

(7) Investment Funds

The Company evaluates whether it is an investor in a variable interest entity ("VIE"). Such entities do not have sufficient equity at risk to finance their activities without additional subordinated financial support, or the equity investors, as a group, do not have the characteristics of a controlling financial interest (primary beneficiary). The Company determines whether it is the primary beneficiary of an entity subject to consolidation based on a qualitative assessment of the VIE's capital structure, contractual terms, nature of the VIE's operations and purpose, and the Company's relative exposure to the related risks of the VIE on the date it becomes initially involved in the VIE and on an ongoing basis. The Company is not the primary beneficiary in any of its investment funds, and accordingly, carries its interests in investments funds under the equity method of accounting.

The Company's maximum exposure to loss with respect to these investments is limited to the carrying amount reported on the Company's consolidated balance sheet and its unfunded commitments of \$232 million as of December 31, 2019.

Investment funds consist of the following:

(In thousands)	Carrying Value as of December 31,		Income (Losses)		
	2019	2018	2019	2018	2017
Real estate	\$ 412,275	\$ 642,137	\$ 19,154	\$ 61,453	\$ 45,068
Financial services	280,705	195,706	29,005	11,044	3,762
Energy	156,869	183,627	(18,136)	7,084	6,147
Transportation	147,034	136,640	14,193	15,390	1,686
Other funds	216,652	174,708	24,978	14,378	11,506
Total	\$ 1,213,535	\$ 1,332,818	\$ 69,194	\$ 109,349	\$ 68,169

The Company's share of the earnings or losses of investment funds is primarily reported on a one-quarter lag in order to facilitate the timely completion of the Company's consolidated financial statements.

(8) Real Estate

Investment in real estate represents directly owned property held for investment, as follows:

(In thousands)	As of December 31,	
	2019	2018
Properties in operation	\$ 1,351,249	\$ 1,279,584
Properties under development	754,701	677,508
Total	\$ 2,105,950	\$ 1,957,092

In 2019, properties in operation included a long-term ground lease in Washington, D.C., a hotel in Memphis, Tennessee, two office complexes in New York City, office buildings in West Palm Beach and Palm Beach, Florida, and an office building in London, U.K. Properties in operation are net of accumulated depreciation and amortization of \$59,832,000 and \$44,340,000 as of December 31, 2019 and 2018, respectively. Related depreciation expense was \$15,033,000 and \$20,644,000 for the years ended December 31, 2019 and 2018, respectively. Future minimum rental income expected on operating leases relating to properties in operation is \$59,975,701 in 2020, \$62,145,941 in 2021, \$62,734,252 in 2022, \$56,477,620 in 2023, \$54,281,781 in 2024 and \$573,636,251 thereafter.

The Company borrowed \$101,750,000 through a non-recourse loan secured by the West Palm Beach office building in 2018. The loan matures in November 2028 and carries a fixed interest rate of 4.21%. The carrying value does not reflect the outstanding financing, but rather is reflected in subsidiary debt referenced in Note 15, Indebtedness.

A mixed-use project in Washington, D.C. has been under development in 2019 and 2018.