

## MEMO

**To:** John Morris, Finance Committee Chair  
**Through:** Steve Williams, Chief Executive Officer  
**From:** Julee Farley, Chief Financial Officer  
**Date:** December 26, 2023  
**Re:** Commercial Real Estate Update  
**Fiscal Year:** 2024

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The Asset Management Policy Statement (AMPS,) adopted by the Board in August 2023, outlines the long-term plan for the management of the Trust's investment assets. The Finance Committee assists the board in the oversight of Trust assets, including the real estate and natural resources managed by the Trust Land Office, and consults with the CFO and CEO in the implementation of AMPS.

- The Trust's investments in Commercial Real Estate (CRE) began in 2011 and currently includes seven properties with a fair market value of \$61M, net of outstanding debt, reported on the Trust's audited financial statements for June 30, 2023.
- AMPS classifies CRE as a Long-Term asset with a time-horizon of seven to twenty years. The investment in CRE is within the established time-horizon and a sale of properties may now be considered.
- The Commercial Real Estate Investment Guidelines provide guidance on the management decisions relating to the CRE to ensure such decisions are grounded in the best interest of the Trust and its beneficiaries.
- AMPS specifies that management of CRE is outlined in the Resource Management Strategy and handled by the Trust Land Office (TLO) with the TLO making recommendations regarding the Trust's real estate investments to Trustees.

There is a planned executive session during the Resource Management Committee where confidential information will be shared with an opportunity for Trustees to ask questions. Information is considered confidential if disclosing it to the public would have an adverse effect on the finances of the Trust.