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- **Sole Ownership** – While benefitting from a high degree of investment control, one major problem with sole ownership is that current statutes do not allow the BCPL to purchase land in the State of Wisconsin (other than the purchase of timberland under strict criteria). In addition, agency staffing is not at the levels that would be required to acquire and manage individual properties. Sole ownership by BCPL also fails to utilize possible tax benefits that would provide value to another investor. Investment in individual properties increases the exposure of BCPL to property-specific risks and provides no benefit of diversification within the asset class.
- **Commingled Fund** – Investment in a Commingled Fund would be allowed under current statutes. Commingled Funds combine the investment of several institutional investors, are managed by experts in commercial real estate, and allow for the acquisition/development/management of large portfolios of properties. Depending on the Fund, these properties may focus on a select geographic area or property type or could include widely diversified properties across the globe. Management fees can be significant and there is limited liquidity compared to a publicly-traded REIT.
- **Public Securities (REITs)** – Investment in a REIT would be allowed under current statutes. Advantages of an investment in publicly-traded REITs include liquidity, possible geographic and property-type diversification, and the availability of management expertise. However, the returns on REITs have been highly correlated with the stock market, and this investment would provide less diversification to overall portfolio returns.
- **Joint Venture/Partnership/LLC** – Investment in a Joint Venture, Partnership, or LLC that invests in commercial real estate assets would be allowed under current statutes. Advantages include a high level of control in addition to having available expertise, property management, and reporting from our partner(s). This form of ownership lacks liquidity and diversification, but provides certain advantages over sole ownership should BCPL consider investment in an individual property.

Investments in commercial real estate through Commingled Funds, REITs and Partnerships all have advantages to BCPL depending on the specific goals of the allocation. Commingled Funds and REITs would provide diversification to the Common School Fund portfolio, while a partnership with an experienced real estate investment company may prove beneficial should an attractive opportunity in an individual property become available.