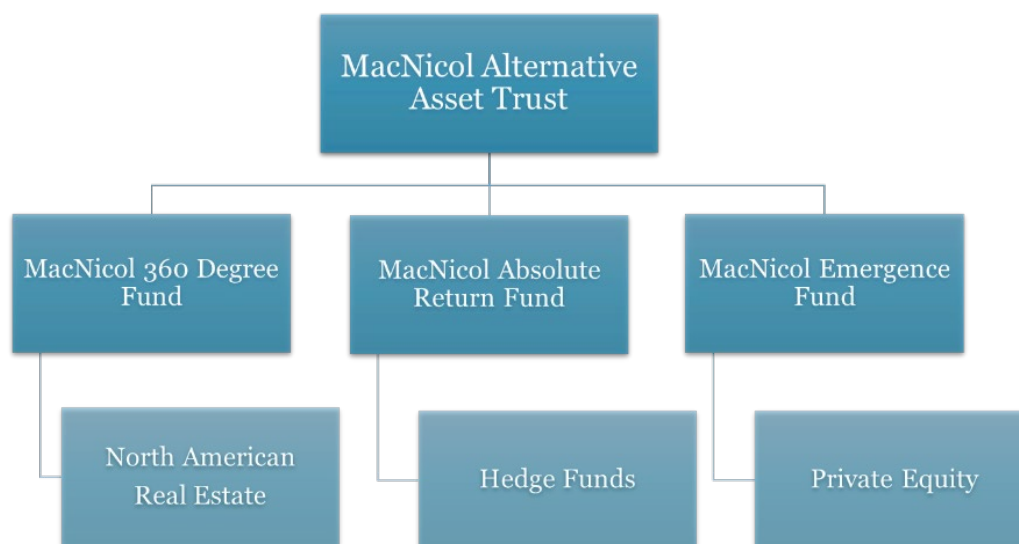




Alternative Asset Trust 4th Quarter 2024 Report:

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 fourth quarter of 2024, the Trust was higher by 2.2% net of fees, and this brought the Trust's net annualized return since inception to 9.3% with a year end 2024 calendar year return of 6.6%. The Trust's annualized volatility was stable at 6.8% and this represents roughly half of the volatility investors in public market indices such as the S&P/TSX Composite Index or the S&P500 Index would expect.



Fourth Quarter 2024 Highlights:

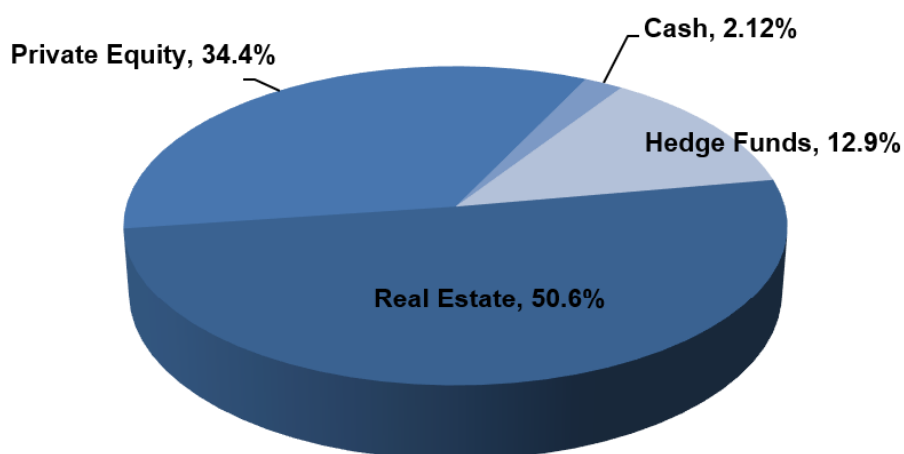
Rising long bond yields in the United States portended an inflationary new administration. Even as the “race” to loosen short-term rates was underway, bond market investors were signalling to the world that all may not necessarily be well with the world’s largest economy. Funny, the world’s developed stock markets certainly did not notice with several putting in strong performances not just in the fourth quarter of 2024 but all year. During this time, the Alternative Asset Trust had successes such as Cash Today and Grata, and setbacks such as Kognitiv and the costs of portfolio insurance. However, on balance, a diversified approach, innovative solutions such as the new MacNicol Safe Harbour Fund and most importantly of all our commitment to you, were the main things that distinguished the Trust from the competition, which in many cases is only just now getting into the alternative asset realm.

The MacNicol Investment Team

Alternative Asset Trust: 4th 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 an uptick in cash, and a 60 basis point increase in hedge funds. Private equity and real estate were broadly in line with the last quarter.

Chart 2 – Alternative Asset Trust Asset Mix, as of December 31st, 2024

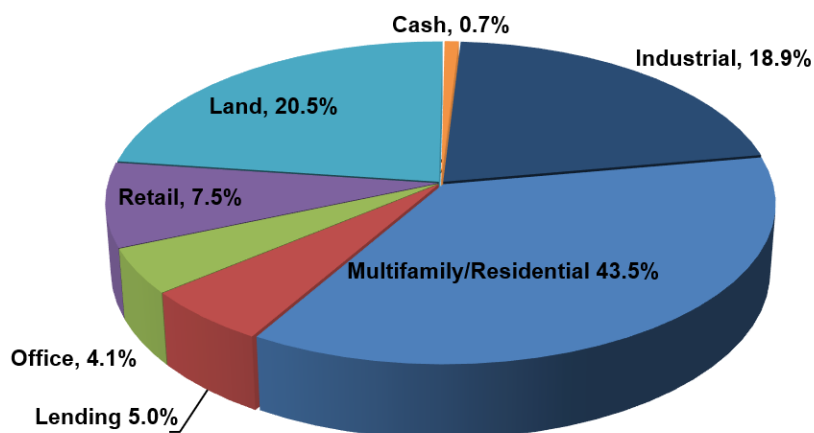




North American Private Real Estate: 360 Degree US Realty Income Fund

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 below and in carefully monitored regions as illustrated in Chart 4 on page 4. 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.

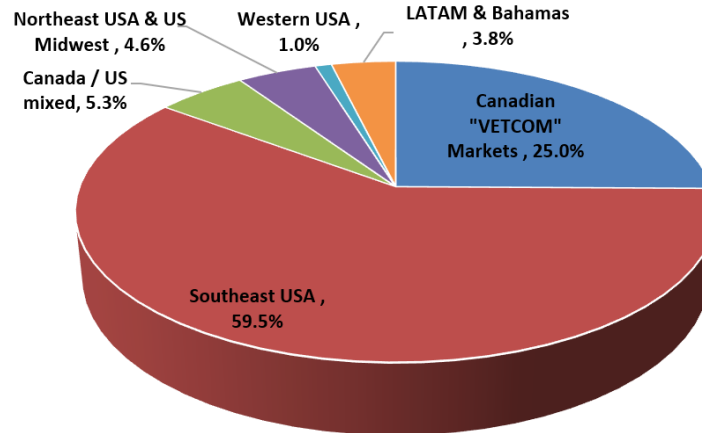
Chart 3 – 360 Degree Fund Product Mix, as of December 31st, 2024



Differences in the fund's asset mix relative to the 3rd quarter of 2024 were difficult to discern and limited primarily to a reduction in the fair market value of certain of the fund's commercial office space and retail assets, mainly with Kingsett Capital. Multifamily residential real estate was stable during the quarter, and the funds: land, industrial and real estate technology investments experienced positive forward momentum during the fourth quarter. Geographic exposure changed primarily due to the relative outperformance of the US South over Canadian "VETCOM" markets and due to the addition of a new asset in the Bahamas.



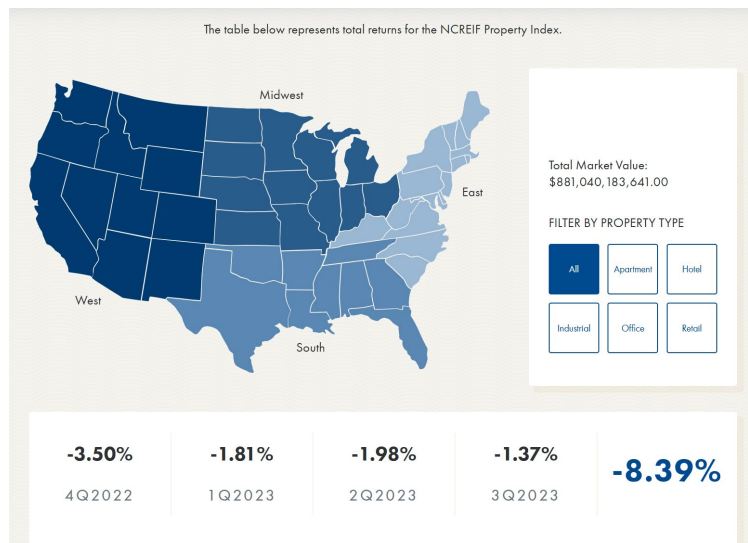
Chart 4 – 360 Degree Fund Geographic Exposure, as of December 31st, 2024



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

360 Degree US Realty Income Fund 4th quarter performance review

During the fourth quarter of 2024, the fund was lower by 2.6% in local currency terms and higher by 90 basis points in the hands of Canadian unitholders. The fund’s return profile during the fourth quarter was almost entirely driven by two broad factors. First, ongoing weakness in commercial office space in both Canada and the United States adversely impacted the fund’s small but present portfolio of office towers. Secondly, an increase in cap rate spreads and a decline in leasing velocity imply a roughly 10% decline in the overall fair market value of the property sector as defined by the NCREIF property index shown below.

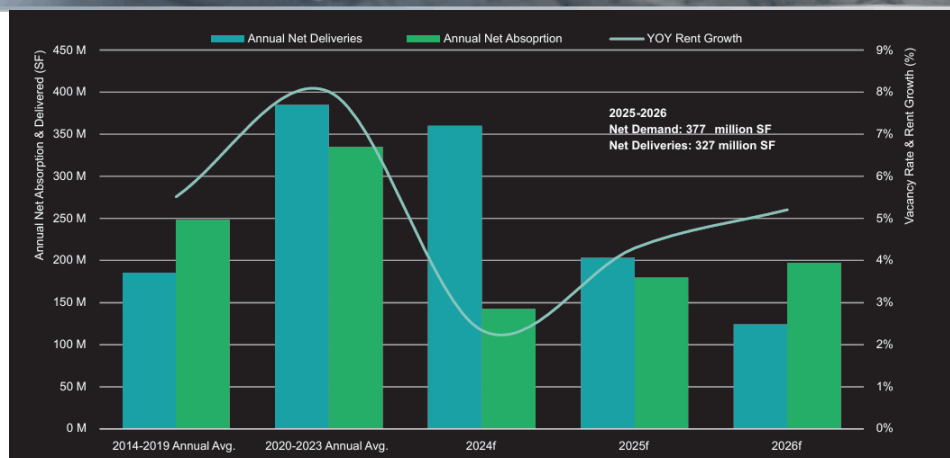




360 Degree US Realty Income 4th Quarter: asset class highlights

Multifamily Residential: Our absolute favourite alternative asset class [i.e. Class A garden-style, multifamily residential real estate] was down slightly in the quarter with markets in places like Austin, Texas impacted more heavily due to years of over supply and a decreased pace of leasing and rent growth. The Portfolio Manager has been “traveling west” to growthier markets in places like Tulsa Oklahoma and Helena Montana, which are not yet household names to MacNicol investors, but which will gain in prominence in the coming years. Operationally, all the fund’s multifamily residential assets were strong, which is to say: full [i.e. 90% occupied], paying [i.e. no major payment delinquencies] and young [i.e. recent subscriptions have prioritized newer vintage assets ~ 2020/2021] which are years away from major overhauls. US hurricane and forest fire activity did not materially impact the fund’s properties in 2024 and early on in 2025.

Industrial: It has taken roughly 7 years, but the fund’s portfolio of industrial assets is now a beefy 20%. The simplicity and demand for such assets have outperformed the rest of the NCREIF property index by over 300 basis points. With that said, industrial did decline to a level we believe as a cyclical bottom. In 2024, the US national absorption of industrial real estate fell to just 143 million square feet according to the US Mortgage Bankers Association. This reduction in absorption is primarily due to large companies recalibrating their need for space. However, a leaner new product pipeline [a reflection of higher rates and increased construction costs] has that fundamentals for industrial are already accelerating out of a turn, as detailed in the graph below from Bridge Investment Group, a current sponsor in the fund. Bridge Investment Group logistics experts Jay Cornforth and Brian Gagne, will be doing a Podcast for our investors in the coming weeks. Please stayed tuned for more information on that.



Office: Commercial office space was by far the worst performing product type in the entire NCREIF Property Index. Many publicly traded REITs, even good ones, had extremely challenging return profiles in 2024. One example, units of Hudson Pacific Properties [HPP-NYSE] lost two thirds of its value in 2024 alone. The bloodletting for HPP investors has been ongoing for years. Back in January of 2020, HPP units traded for nearly USD \$40 versus today's value in the USD \$3 area. We are certainly not singling out Hudson Pacific Properties: HPP is expertly run, and there are dozens of other office REITs we could have named in its place, but these are the challenges facing office investors. So, do we see opportunities? The short answer is yes: there isn't an office market in the world that wouldn't trade places with Florida [and indeed that has been one breath of fresh air in an otherwise extremely challenging product type]. But broadly speaking, the area continues to be far too risky for our more income seeking, conservative approach to private real estate.



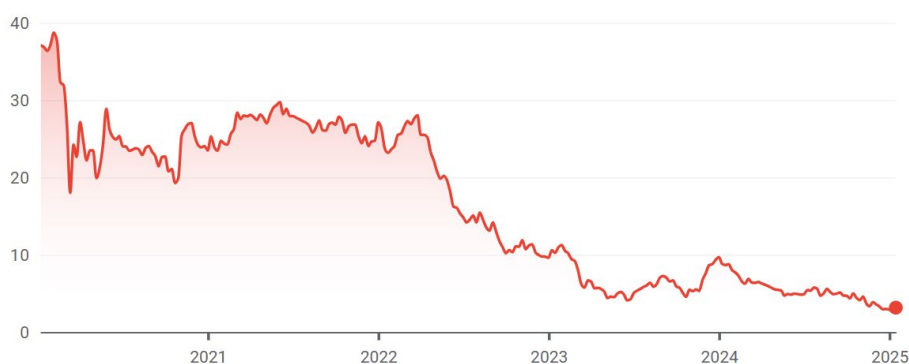
Hudson Pacific Properties Inc

\$3.14 ↓ 91.53% -33.94 5Y

After Hours: **\$3.16** (↑ 0.63%) +0.020

Closed: Jan 17, 6:00:04 PM UTC-5 · USD · NYSE · Disclaimer

1D 5D 1M 6M YTD 1Y 5Y MAX



[Hudson Pacific Properties is a great REIT in a horrible location. The office and studio markets where Hudson’s skilled management team attempts to extract value quite simply aren’t that good and we see no evidence of that changing in the near future.]

Retail. The biggest surprise in the fund was the heterogeneity in returns associated with retail assets. For example, certain of the fund’s retail assets, such as Crossroads Square in Jacksonville Florida, did extremely well in 2024.

In fact, we were surprised by the plaza’s nearly USD \$1.4 million in annualized NOI [“Net Operating Income”] that was reporting at 6/30/24, the latest reporting period for the property. Cap rates for this type of assets range from 6.25% to 6.75% as per the encyclopedia or cap rates published by CBRE and comport with our own, independent verification of cap rates in the region through discussions with asset sponsors and brokers. Even after stripping out the roughly USD \$8 million mortgage balance outstanding, Crossroads Square still commands a *free and clear* fair market value of over USD \$12 million. On the other hand, the fund’s Canadian retail assets felt more sluggish with NOI flat to slightly lower depending on what caliber of credit quality tenant the asset targets.

360 Degree US Realty Income Fund 4th quarter: transaction summary



During the fourth quarter of 2024 the fund received a large distribution from Connor Investments in relation to the Diamond Oaks land bank sale, a project within Connor Real Estate Investment Fund II. The fund also received a separate large distribution from Connor's River Ranch project, a dedicated single family home development play which the fund is a preferred equity partner in.



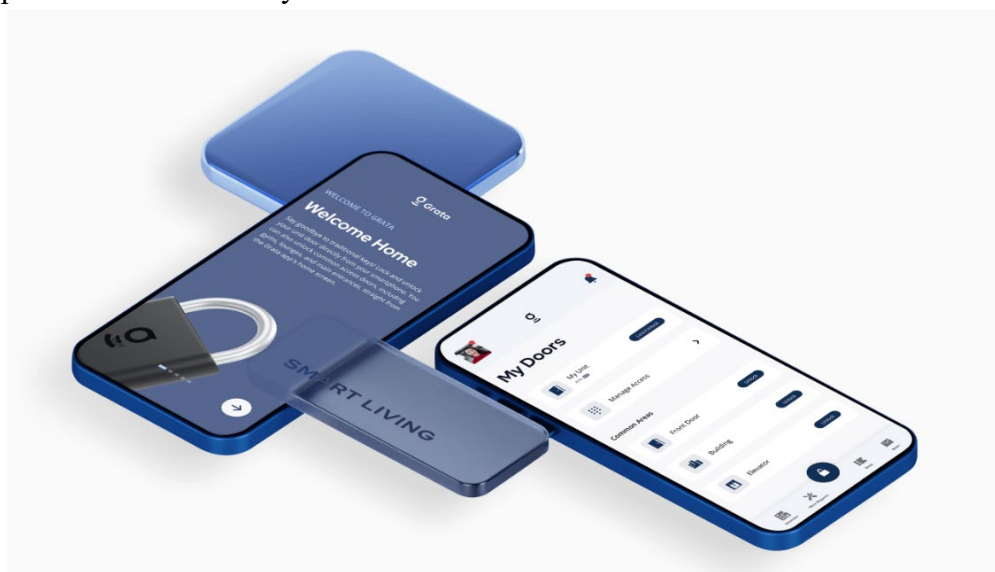
The River Ranch development consists of 2,486 acres located east of Houston on Highway 146 about 6 miles east of the recently opened Grand Parkway East (the third loop around Houston) and about 5 miles south of Highway 90 in Liberty County.

The first two phases of the development have already been developed with over 150 homes sold or under construction with a 4-acre Crystal Lagoon amenity under development. Phases 3 through 7 consist of 1,245 acres and were purchased in early September. Phase 3 development is well underway and consists of 922 lots, all pre-contracted to 11 different home builders. Phases 4 and 5 consist of 1,315 lots which are going under contract now to home builders prior to the start of the subsequent phases. Phases 6 and 7 consist of 1,392 planned and fully entitled lots and will be sold as PODs directly to home builders for the builders to develop. River Ranch is financed with a \$98 million revolving loan and \$36.0M of equity. The equity includes \$6,242,250 of builder deposits which were released for use by the development along with \$30.0M of developer equity. The fund also had several cash flows in connection with multiple limited partnerships sponsored by IP Capital Partners in Boca Raton, FL. Most of the cash flows relating to IP Capital were operating distributions from the fund's portfolio of industrial



assets such as 2292 Sand Lake in Orlando, FL, 3760 Southside in Atlanta, GA, 6095 Fulton in Atlanta, GA, the Antioch Industrial Park in Greenville, SC, Freezer facilities in North and South Carolina and the Koozie Industrial Portfolio in Clearwater, FL.

On the real estate technology front, portfolio company Grata concluded 2024 with revenues that greatly exceeded expectations. Grata is an all-in-one software platform for apartment communities that provides residents & property managers with the best holistic digital experience. Grata is Trusted by three of the largest multifamily residential owners and operators in the industry.



The fund also received distributions [and redeployed several of them] into existing long-term relationships with sponsors like 13th Floor Investments, Ventera Realty and Bridge Investment Group. Capital activity was primarily related to the fund's relationship with Bridge, IP Capital and 13th Floor. During the quarter, the fund also closed on an income producing asset with potential upside in Winding Bay, Eleuthera, Bahamas.

Real Estate: Closing Remarks

We have stated before that real estate is an excellent alternative asset class for investors to have. But we have also advised that it is extremely important to carefully scrutinize deal specific metrics against the framework of detailed analysis into submarket dynamics. Even the best, most efficiently built buildings will lose money if there is no one to lease them. While the fund has the word “income” in its name, there is no mistaking the fact that we are always looking for deals that will [ultimately] place the fund's unitholders in

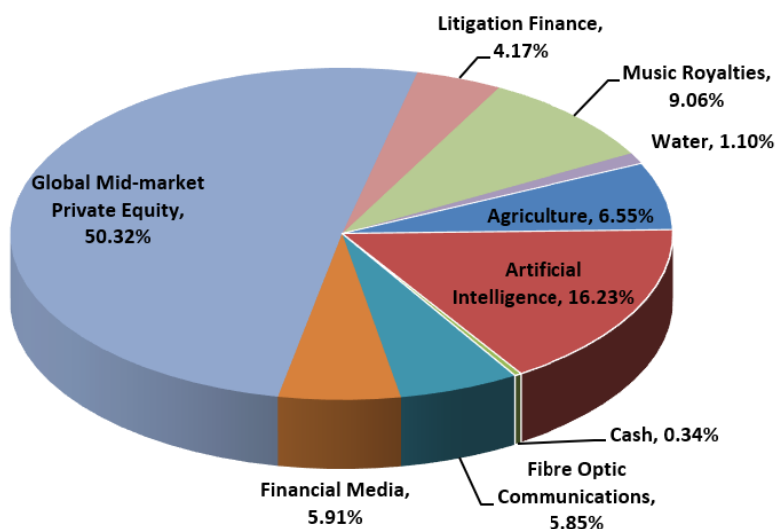


position where they control real estate that people want and are willing to pay more for. It isn't easy and even the best real estate managers can fall on tough times such as Allied Properties, Kingsett Capital, Hudson Pacific Properties and a good number of other very reputable managers. And that is precisely why it is important, we would argue crucial, to monitor not only the buildings themselves but also the world around them. Changes in cap rate spreads are strangely not the number one risk for real estate investors. Instead, the number one risk for real estate investors is acquiring a property that no one wants. And submarket dynamics can change rapidly. When we got involved in the management of the fund back in 2017, the submarket of Austin, TX was a hot bed of activity. The same cannot be said today. The ability to grow the NOI ["Net Operating Income"] is of critical importance to real estate investors because your valuation is that NOI multiplied many times by the inverse of your cap rate. Remember, cap rate compression [good/building more valuable] or expansion [bad/building less valuable] don't occur in anticipation of [good] or [bad] real estate investment decisions, they occur as a result of them.

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 December 30th, 2024



During the fourth quarter of 2024, the Emergence Fund was lower by 40 basis points. The fund's softness during the quarter was almost entirely explained by the insolvency filing of portfolio company Kognitiv but cushioned by very healthy returns in music royalties and B2B tech enabled businesses through a partnership with 424 Capital. The team at 424 Capital are experts in finding profitable, tech-enabled service companies that have outsized potential in "impact" industries such as healthcare, education and energy. One 424 Capital portfolio company that may be more familiar to our investors is LearnWell. LearnWell is a technology enabled services business providing a managed educational solution for students in hospital, behavioral health/rehabilitation, and home-based settings.

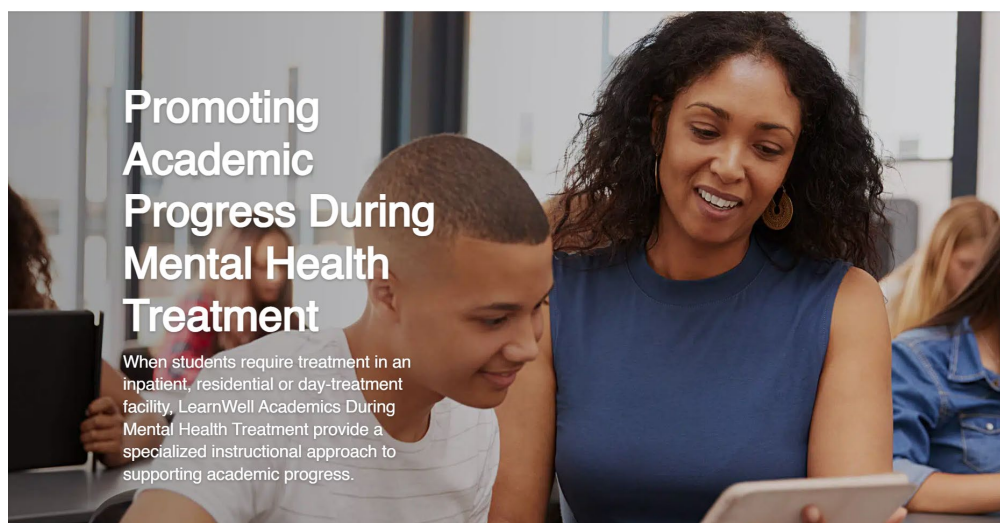
LearnWell contracts with hospitals and behavioral health centers to provide certified teachers on site at these facilities to ensure that students keep up with their peers while in clinical treatment.



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Promoting Academic Progress During Mental Health Treatment

When students require treatment in an inpatient, residential or day-treatment facility, LearnWell Academics During Mental Health Treatment provide a specialized instructional approach to supporting academic progress.

During the quarter the funds' cash allocation also declined relative to the previous quarter with funds being used to increase the weighting of the music royalty's allocation.

Private Equity Portfolio: Activity

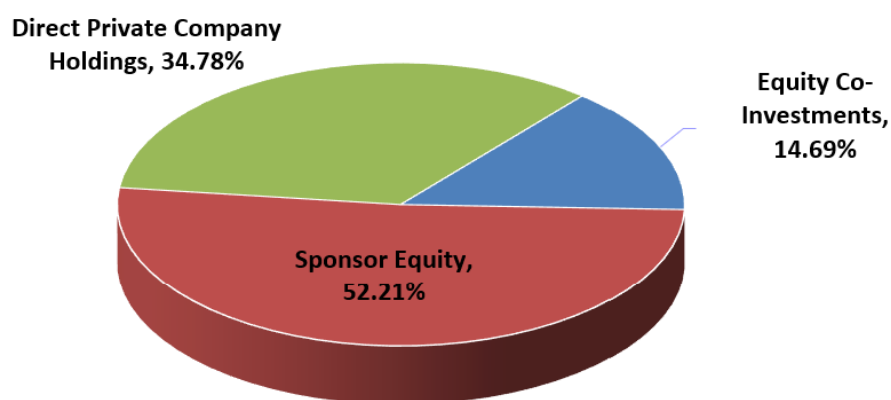
During the fourth quarter of 2024 investment activity was primarily re-active in nature, which is to say comprised almost exclusively of capital activity at the level of existing sponsors such as Overbay Capital, Round 13 Capital and XPV Water Partners. The Portfolio Manager believes that the resumption of normal capital activity from existing sponsors is positive, and a sign that the fund raising challenges experienced by the industry during H1 '24 have likely declined. The fund also received capital back from most of its existing sponsors, including those just mentioned, in addition to Northleaf Capital and Multiplier Capital. At the portfolio level, portfolio company Jurissa International Bank officially received its banking license from the Office of the Commissioner of Financial Institutions of Puerto Rico [i.e. the Ministry of Finance].

Jurissa International Bank, a groundbreaking new entrant in the financial sector, is on track to revolutionize litigation financing through a specialized international banking model. Targeting a market projected to exceed \$50B by the end of 2026, Jurissa offers MacNicol investors a unique opportunity to participate in an expanding asset class with



largely uncorrelated returns while bridging the financial divide for those seeking justice. With its recent license to operate as a regulated International Financial Entity (IFE) under the jurisdiction of Puerto Rico, Jurissa leverages the island's favorable 4% IFE tax rate and supportive infrastructure for specialty financial services. As the quarter drew to a conclusion, the Portfolio Manager completed and provided verbal confirmation on an investment in RealVision founder Raoul Paul's cryptocurrency fund. The fund, offered by Paul's digital asset management firm Exponential Age Digital Asset Funds "EXPAAM" will be intended to better position MacNicol investors to capitalize on the exponential growth of the digital asset ecosystem by owning the network layer's of the most promising protocols. We will update you in greater depth on this investment in subsequent quarters as we begin allocating capital, and receiving reporting from EXPAAM.

Chart 7 – Emergence Fund Investment Structure Mix, as of December 31st, 2024



Not surprisingly, the most notable difference in the fund's investment structure at the end of the fourth quarter was a reduction in the allocation to individual private companies and an increase in the allocation to private equity funds sponsored by other firms. Equity co-investment activity was broadly in line with the previous quarter.

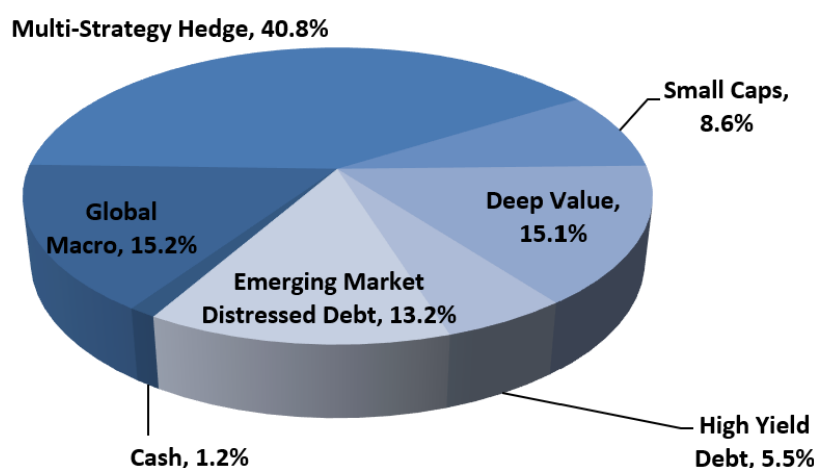
Hedge Funds: MacNicol Absolute Return Fund

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 December 30th, 2024



During the fourth quarter of 2024, the fund was higher by 7.7%. Returns in the funds were driven primarily by an increased risk appetite on the part of investors domestically and internationally. Stocks, high yield debt, emerging market distress debt and other risk assets were mostly higher during the quarter, and the fund benefitted from positive upward movement in these asset classes. Investment activity in the fund during the quarter was muted with only reinvestment of routine distributions into existing sponsor funds or relationships.

Closing Comments

The fourth quarter of 2024 was a positive one for the Trust. Strong performance in risk assets such as stock, high yield debt and emerging market distressed credit offset



weakness in certain areas of private real estate and declines in private equity. On balance, the Trust's greatest asset is its diversified approach to alternative investment opportunities, and as we stated at the beginning of this report, the 150 separate real estate projects, private businesses, and hedge funds provide unitholders with not only effective diversification, but enhanced liquidity and a less volatile return profile compared to the individual asset classes themselves.

We know we would be remiss if we did not point out that this past October 2024 the Trust turned 14 years old. Of course, we are very proud of this milestone but truthfully, we are grateful that so many of you have placed your trust in our Trust.

MacNicol & Associates Asset Management Inc.

January 2024