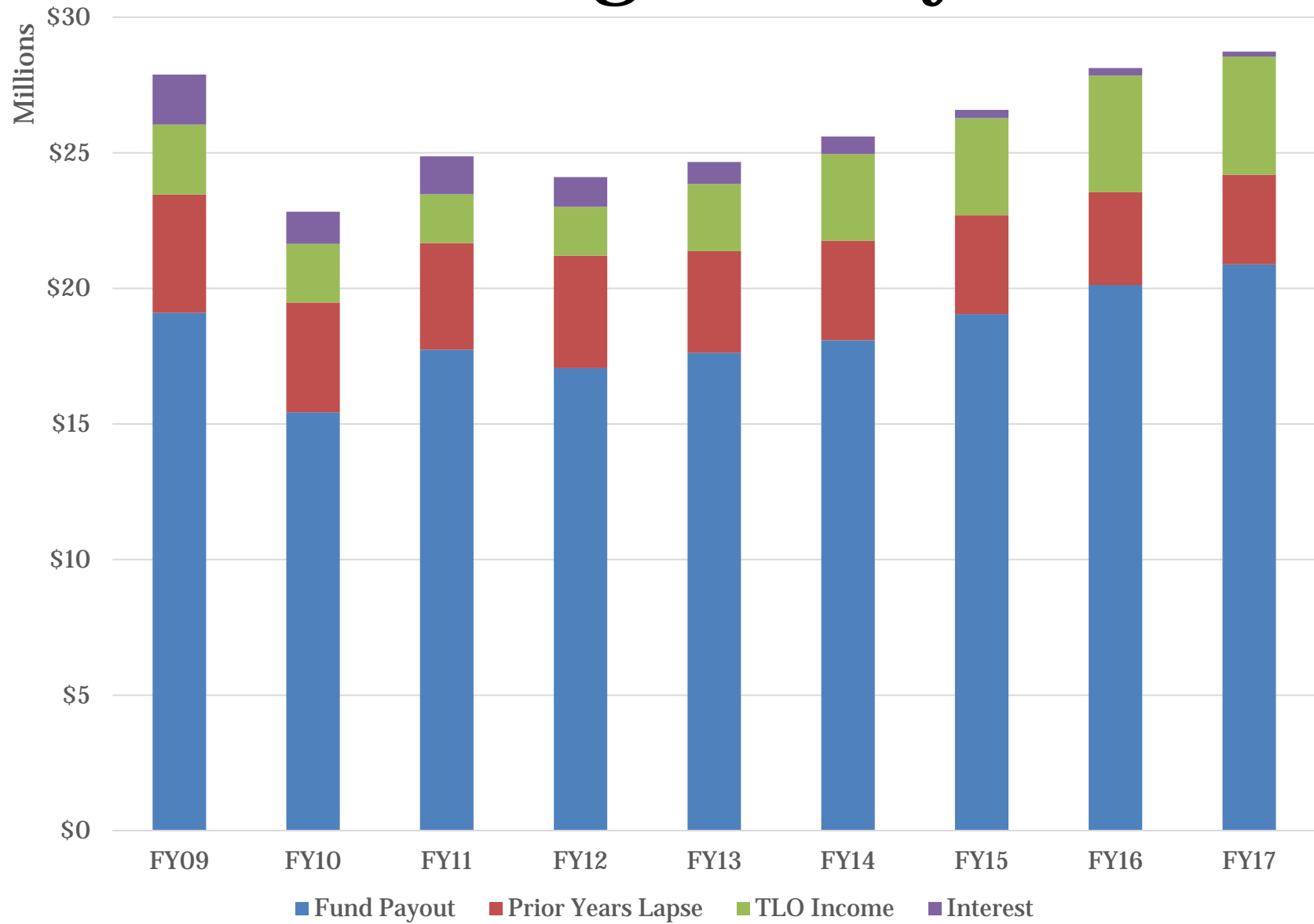


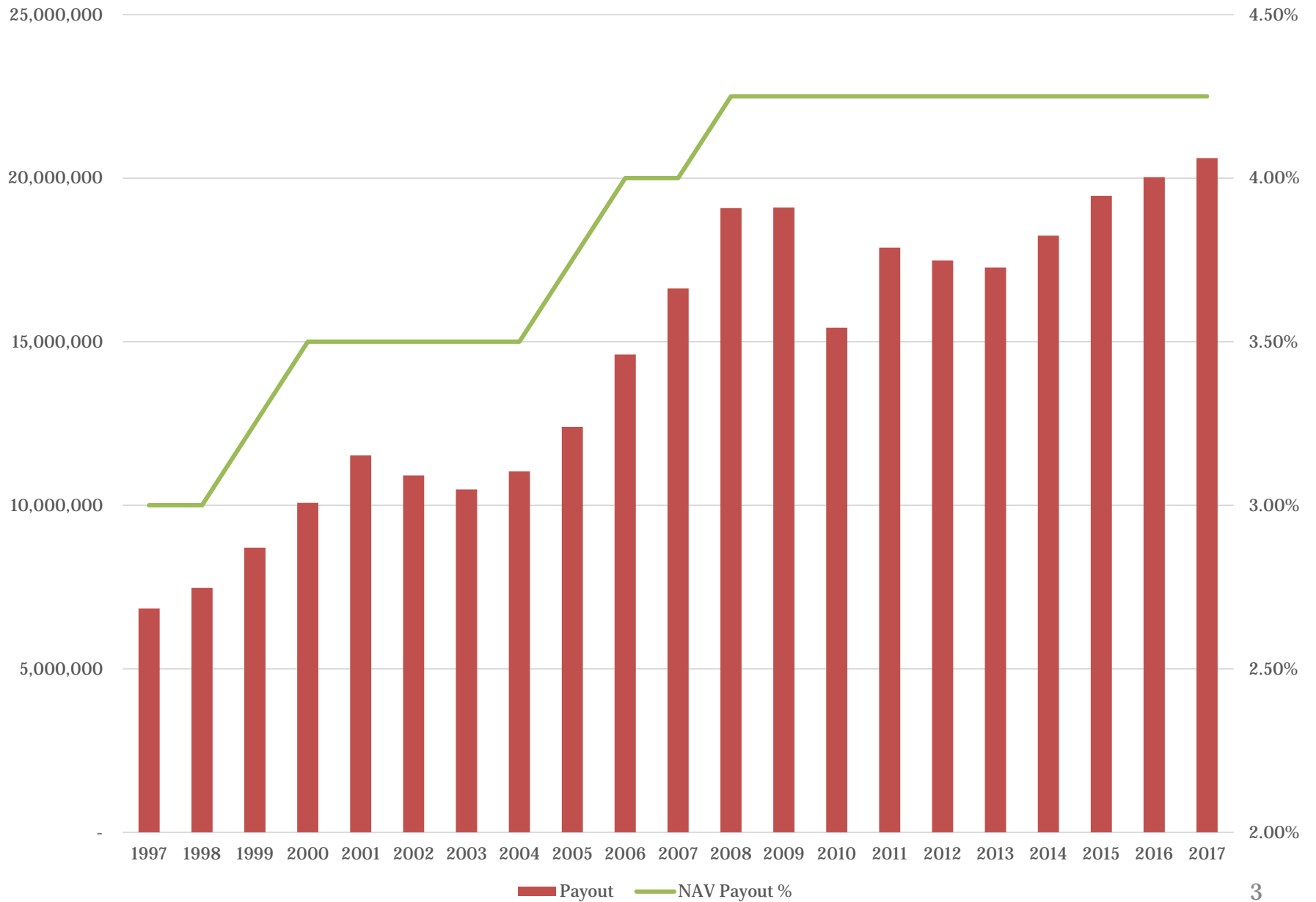
Funding History



FY18 Anticipated Available Funding

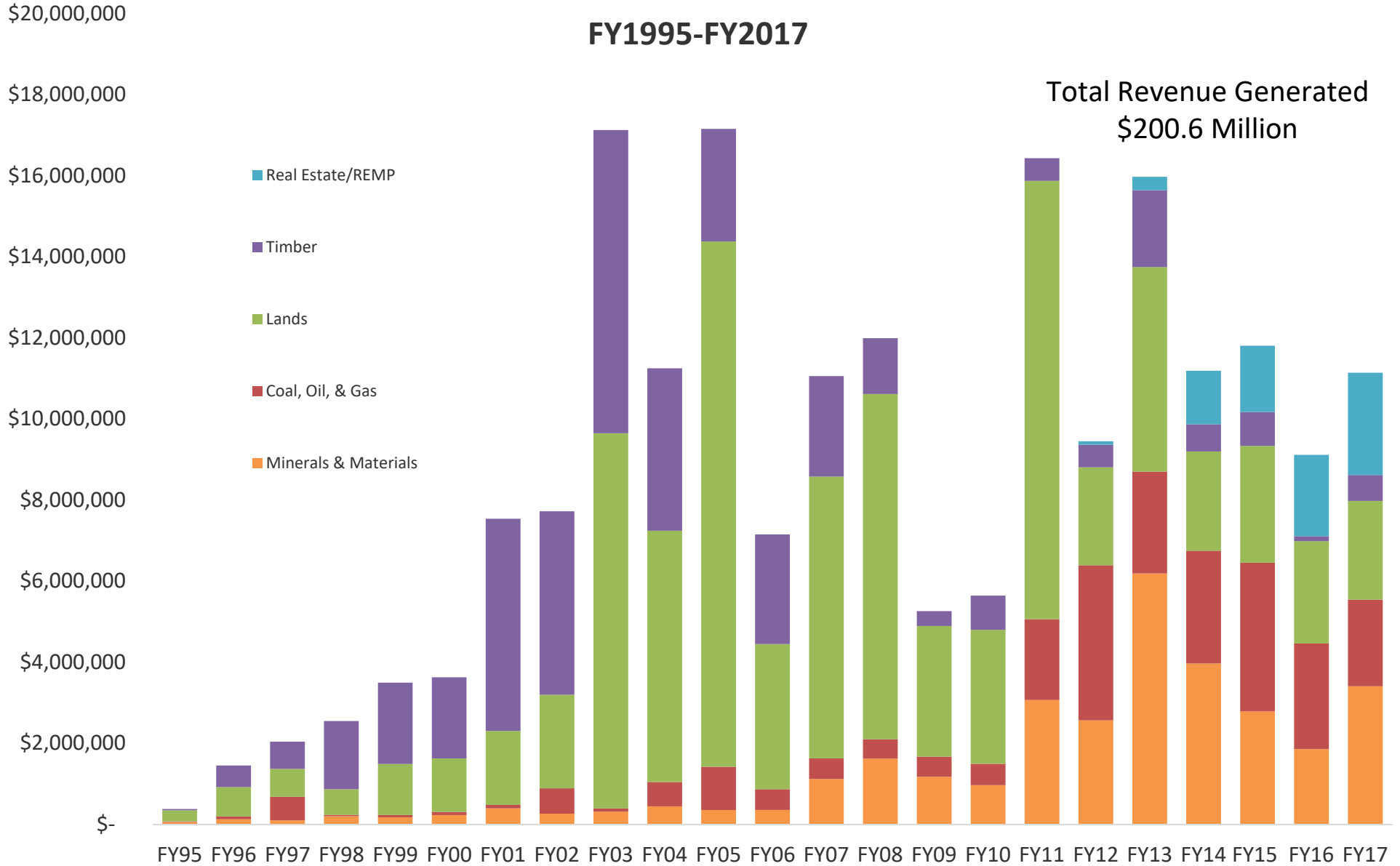
| Distributable Funds | |
|--------------------------------------|---------------------|
| Payout | \$21,067,000 |
| Prior Years Average Lapse | \$3,042,000 |
| Land Office Average Spendable Income | \$4,534,000 |
| Interest Average | \$283,000 |
| Total | \$28,926,000 |

Permanent Fund Payout History



Trust Land Office Annual Revenue

FY1995-FY2017





TLO Functional Actions

- Use of existing assets (authorizations for use of land and resources)
- Disposal of assets
- Acquisition of asset
- Reinvestment into asset



TLO Revenue Overview

- Two types of revenue earned
 - Principal
 - Income
- Proactive and reactive management balanced against market conditions
- Guided by Resource Management Strategy

TLO Decisions

- Driven by Principles of Management in 11 AAC 99.020
 - Maximization of long term revenue
 - Protection of the corpus
 - Protection and enhancement of the long-term productivity of land
 - Encouragement of diversity of revenue producing uses of trust land
 - Management of land prudently, efficiently, and with accountability to the trust and its beneficiaries



Asset Classes

- Land
- Minerals and materials
- Forestry
- Program-related real estate
- Real estate
- Energy
- Mitigation marketing



Real Estate Portfolio

- Basic ownership
- Ground Leases
- PRI
- Investment Properties (create predictable streams of income)

Real Estate Section Spendable Income

| | FY15 | FY16 | FY17 |
|--------------------------|---------------------|---------------------|---------------------|
| REMP | \$ 1,076,102 | \$ 1,309,342 | \$ 1,803,000 |
| Real Estate - PRI | \$ 107,000 | \$ 171,500 | \$ 220,000 |
| Surface Leases | \$ 451,212 | \$ 522,888 | \$ 500,301 |
| Total | \$ 1,634,314 | \$ 2,003,730 | \$ 2,523,301 |

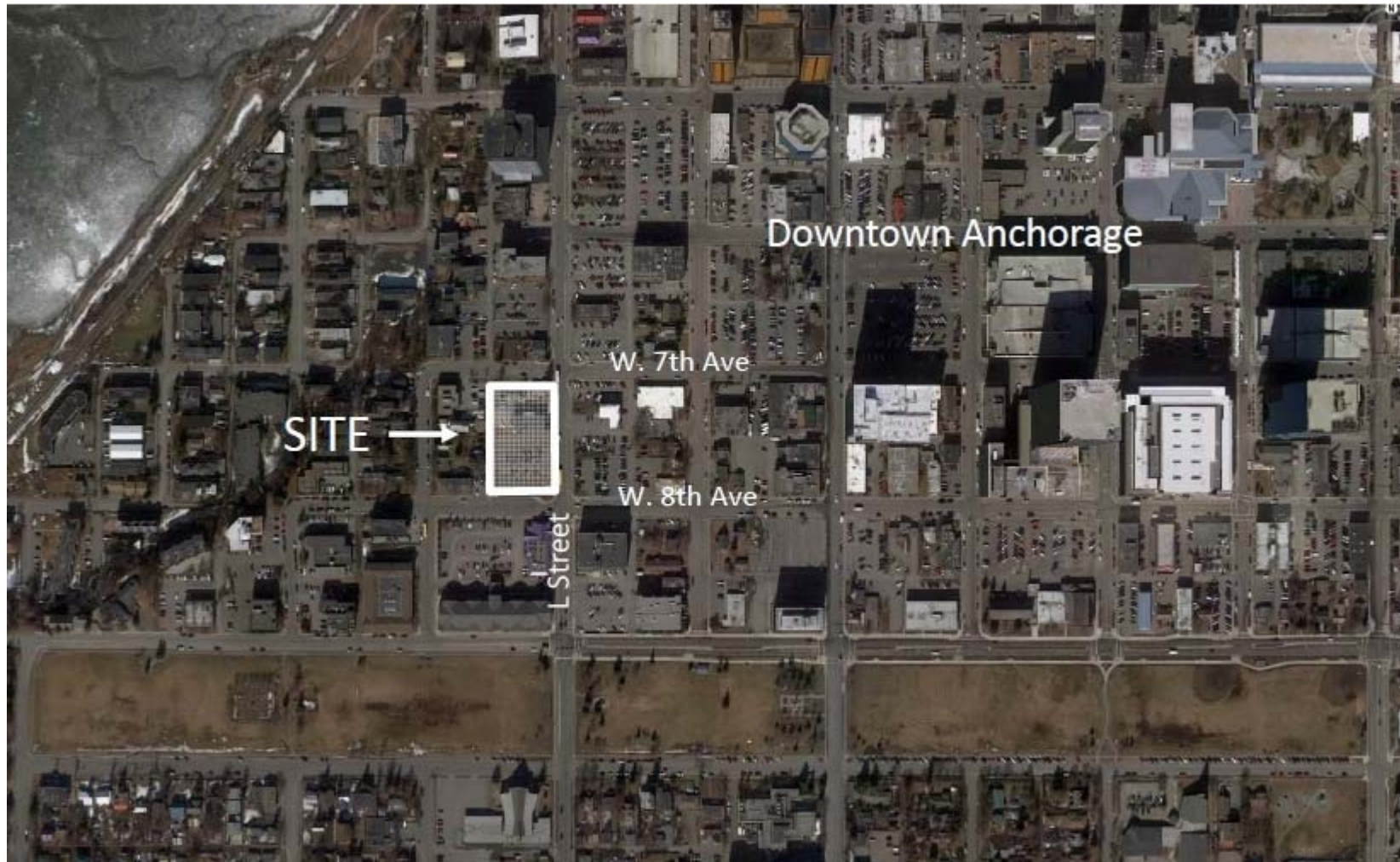


Commercial Properties with High Development Potential

- 1.) Anchorage - 718 L Street
- 2.) Anchorage - C-2 @ 40th Ave. & Laurel St.
- 3.) Juneau - Lot C1 at Subport
- 4.) Anchorage - 3A-1 Community Park Loop
- 5.) Eagle River - Yosemite Drive East & West
- 6.) Fairbanks - Tract B at Airport & Peger
- 7.) Girdwood – NW Corner Seward & Alyeska Hwys.



Anchorage - 718 L Street



Anchorage - C-2 @ 40th Ave. & Laurel St.



Juneau – Lot C1 at Subport



Trust
Land Office

Juneau – Lot C1 at Subport

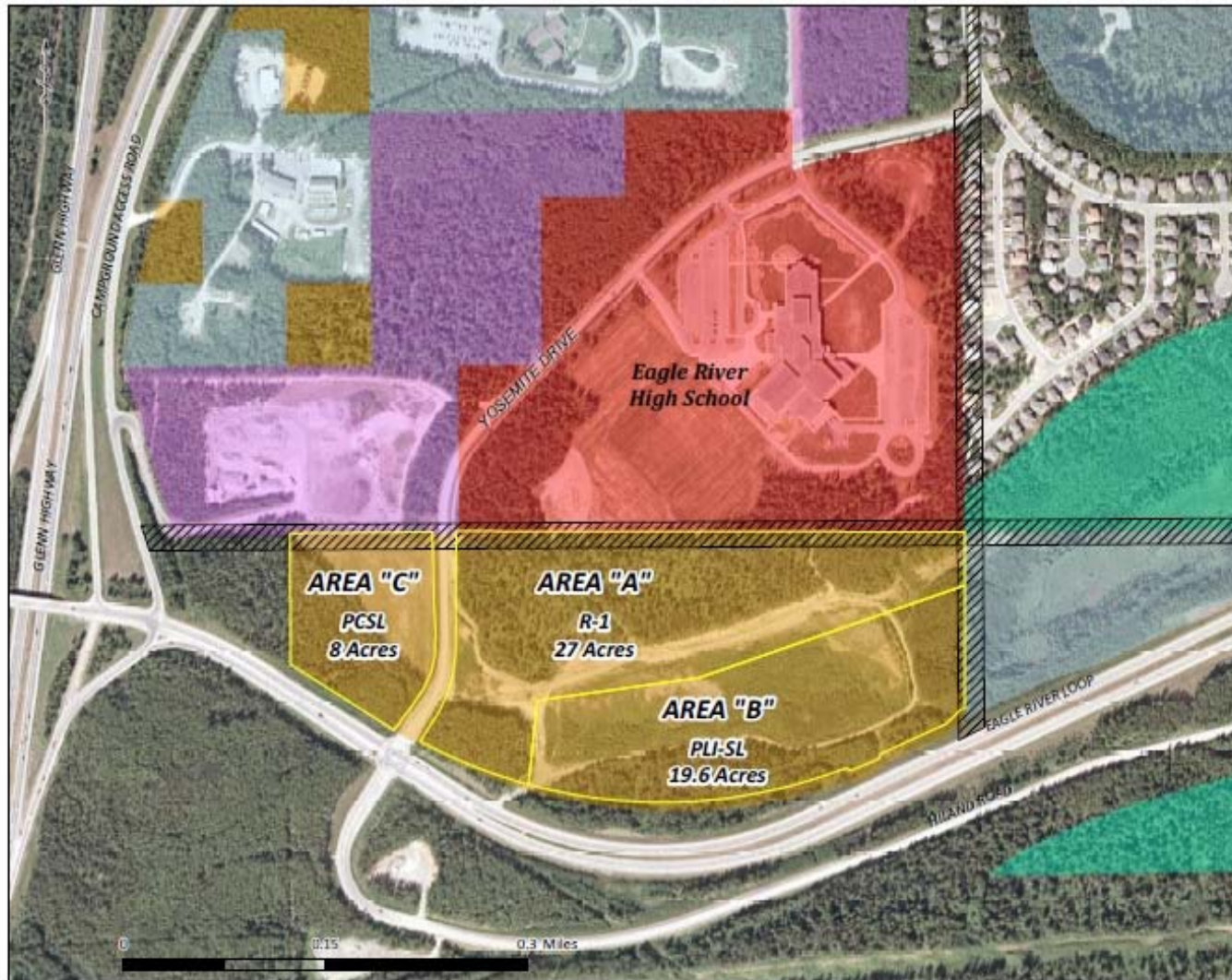


Anchorage - 3A-1 Community Park Loop



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Land Office

Eagle River - Yosemite Drive East & West



Land Ownership Around Eagle River High School

Legend

Land Ownership

- Eklutna Inc.
- Heritage Land Bank
- Heritage Land Bank - School District
- MHTLO
- State of Alaska
- Section Line Easement

Imagery - Municipality of Anchorage 2006

Land ownership was determined using State Dept. of Natural Resources Land Records (DNR) and Tax Parcel information from the Municipality of Anchorage and the anchoragelive.com website.

Acreage for Trust Parcel is approximate.

Date Printed: December 30, 2014



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Land Office

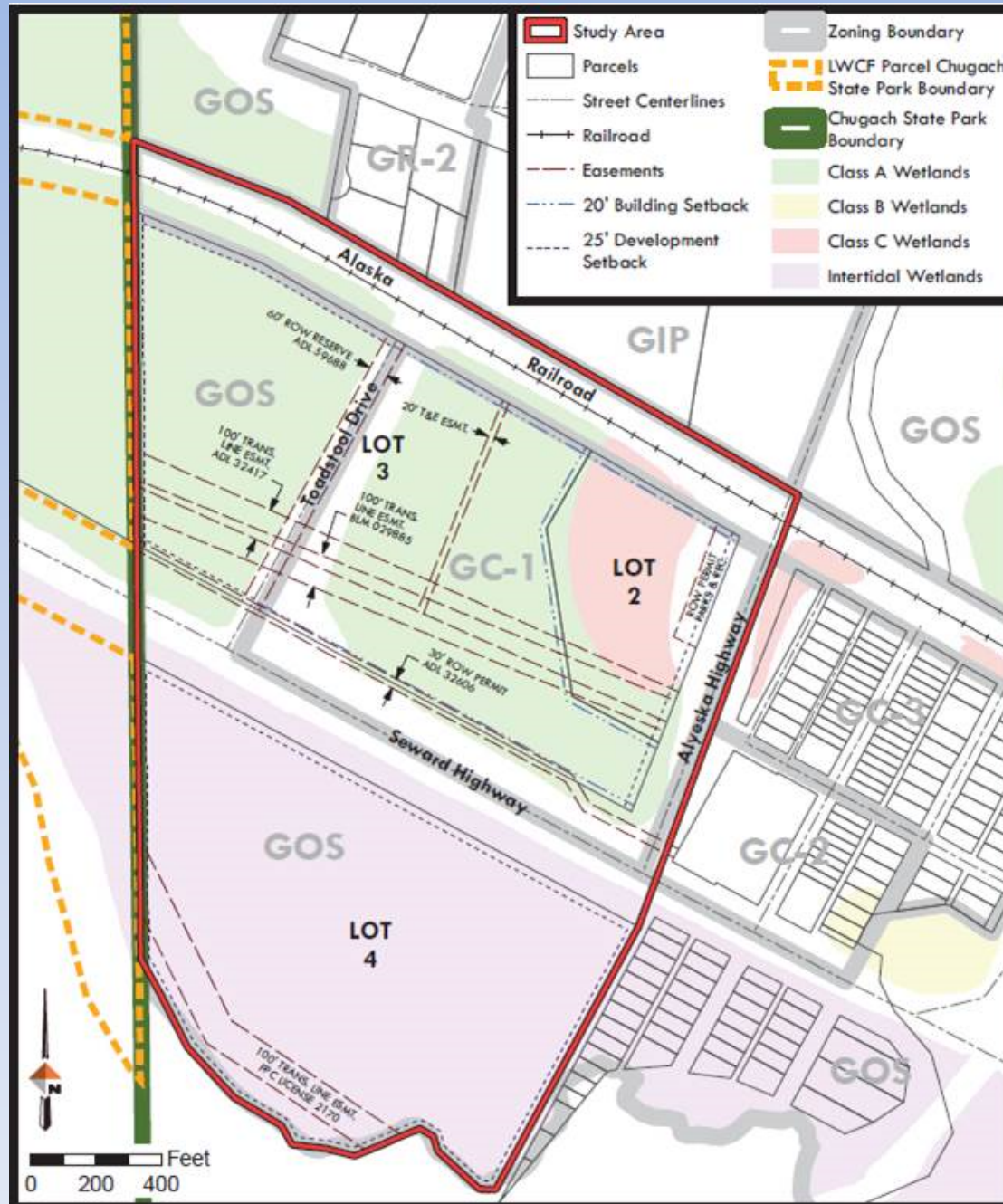
Fairbanks - Tract B at Airport Rd. & Peger Rd.

Tracts A & B Location Map



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Land Office

Girdwood – NW Corner Seward & Alyeska Hwys.



Ground Leasing



FY14: \$457,400
FY15: \$451,212
FY16: \$522,888
FY17: \$500,300

OPA; UMed District medical office building; Anchorage

Fresenius; UMed District medical office building; Anchorage

D2; UMed District office building with medical imaging center (Imaging Associates) and a bank branch with drive-through (First State Bank Alaska); Anchorage

L Street/Diamond Parking; short-term, revocable license for monthly surface parking lot; Anchorage

L Street/Denali Expresso; short-term, revocable license for food service operations; Anchorage

Support/USCG Parking; long-term lease for surface parking lot utilized by USCG for its building adjacent to the parcel; Juneau

Capital Broadcasting (KTOO); radio station and public meeting space; Juneau

Tracy's Crab Shack; short-term, revocable license for food service operations; Juneau

PRI Properties

- 1.) Anchorage – Assets – 2330 Nichols Street
- 2.) Fairbanks – Denardo Ctr – 1300 Moore St.
- 3.) Fairbanks – Fahrenkamp Ctr – 1423 Peger Rd
- 4.) Fairbanks – Detox – 650 Yonker Ct

Assets – 2330 Nichols Street



Denardo Ctr – 1300 Moore St



Fahrenkamp Ctr – 1423 Peger Rd



Detox Ctr – 650 Yonker Ct



Trust
Land Office

Real Estate Investments

| Month | Trust Principal Investment | 12 Month Trailing Return |
|--------|----------------------------|--------------------------|
| Oct-16 | 39,084,858 | 12.59% |
| Nov-16 | 39,084,858 | 12.61% |
| Dec-16 | 39,084,858 | 12.19% |
| Jan-17 | 39,084,858 | 12.08% |
| Feb-17 | 39,084,858 | 12.02% |
| Mar-17 | 39,084,858 | 11.94% |
| Apr-17 | 39,084,858 | 12.20% |
| May-17 | 39,084,858 | 12.19% |
| Jun-17 | 39,084,858 | 12.73% |
| Jul-17 | 39,084,858 | 12.63% |
| Aug-17 | 39,084,858 | 12.28% |
| Sep-17 | 39,084,858 | 12.22% |

| As of September 30, 2017 | |
|----------------------------------|------------|
| Trust Principal Investment | 39,084,858 |
| 12 Month Total Cash Flow | 4,873,609 |
| September Cash Flow | 621,303 |
| Monthly Return on Principal as % | 1.59% |



Trust
Land Office

Real Estate Investments

- 1.) Anchorage – 2618 Commercial Drive
- 2.) Anchorage – 2600 Cordova
- 3.) Tumwater, WA – Parson's Plaza
- 4.) Ogden, UT – 1973 North Rulon White Blvd
- 5.) Austin, TX – Promontory Point
- 6.) San Antonio, TX – North Park Corporate Center
- 7.) Austin, TX – Amber Oaks



Anchorage – 2618 Commercial Drive



Anchorage – 2600 Cordova Street



Tumwater, WA – Parson's Plaza



Ogden, UT – 1973 North Rulon White Blvd



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Land Office

Austin, TX – Promontory Point



San Antonio, TX – North Park



Austin, TX – Amber Oaks





RMS Guidance for Investments

- Types of investment
- Mitigate risk by diversification
 - Asset type
 - Asset location
 - Financing
- LLC formation



How it works

- Identify key market locations
- Review many properties
- Evaluate investments against criteria
- Negotiations and potential down payment
- Due diligence
- Decide on financing
- Present to board for approval
- Create LLC



Process continued

- Obtain non-recourse financing if necessary
- Purchase
- Manage LLC investment asset by property manager
- Tenants' rents pay for cost of building management, payoff, and supply additional income
- Review, audit and report to board on expenditures and revenues