

At Comerica Trust, our Specialty Asset Management team has extensive experience administering real estate; private business interests; timber; farm and ranch land; and oil, gas and mineral interests within trusts and estates. Our team can help you realize your objectives with assets you already own or seek to acquire, and can provide a wide range of services in managing these complex assets.

### **What Are Specialty Assets?**

Unique, nonfinancial and specialty assets are terms used for a variety of assets commonly owned by wealthy families. These can include family-owned business interests, privately held interests (e.g., limited partnerships, limited liability companies), real property (e.g., residential, commercial, investment), mineral interests (e.g., oil, gas), intellectual property (e.g., copyrights), collectibles (e.g., art, jewelry), among others.

*Specialty assets can be a significant contributor to the growth of wealth for families and can create a strong link across multiple generations.*

Families can also benefit by holding or acquiring specialty assets to take advantage of their capital growth and diversification potential – whether these assets are owned outright or held in trust. Specialty assets are complex; they require careful oversight and ongoing management, and can be challenging to transfer to heirs.

### **The Comerica Trust Solution**

Comerica Trust has a team of professionals dedicated to the oversight, administration and care of specialty assets. Our Specialty Asset Management team employs asset management strategies that seek to maximize the contributing benefits of these assets within client portfolios. Specialty assets are analyzed and appraised; plans are developed; and actions are explored and reviewed with respect to each client and portfolio need. Due to the increased complexity of certain specialty assets – such as oil, gas, and mineral rights – Comerica Trust may partner with third-party experts to assist in the oversight and administration of assets.

### **Our Approach to the Management of Specialty Assets Includes:**

#### **Investment Objectives**

Asset allocation is the cornerstone to a prudent investment portfolio. While specialty assets can be a prudent investment, it is important that the combined portfolio aligns with the investment objective.

#### **Risk Management**

Comerica takes a risk assessment methodology to specialty assets that may include:

- Thorough review of the asset prior to acceptance
- Evaluating ownership structure(s)
- Preparing cost/benefit analysis of proposed projects
- Identifying and mitigating risks
- Developing and maintaining budgets
- Assessing appropriateness for acquisition, retention or disposition

#### **Oversight**

Comerica employs a fiduciary approach to the oversight of specialty assets:

- Conducts periodic asset reviews
- Ascertains updated values, using both internal and third-party resources
- Ensures the assets align with investment objectives

## Real Estate Solutions

Real estate typically represents one of the most valuable nonfinancial assets owned by individuals and may comprise a significant portion of an investment portfolio and overall wealth. Management of personal residences, investment properties and income-producing properties is becoming increasingly complex and time-consuming.

Comerica's Real Estate Management team employs asset management strategies that maximize the contributing benefits of real estate within client portfolios. The real estate assets are analyzed and appraised, plans are developed, and actions are explored and reviewed for each unique client need. Our regionally located Senior Property Managers average over 30 years of experience, and many hold professional designations, such as Certified Property Manager (CPM), Real Property Administration (RPA), and Facilities Management Administrator (FMA), in addition to real estate sales and brokers licenses.

## Property Management

### Comerica's Real Estate Management team:

- Selects and oversees property managers (third-party or in-house)
- Develops and administers budgets
- Coordinates maintenance, repairs and renovations
- Negotiates and manages sales and acquisitions of properties
- Negotiates and manages leases, including delinquencies
- Pays expenses and debt service
- Handles regulatory compliance at local, state and federal levels
- Reviews environmental status and implements cost-effective remediation, if needed
- Coordinates with the family and advisors to fulfill the legacy objectives of the grantor

## Risk Management

Comerica's risk assessment methodology to property management may encompass:

- Identifying, removing and/or repairing hazardous or dangerous conditions
- Preparing cost/benefit reviews of proposed projects
- Reviewing and maintaining appropriate insurance coverage
- Reviewing and challenging tax assessments, when appropriate

## Mineral Management

Whether producing or nonproducing, dormant or active, mineral assets held in a trust can present a challenge for an individual or family fiduciary. However, with our experience and expertise, Comerica Trust understands the unique benefits that mineral assets can contribute to a trust portfolio.

Comerica Trust partners with one of the largest national mineral assets management firms, which currently manages more than 100,000 properties nationally for foundations, universities, trusts, estates, royalty hedge funds and family LLCs. Administrators average over 20 years of experience, with staff and consultants including Certified Professional Landmen, Registered Landmen, Oil and Gas Revenue Specialists, Certified Mineral Managers, Certified Division Order and Title Analysts, Petroleum Engineers, Geologists, Oil and Gas Title Attorneys and Accountants.

## Mineral Management Solutions

Comerica's Mineral Management team provides the following services for mineral assets held in trust portfolios:

- Proactive management of leases
- Maximizing revenue generation for clients
- Researching potential escheated interests and suspended funds
- Systematic property production and reviews
- Revenue and expenses processing
- Annual income tax reports
- Ad valorem tax payments
- Purchaser notifications
- Division order analysis and processing
- Lease offer valuation and negotiation
- Joint interest billings analysis
- Marketing and sale of property

## Closely Held Businesses

For generations, the prosperity and accumulation of wealth have been through the success of American businesses. To this day, business assets continue to represent a significant portion of investment portfolios and provide legacy objectives to provide income and capital growth for multiple generations. There are various trust structures that accomplish estate and wealth planning goals while providing opportunities for families to retain business assets.

Comerica's Closely Held Business Specialists, along with our Trust Administration professionals, provide expertise in the oversight of family business and closely held business interests within a trust or estate. Recognizing the specialized care and treatment that closely held investments require, Comerica's CHB team evaluates each closely held asset and implements sound fiduciary practices given each client's unique objections and needs.

## Closely Held Business Solutions

Our Closely Held Business Specialists:

- Evaluate company performance and analyze financial statements, management and corporate structure
- Arrange business valuations
- Implement buy-sell agreements
- Market and negotiate sales, when appropriate
- Procure successor management
- Verify and assist with entity regulatory compliance
- Participate in shareholder meetings
- Critically review and develop governing documents for new entities
- Collaborate with clients' CPAs and/or attorney

## Want to Know More?

Want to know more about this topic or any other, Comerica welcomes the opportunity to help.

[Contact your Comerica Advisor Solutions Relationship Manager or visit \[comerica.com/trust\]\(https://comerica.com/trust\).](#)