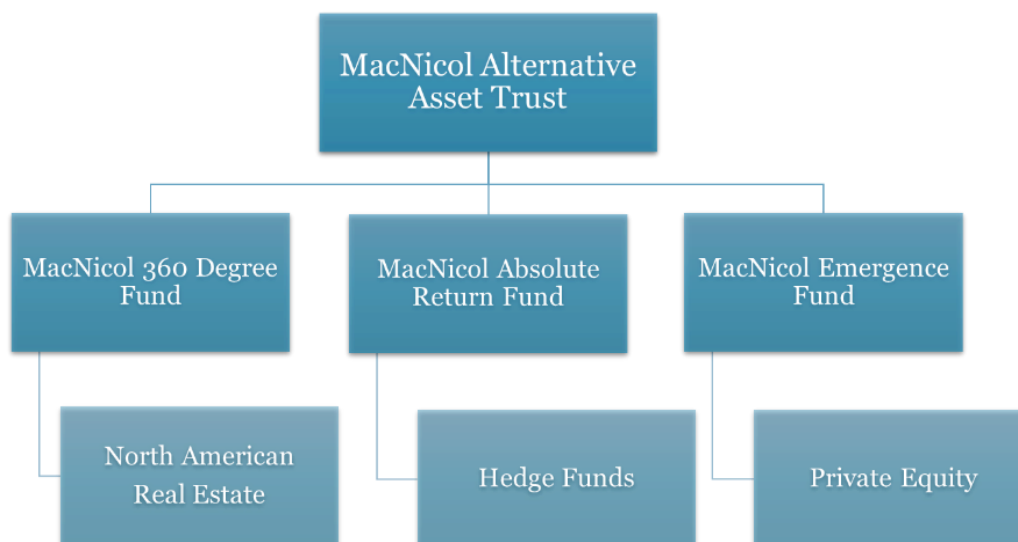




Alternative Asset Trust Third Quarter 2024 Report:

The MacNicol Alternative Asset Trust is a multi-strategy, alternative investment platform designed to generate returns that are positive and uncorrelated with public stock or bond markets. The Trust, through its underlying limited partnerships, invests in real estate, private equity, and hedge funds. In total, the Alternative Asset Trust invests in more than 150 separate real estate projects, private businesses, and hedge funds. The advantages of our approach to alternative assets include effective diversification, enhanced liquidity and a less volatile return profile compared to the individual asset classes themselves.

Chart 1 – Investment Structure MacNicol Alternative Trust



Alternative Asset Trust Update: The investment objectives of the MacNicol Alternative Asset Trust are to generate positive absolute returns under most market and economic conditions with little or no correlation to the U.S. and Canadian stock markets. To achieve these goals, the Trust, through its underlying partnerships will invest directly in a variety of private real estate, hedge funds and private equity investments. During the third quarter of 2024, the Trust was stable and managed a 10-basis point gain net of fees and this brought the Trust's net annualized return since inception to 9.1%. The Trust's annualized volatility dipped to 6.8% or roughly one half the volatility of the S&P/TSX Composite Index and one third the volatility of the S&P500 Index.



Third Quarter 2024 Highlights:

Rising long bond yields always garner attention from investors and this is particularly true when short-term rates are being walked, or rushed, down by central banks. A resilient economy and an election that is now just days away, have stoked inflation fears for two main reasons. First, there is considerable debate among economists as to whether the war against inflation was ever truly won. Second, if recent polling data are even remotely correct, Donald Trump's return to the White House is poised to resume the United State's counter-globalization movement that Trump himself launched during his first term. And when it comes to spending, frugal or parsimonious are hardly appropriate words to describe Donald Trump's approach to fiscal deficit spending. Mr. Trump's own spending plans aren't always talked about and that is because Ms. Harris' plans can hardly be described as penny-pinching.



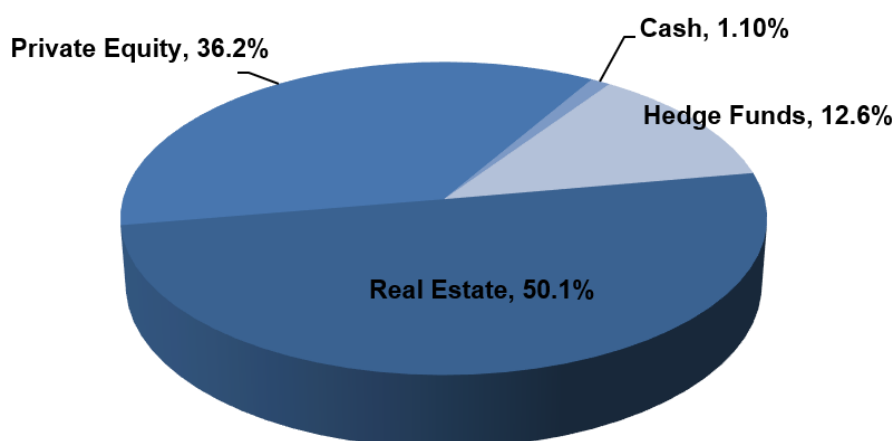
Big bills, big debts and a lot on the line best described 2024's swan song quarter. Thankfully, in a world where you can throw certainty out the window, the Alternative Asset Trust remains a beacon of stability.



Alternative Asset Trust: 3rd Quarter 2024 Overview

As described in Chart 2 below, the most notable difference in the Trust's asset mix at the end of the third quarter of 2024 was a cash drawdown and an uptick in private real estate.

Chart 2 – Alternative Asset Trust Asset Mix, as of September 30th, 2024



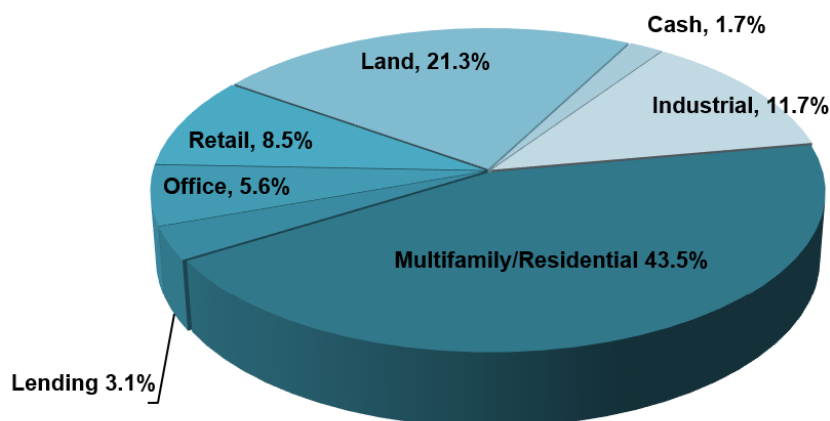
North American Private Real Estate: 360 Degree US Realty Income Fund

The Alternative Asset Trust invests in North American real estate through the MacNicol 360 Degree US Realty Income Fund. The 360 Fund focuses on value-added projects in the United States and Canada while also providing investment capital to residential and commercial mortgages providers. In total, the 360 Degree Fund holds over 150 real estate projects across 6 well defined product types described in Chart 3 on the following page and in carefully monitored regions as illustrated in Chart 4 also on the following page.

The fund also invests in real estate technology that enhance the performance of new builds and retrofits by better connecting landlords, tenants, and asset owners. Finally, the fund also acquires positions in financing notes. Holding a financing [i.e mortgage] note occurs when a property seller takes on the role of a lender for the buyer, a key aspect of seller financing. In this innovative financial arrangement, the seller extends credit to the buyer, negating the need for the buyer to pay the full price upfront. Instead, the buyer remits monthly mortgage payments directly to the seller, who retains the mortgage note itself.

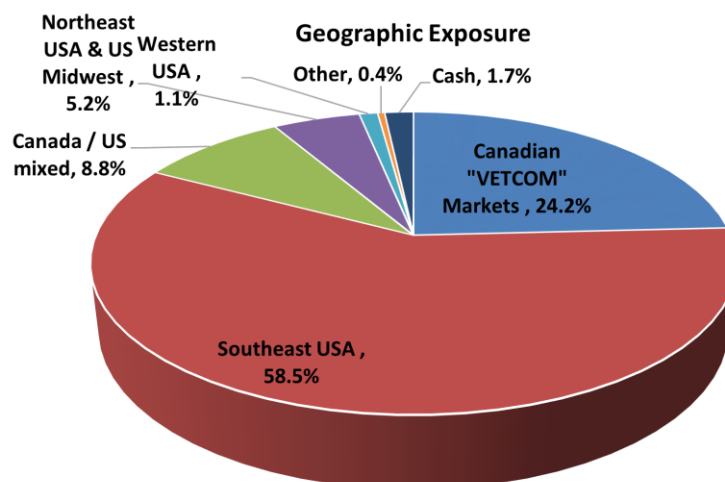


Chart 3 – 360 Degree Fund Product Mix, as of September 30th, 2024



The primary differences between the fund’s product mix at the end of the third quarter versus the end of the second quarter are an increase in land and industrial holdings. The fund’s geographic mix of assets did not change materially during the quarter and the fund remains private real estate partnership biased to the robust economies of the US south. Our Investment Team believes that exposure to properties in the West may increase during the first quarter of 2025. However, there are no plans to add to the Midwest at this time given less energetic leasing velocity and lower transactional volume.

Chart 4 – 360 Degree Fund Geographic Exposure, as of September 30th, 2024



“VETCOM” markets consist of Vancouver, Edmonton, Toronto, Calgary, Ottawa, and Montreal



360 Degree US Realty Income Fund 3rd quarter performance review

During the third quarter of 2024, the fund was higher by 2.7% in local currency terms and higher by 1.5% for Canadian unitholders. The fund's return profile during the third quarter saw evidence of a moderation in rent growth in certain products yet still managed to outperform the NCREIF property index, which declined by 1.41% in Q3 '24.

360 Degree US Realty Income 3rd Quarter: asset class highlights

Multifamily Residential: A supply “surge” in certain submarkets [Austin, TX] along with rising rates has led many to suggest that multifamily residential's role as a foundational real estate category is beginning to crack. In response to this gradual shift, we have begun to focus on opportunities in the west and on manufactured housing.

Industrial: Industrial real estate remains attractive to us at current cap rates. In many projects we continue to see this category providing more than a 7% cap rate on the one-year look ahead NOI. In our view, North American e-commerce penetration has a long way to go before it catches peers in Europe and Asia. Recent underperformance by certain Canadian publicly traded REITs in this area has more to do with a dubious debt maturity profile and heavy 2025 lease maturity exposure. Our Canadian exposure to industrial is small with most deals in the US south.

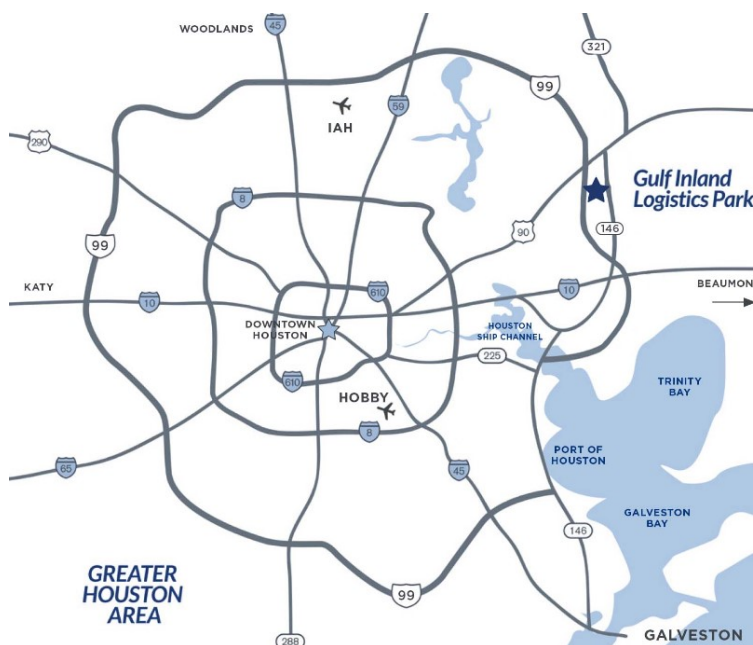
Office: We continue to feel that the risks of office investing outweigh the rewards with one notable exception. Investments in *medical* office space continue to thrive, and we are actively exploring opportunities in this space with new and existing sponsors. Remote working apps such as Google Meet, Microsoft Teams, and ZOOM, coupled with productivity zapping gridlock in many metropolitan areas, have made fully blown investments in commercial office space more of a timing call than one routed in fundamental real estate analysis.

Retail. The biggest surprise in the fund was not only the resilience of but the growth in retail that is not heavily dependent on retail assets. But the smattering of retail properties the fund does own has been a genuinely pleasant surprise with above target annualized NOI [“Net Operating Income”] and above average leasing velocity.



360 Degree US Realty Income Fund 3rd quarter: transaction summary

During the third quarter of 2024 the fund expanded its investment in Gulf Inland Logistics Park. As a reminder, Gulf Inland Logistics Park is located strategically within the Houston MSA (shown below) 30 minutes from downtown Houston, the Port of Houston and George Bush International Airport. Home to the nation's largest petrochemical complex, the Gulf Coast's largest port, the nation's second fastest growing metro and the top ranking for foreign companies to do business in the US, Houston is a key driver in the 8th largest global economy, the State of Texas. Gulf Inland Logistics Park has access to the nation's highways, railroad network, energy infrastructure and Gulf Coast ports provide industrial, manufacturing and distribution companies and unmatched locations to grow their business.



Gulf Inland II, LP, the expansion of Gulf Inland Logistics Park, will purchase +/- 1,144 acres south and adjacent to Gulf Inland Logistics Park. With 100's of millions in planned development and infrastructure at Gulf Inland, GILP II is well positioned for industrial, manufacturing, distribution, warehouse, and rail-access users, as well as a leader in energy transition, including electric generation. Dayton, Texas, located 40 miles northeast of Houston, is quickly becoming a key hub, for manufacturing, logistics, and industrial growth serving the Gulf Coast and beyond.



One attractive aspect of the GILP II investment includes its obvious proximity to GILP I but also the **control** that the original GILP I partnership investment had over the adjacent bank of land. During the third quarter, the fund was also active with 13th Floor Investments as committed capital was called for the The Parks at Hallandale project, a qualified opportunity zone development in Hallandale Beach, which broke ground in August. The fund was also returned capital from its previously discussed investment in the Mt. Auburn multifamily residential portfolio (also sponsored by 13th Floor Investments) which closed on the sale of its last remaining position.



[In August, the partnership with 13th Floor broke ground on The Parks at Hallandale, an opportunity zone multifamily development located on the southeast corner of Pembroke Road and NE 1st Avenue in Hallandale Beach, Florida. The 15.5-acre development will include 398 apartments and 6,500 square feet of retail. Concurrent with groundbreak, the partnership closed on an \$83MM loan provided by CIBC Bank and raised \$24MM of preferred equity from Marble Capital. The Parks at Hallandale is scheduled to arrive in late 2026.]



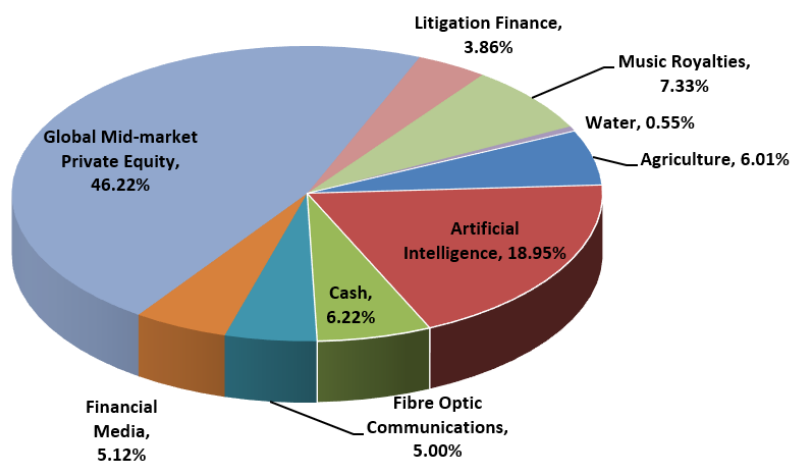
Real Estate: Closing Remarks

During the third quarter we hosted two of our top real estate partners from Boca Raton, FL. Apart from authoring what is by far one of our favorite real estate investment newsletters, they also coined our favorite real estate investing phrase: good real estate, *bad capital*. While many assets are still trading near sub 5.0% cap rates, market-clearing opportunity yields (yield-on-cost less local market cap) have widened to historically high spreads. As a result, the pipeline for new supply is falling rapidly. For example, 2024 completions are projected to be 650,000 units vs. 290,000 units projected completions in both 2026 and 2027, which would mark the lowest level of completions in the last decade. This leaves an attractive picture of the demand for investors to ponder. Minimal planned deliveries (in many markets but not all) against a backdrop of an undersupplied national housing market amplifies the need for investors to approach real estate yet again with surgical precision and not broad-brush strokes.

Private Equity: MacNicol Emergence Fund

Private equity is an alternative asset class comprised of capital that is not found on public stock exchanges. Through direct ownership in private companies, equity co-investments in private companies and limited partnerships that hold several private companies, the Emergence Fund invests in a range of technology, data analytics and artificial intelligence and venture capital strategies and lends to growing companies and which are quantified by their allocations in Chart 6 below.

Chart 6 – Emergence Fund Sector Allocation, as of September 30th, 2024



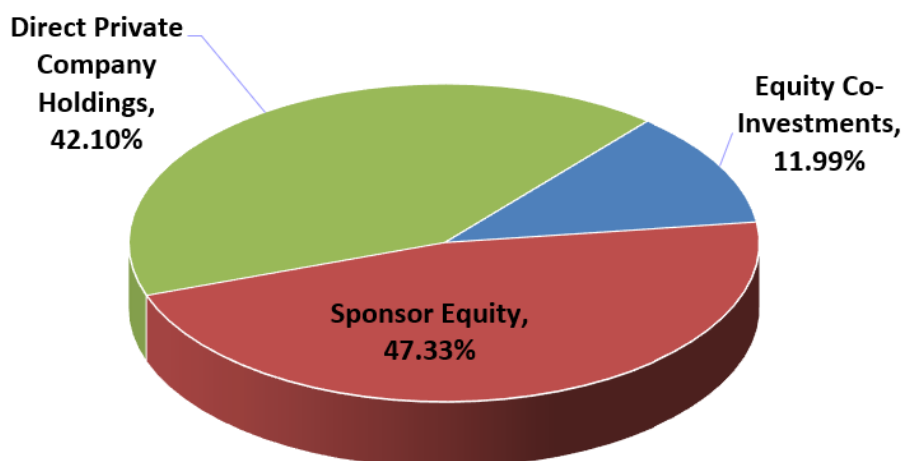


During the third quarter of 2024, the Emergence Fund was lower by 2%. The fund's softness stems primarily from shouldering the costs of equity tail risk protection, which going forward, will be taken on by the new MacNicol Safe Harbour Fund and by the sale of portfolio company Kognitiv's legacy business to Constellation Software [CSU.TO]. With that said, private equity deals activity has picked up by 36% compared to the third quarter of 2023 according to Pitchbook. The interpretation is that rising sentiment is translating more directly into deal activity and that the valuation discount – a primary deterrent of capital commitments in the fund-raising process – is beginning to narrow in enough that an increasing proportion of transactions are reaching the finish line.

Private Equity Portfolio: Activity

During the third quarter of 2024 the fund's investment activities were limited to funding drawdown notices from existing sponsors at Lionscrest, Northleaf Capital, Round 13 Capital and XPV Water Parters. No new capital commitments were made outside of existing sponsors or relationships, and as a result, the structuring of investment in Emergence was broadly inline with that seen during the previous quarter. As demonstrated below in Chart 7, the fund experienced a slight uptick in its allocation to funds sponsored by outside managers, which stood at 47.33% as the quarter came to a close.

Chart 7 – Emergence Fund Investment Structure Mix, as of September 30th, 2024



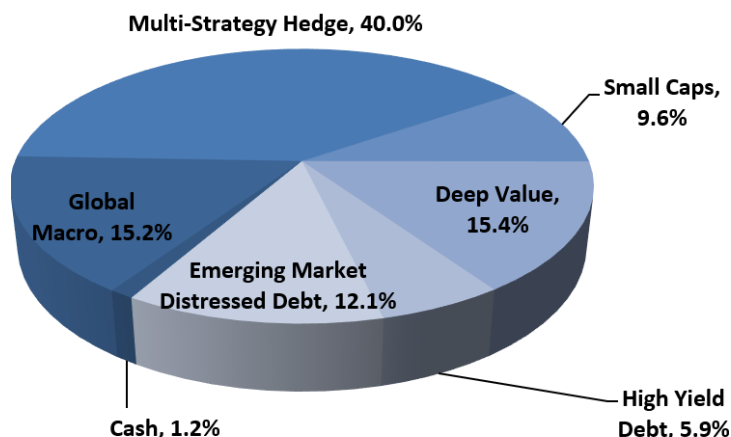


While investment activity in the Emergence Fund was light during the quarter, meetings with existing investment sponsors and leadership teams were high. A particularly important development in these meetings, and consistent with general trends in private equity, was that our portfolios of private equity secondary holdings [mainly with Northleaf Capital and Overbay] experienced increases in value and additional liquidity events. In the case of Overbay, distributions [i.e. return of capital] increased by 8% during the quarter and we are pleased that the decision to strike a better balance between primary and secondary private market investments which occurred 2-3 years ago has given the fund better diversity in terms of valuations and liquidity events.

Hedge Funds: MacNicol Absolute Return Fund

The objective of the MacNicol Absolute Return Fund is to generate positive returns under most market and economic conditions, and to have little or no correlation to the US and Canadian stock markets. Strategically, the fund's mix of investments at the end of the quarter can be found in Chart 8 below. The most significant difference in the fund's strategy mix compared to the previous quarter was the increased weighting in global macro. As a brief reminder, global macro is an investing strategy that attempts to profit from broad market swings caused by political or economic events. Moreover, global macro investors use a wider range of financial instruments to create short or long positions based on the outcomes they predict because of their research, and this allows them to detach their return profiles from a reliance on common equity shares in publicly traded companies.

Chart 8 – Absolute Return Fund Strategy Mix, as of September 30th, 2024





During the third quarter of 2024, the fund was flat and held back in some ways by opacity in inflationary pressures globally. This obscurity around inflation caused many risk assets, such as stocks, to be more volatile during the tail end of the summer. To be more specific, August and September were particularly volatile months for stocks, commodities and high-yield and distressed debt. In the case of stocks, the S&P500 (as just one example) declined by approximately 500 points from July 16th, 2024, until August 5th, 2024. The S&P500 next increased by approximately 500 points from early August to the end of the month. Smaller capitalization indices and niche markets registered even more volatility during this period as investors globally attempted to infer whether incoming economic data (mainly from the United States and China) would contribute to a “hard landing” and necessitate further monetary and economic stimulus measures.

Closing Comments

The third quarter of 2024 was best described as a stable one for the Trust, and one in which the Trust’s underlying holdings had to contend with multiple challenges that each seemed to occur at a higher precipice. Fortunately, the Trust’s diversified portfolio of underlying holdings [roughly 150 individual investments] prevented returns during the third quarter from being hijacked by any one individual trend, theme or private company specific development. Our Investment Team is cautiously optimistic that the ongoing “thaw” in private equity funding, the gargantuan stockpile of cash on the sidelines and [potentially] eye watering valuations in public market will soon capitulate into a strong tailwind for alternative assets. As always, we thank you for your interest in this publication and the trust you place in this Trust.

MacNicol & Associates Asset Management Inc.

October 2024