

2014

MacNicol & Associates
Asset Management Inc.

Scott Baker

MACNICOL 360 DEGREE REALTY INCOME FUND

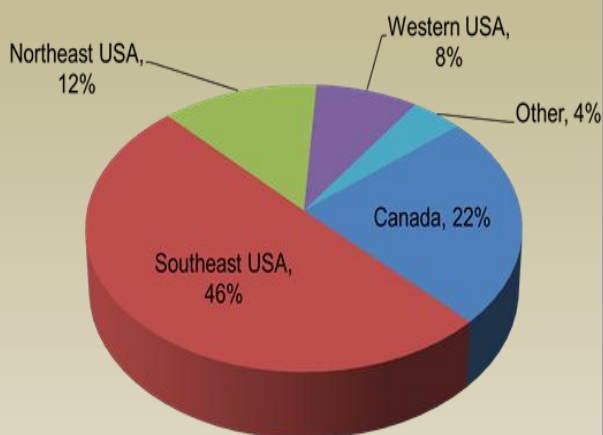
Interim Report for the three months ending March 31, 2014

The MacNicol 360 Degree Realty Income Fund is an open ended private real estate fund that invests in a diversified portfolio of income-oriented real estate investments in Canada and the United States

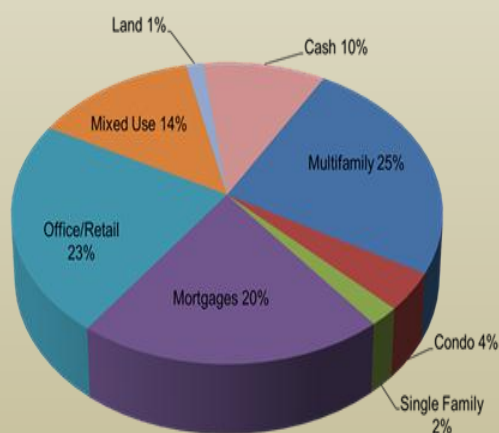


100% Sold Condominium
Eden House in North Beach Miami

Investments by Location



Investments by Property Type



Message to Limited Partners

We are pleased to present this Quarterly Report for the MacNicol 360 Degree Realty Income Fund LP (the “Fund”) for the first quarter of 2014. The US dollar return for the three months ending March 31, 2014 was a loss of 2.8% which, when factored with the prior three quarters, results in a 12-month trailing total return of 3.2% for the Fund’s “C” Class Units (11.25% in Canadian dollar terms).

Operating Activity

The Fund’s operating results from its underlying income-producing and financial assets generated stable and growing net cash flows during the quarter and over the last 12 months. The Fund’s loss in US dollar terms during the quarter was primarily caused by weakness in the Canadian dollar which has the impact of reducing the US dollar value of the 360 Fund’s Canadian investments. In addition, the Fund realized a loss from the sale of an underperforming multifamily asset (see below) in Riviera Beach, Florida.

Despite the Fund’s first quarter loss, the overall portfolio continues to enjoy strong operating results across the board with 2%-3% rental increases evident in the Fund’s multi-residential and multi-use projects across the United States, and strong gains across our mortgage portfolio. In Canada, our investment in the KingSett Income Fund continues to perform above expectations with a 98% occupancy rate in its commercial portfolio and a 97% occupancy rate in the multi-residential assets. During the quarter the Fund also booked a positive fair market value adjustment for its investment in the “Slate Grocery Anchored Partnership” which is going public as a REIT this spring for a 2X return to the Fund.

Investment Activity

In January of 2014, the 360 Fund and its US partners made a decision to sell its interest in the “Reserve at Lakeside” located in Riviera Beach, Florida to a “1031” tax buyer. Lakeside, while improving recently in terms of revenue and net operating income, has proven more difficult to manage than planned and was no longer considered a core asset. The sale of the complex was completed early in April. Also after the close of the March quarter, the Fund successfully exited a multifamily complex in Lawrenceville Georgia for a 39.9% IRR and 2.1X equity multiple.

Outlook

In the U.S., we expect mortgage rates to gradually rise and modest increases in capitalization rates for commercial and multi-residential properties over the next 2-3 years. This will benefit the Fund as it will allow us to add high-quality assets at reasonable prices for the foreseeable future.

Financial Highlights Q1 2014

Balance Sheet Highlights

	Date
Income Producing properties	43%
Lease up Properties	8%
Mortgages	22%
Properties under Development	15%
Cash and Accrued Dividends	10%
Developable Land	2%
Total Assets	100%
Bank indebtedness	0%
Mortgage Loans * (Partnership Level)	0%
Payables	1%
Total Liabilities	1%
Total Liabilities and Partner's Equity	100%
 *Average Loan to Value at Property Level	 45%

Income Statement Highlights

12 Months

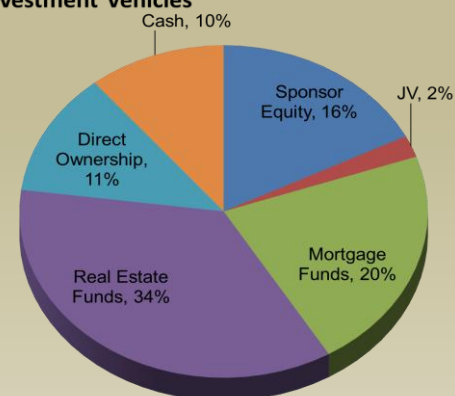
Income-producing property revenue	\$44,361
Mortgage Interest	\$299,732
Securities and other income	\$220,337
Fair Value Adjustments*	\$222,562
Realized Gains/Losses	\$8,138
Total Revenues	\$795,130
Interest Expense	\$0
Partnership Expenses	\$261,104
 Net Margin (12 months ending March 31st)	 \$534,026

*Carroll Fund I
 Carroll Fund II
 UDF IV
 Slate GAR 1
 Reserve at Northlake (Riveria, Florida)

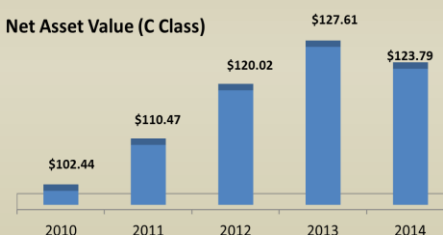


Fully Leased Multi-Residential
 Monterone in Austin- Texas

Investment Vehicles



Net Asset Value (C Class)



	YTD
Returns from Operations	.60%
Realized Gains/Losses	0.0%
Fair Value Adjustments	(3.08%)
Partnership Expense	(.32%)
Net Return	(2.80%)

Summary of Property Portfolio:

Representative Properties & Mortgages

Property	Sponsor	Type	Location	Status
Bethesda Park	Carroll Organization	Multi-Residential	Lawrenceville, GA.	Fully Leased
Tech Ridge	Carroll Organization	Multi-Residential	Austin, Texas	Fully Leased
Green Trails	Carroll Organization	Multi-Residential	Houston, Texas	Fully Leased
Cherry Hill	KingSett Capital	Multi-Residential	London, Ontario	Fully Leased
700 Bay Street	KingSett Capital	Multi-Residential	Toronto, Ontario	Fully Leased
Eden House	13 th Floor Investment	Condominiums	North Beach, Miami	Sold
Summit Place	13 th Floor Investment	Mixed-Residential	Naples, Florida	Sold
Lakeside	Prospect Properties	Multi-Residential	Rivera Beach, Florida	Sold
Monterone	Brass Enterprises	Multi-Residential	Austin, Texas	Fully-Leased
Residential				
Bayshore Centre	KingSett Capital	Retail Mall	Ottawa, Ontario	Fully-Leased
Burlington Mall	KingSett Capital	Retail Mall	Burlington, Ontario	Fully-Leased
130 Bloor West	KingSett Capital	Mixed Use	Toronto, Ontario	Fully-Leased
101 Bloor West	KingSett Capital	Mixed Use	Toronto, Ontario	Fully-Leased
Field Club	Slate Properties	Grocery Retail	New Castle , PA	Fully-Leased
Buckeye Plaza	Slate Properties	Grocery Retail	Cleveland, OH	Fully-Leased
Commercial				
Sage Hill	KingSett Capital	Retail	Calgary, Alberta	60% Built
Sierra Grande	13 th Floor Investment	Multi-Residential	Naples, Florida	70% Built
Development				
Builder Loans	United Development	Secured Loans	Texas	Active
Whole Loans	JCR Capital	Loan Modifications	United States	Active
CMBS	WMD Investments	Loan Modifications	United States	Active
Commercial Mortgages				