussed above, the Partnership distributed net sale proceeds (from property sales completed in 2015) of $57,983 in 2018. The Limited Partners received distributions of $57,403 and the General Partners received distributions of $580. The Limited Partners' distributions represented $2.88 per Unit.

The Partnership may repurchase 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.

On April 1, 2018, the Partnership repurchased a total of 107.56 Units for $97,829 from nine Limited Partners in accordance with the Partnership Agreement. On April 1, 2017, the Partnership repurchased a total of 28.72 Units for $25,738 from three Limited Partners. The Partnership acquired these Units using Net Cash Flow from operations. The repurchases increase the remaining Limited Partners' ownership interest in the Partnership. As a result of these repurchases and pursuant to the Partnership Agreement, the General Partners received distributions of $988 and $260 in 2018 and 2017, respectively.

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.

Off-Balance Sheet Arrangements

As of September 30, 2018 and December 31, 2017, 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 may be repurchased 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: November 13, 2018

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)

Exhibit 31.1

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: November 13, 2018

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

Exhibit 31.2

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: November 13, 2018

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

Exhibit 32

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 September 30, 2018, 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
November 13, 2018

/s/ PATRICK W KEENE
Patrick W. Keene, Chief Financial Officer
AEI Fund Management XX, Inc.
Managing General Partner
November 13, 2018