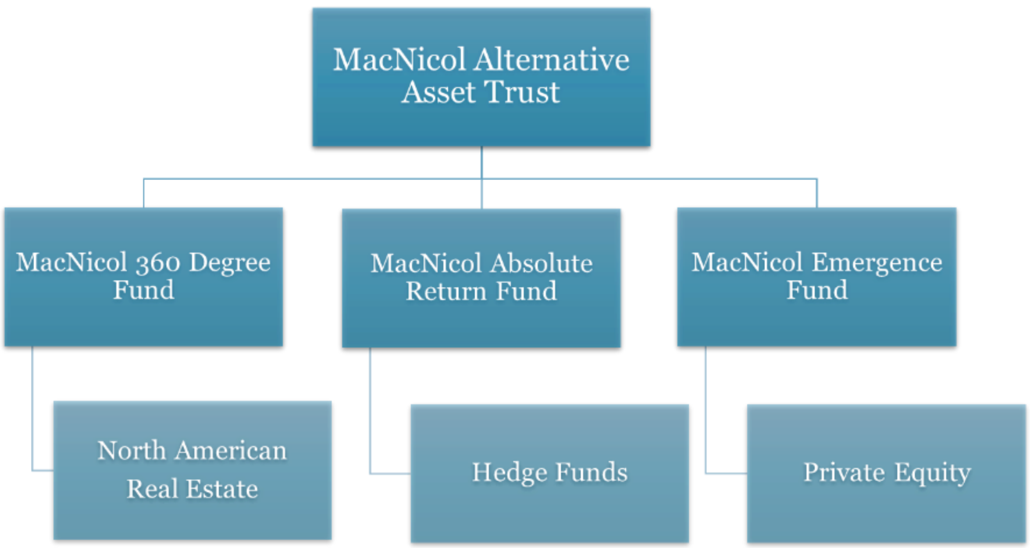
<u>Alternative Asset Trust 3rd Quarter 2025 Report:</u>

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, 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 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 2025, the Trust was higher by 4.2%, bringing the Trust's net annualized return since inception to 9.7%. The Trust's annualized volatility remained well below that of U.S. and Canadian equity markets at 6.7% and in October, the Trust will officially turn 15 years old! We thank all long-term unit holders who have joined us on this journey.

Third Quarter 2025 Summary:

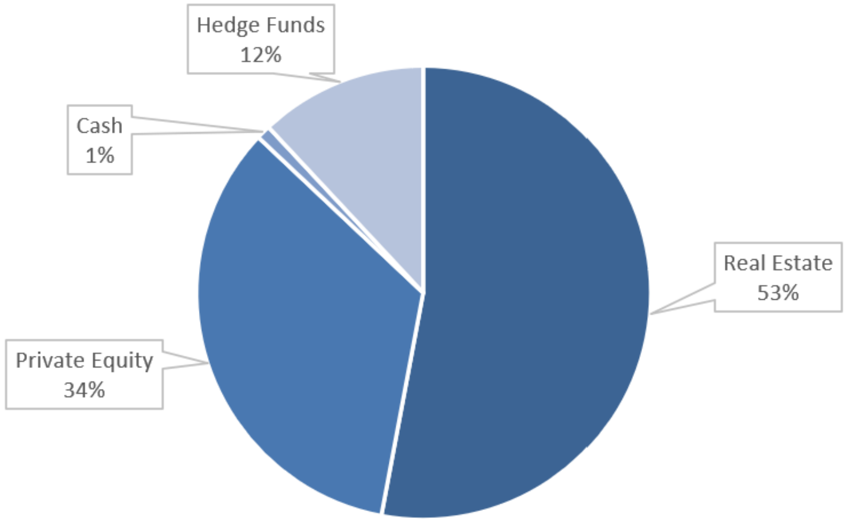
The third quarter was in some ways a challenging time to be an investor in alternative assets. Public equity markets in the U.S. and Canada performed well and an allocation to alternative assets was not something that all investors wanted, but rather something most of them new they needed long-term. Second, more stories about sloven valuation policies and their ramifications on liquidity began to surface in the media. More than one of our competitors learned a painful lesson about the problems that can arise from “sitting” on cost base valuations for many years. And finally, with continued uncertainty around global trade, deal making and fund-raising activity in most areas of private equity were significantly lower than they were in previous years. During times like these, the MacNicol Investment Team believes that it is prudent to stay sharp and stay focused by operating the Trust and its partnerships in strict accordance with governing documents. After all, this strategic focus has served unitholders very well for 15 years.

The MacNicol Investment Team

Alternative Asset Trust: 3rd Quarter 2025 Overview

As described in Chart 2 below, the Trust’s asset mix was higher in cash and real estate at the end of the third quarter but lower in private equity with hedge funds differing by only 30 basis points.

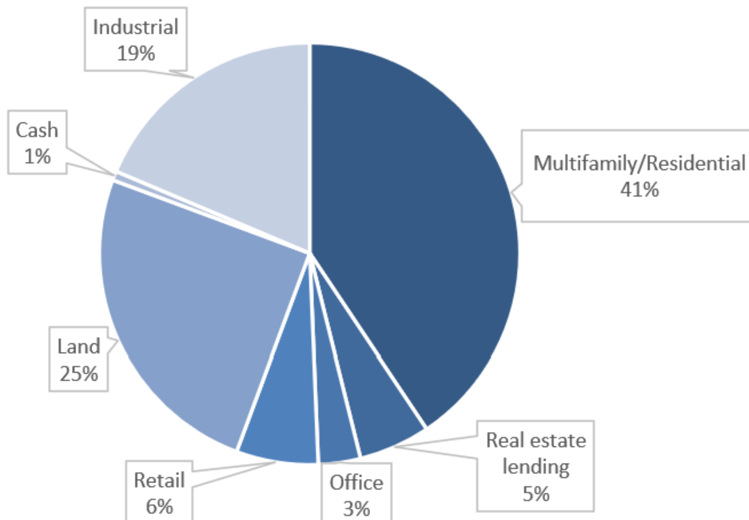
Chart 2 – Alternative Asset Trust Asset Mix, as of September 30th, 2025



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 110 real estate projects across 6 well defined product types described in Chart 3 on page 4 and in carefully monitored regions as illustrated in Chart 4 on page 5. The fund also invests in real estate technology that enhances the landlord, tenant, and investor living experience. The fund's approach to real estate is designed to be unique and distinct from home ownership in Southern Ontario, cottage ownership in central and northern Ontario, and even condo ownership in Florida or Arizona. The fund is also designed to provide investors with alpha by allocating funds to projects in weightings that are different from the NCREIF property index or various other real estate or REIT indices.

Chart 3 – 360 Degree Fund Product Mix, as of September 30th, 2025

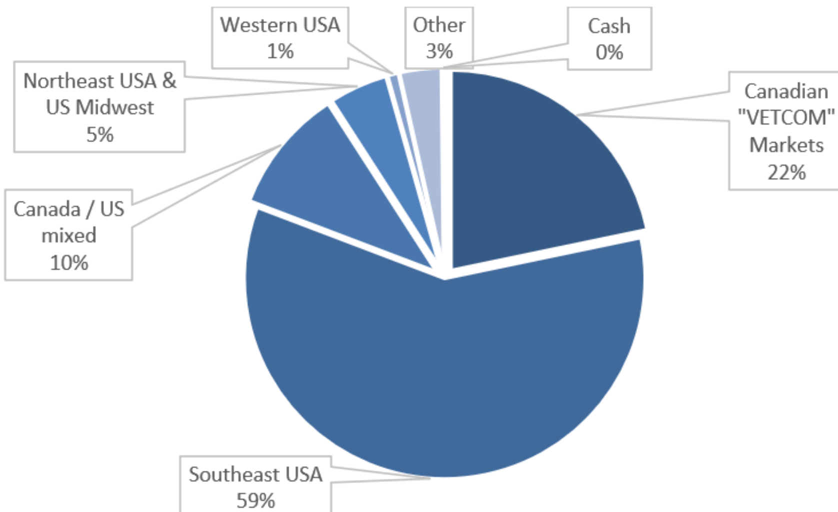


Compared to the second quarter of 2025, the fund's allocation to land was higher by 2% as Q3 drew to a conclusion. This increase is explained by an increase in River Ranch; a master planned community being developed in conjunction with Connor Investment Real Estate. Increases in the value of the fund's land banking investments in Texas also resulted in a slight increase in the fund's geographic exposure to the US Southeast as detailed below in Chart 4.

[River Ranch is a master-planned community development that spans approximately 2,486 acres east of Houston along Highway 146, about 6 miles north of Highway 99 and 5 miles south of Highway 90, in the rapidly growing area of Liberty County.]

From a geographic perspective, as detailed in Chart 4 below, the fund was nearly identical locationally to where it stood at the end of the second quarter, and capital activity was very minor. We note that the fund's geographic exposure chart features a pie slice called Canada / US mixed, which stood at 10% as the quarter ended. The position pertains to our real estate technology investment, Grata. Grata's Chief Executive Officer, Troy Crema, will be participating in a Podcast with us in November for an update on his company's operations.

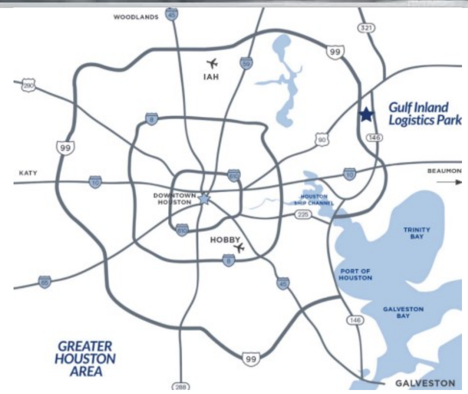
Chart 4 – 360 Degree Fund Geographic Exposure, as of September 30th, 2025



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

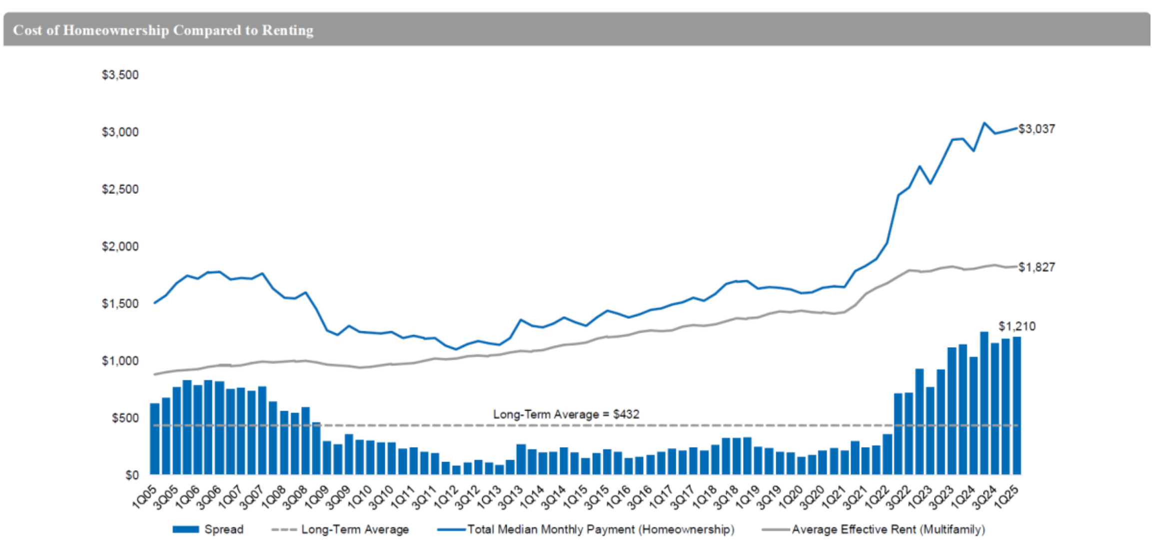
360 Degree US Realty Income Fund 3rd quarter highlights

During the third quarter of 2025, the fund was higher by 5.3% in local currency terms and higher by 7.6% for Canadian unitholders. The funds' return profile during Q3'25 was driven by three main factors. First, the fund saw strong performance in the value of its Texas based land banking program, which include the aforementioned River Ranch, but also includes logistics assets like Gulf Inland Logistics Park or "GILP" and assets held within a limited partnership with IP Capital Partners who are based in Boca Raton, FL. "GILP" is indeed an investment we have discussed in this report before but the demand for quality logistics assets has been so strong due to onshoring that a second investment in what is called "GILP 2.0" was made. We described "GILP 2.0" as a larger slice of the same great parcel of land.

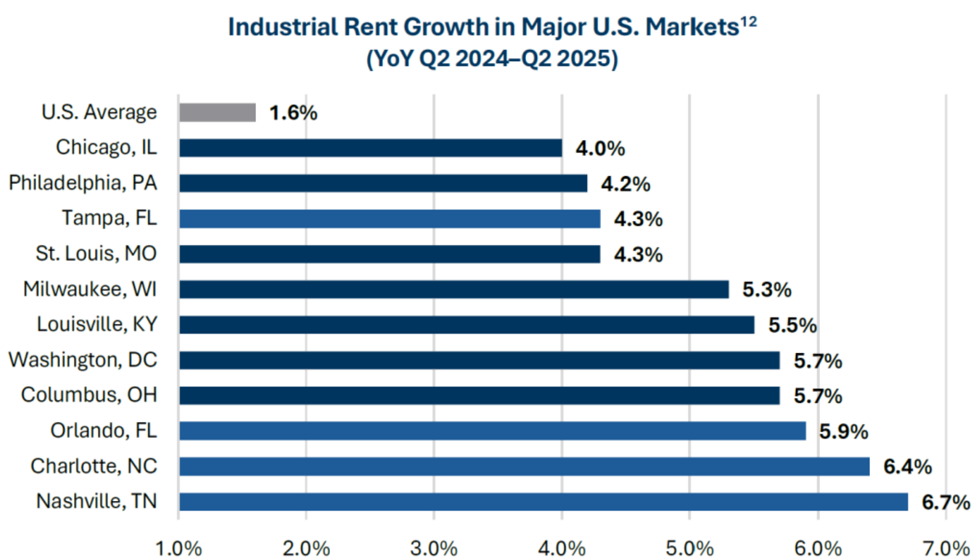


360 Degree US Realty Income 3rd Quarter: asset class highlights

Multifamily Residential: The gap between home ownership and renting in America continues to widen. According to research from Newark, it now costs on average $1,210 US more **per month** to own a home than rent and this is nearly 3x the long-term average for the entire United States. While we are starting to see some negative rent growth in some LPs many others continue to exhibit strong rent growth opportunities that are supported by low rent-to-income ratios. On the supply demand front, demand overpowered supply by over 130,000 units for the 12 months ended March 31st, 2025, and even though deliveries reached new all-time highs, the market still successfully absorbed over 700,000 units. The United States needs housing and until this changes, it will be difficult to not speak of multifamily residential real estate as being one of our preferred investment options not only in the 360 Degree Fund but in general.



Industrial: We remember the week in 2018 when cap rates on Industrial crossed down through cap rates on retail. It was in the latest edition of National Bank Research's *Weekly Property Tour*. That event, along with some research into e-commerce penetration rates made us beg, borrow and steal to acquire more and more Industrial square footage. But our second favorite alternative asset class experienced something of a hick up recently. A slowdown in leasing activity caused by uncertainty around international trade created a slight bump in vacancies to 7.1%, which is just over four hundred basis points above its all-time low during the second quarter of 2022 of 2.8% [Source: Cushman & Wakefield H1, 2025] led some to take a pause on allocating to the sector. Not us. While 7.1% sounds "vacant" it is just ten basis points higher than its long-term pre-pandemic average. Another point worth noting is that the vacancy metrics many of the naysayers' quote is concentrated in larger warehouses, which is a sign of shifting demand trends toward a decentralized supply chain favoring smaller nimbler regional and local distribution centers, which are the specialty of groups like IP Capital Partners. Rents on Industrial definitely declined during the first half of 2025, but IP Capital Partners also advises that rents grew in 59% of U.S. markets, with 20% of U.S. markets experiencing 5%+ rent growth. Further, year-over-year rents grew by 1.6% with two markets [Charlotte and Nashville] growing by over 6% each.



We have spent most of our career in offices and most of our youth in malls, and perhaps that is why as fund managers we continue to soak up the bumps in the road that industrial has to offer, after all it is still a pretty smooth ride.

Office: Commercial office space isn't dead, but in some categories, it is still coughing up blood and guts. Though America's office market registered its 5^{th} consecutive quarter of positive absorption early in this year, there is a colossal gap between the kind of office space you want to invest in and where it is located, and that which you don't. Class A office product recorded over 61 million square feet of positive absorption since the first quarter of 2020, while Class B and lower product experienced *negative* 170 million square feet of absorption. **Negative absorption** in real estate occurs when more space is vacated than leased in a specific period, resulting in a net decrease in occupied space. It signals a declining demand for a particular type of property and can lead to lower rental income and property values. Our advice in cases of negative absorption is simple: take your money and run like hell. But if you are going to roll the dice on commercial office space, for heaven's sake do it in Florida. Office utilization rates in Florida compared to other US markets really aren't comparisons as much as they are ass kicking displays. For example, office utilization rates in Miami and Fort Lauderdale are just 14.5% below their figures from the fourth quarter of 2019. We know, 14.5% still to go certainly does not sound like Florida's office market is kicking ass. But do any of you know commercial real estate people from the Midwest? In Chicago, that great city's office utilization rate is 44% below what it was during the fourth quarter of 2019, and that's not even the worst **major** metropolitan statistical area we know about. That honour goes to San Francisco. That [once?] great city's office utilization rate is nearly 50% below what it was during the fourth quarter of 2019. Office investing may not always have your portfolio smelling like a rose, but if you stick to quality and stick to Florida at least your portfolio won't smell like "something else".

Retail: 15 seconds, that is how much thought I put into a new pair of jeans or sneakers. Shopping has never really been my "thing" and thus far in 2025 the market would appear to agree with me. Retail closures have been on the rise throughout America in 2025. Many very respected retailers have either closed multiple locations this year or announced downsizing plans for the future. 2025 began with news that Macy's and Kohl's were to close multiple locations across the United States, and companies, including J.C. Penney, Walgreens, Party City and CVS, have also confirmed the closing of some underperforming stores across the country. At retail's core is the consumer, and that consumer is increasingly worried about job security and a growing pile of personal debt. While pointing-and-clicking is still shopping, it eliminates the need to consume gas and nerves. Anyone, even remotely interested in retail assets, is highly advised to underwrite conservatively and always look for assets anchored by extremely stout tenants like medical offices, pharmacies, banks and grocery stores.

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

During the third quarter of 2025 the fund received draw down notices from IP Capital Partners and Bridge Investment Group. IP Capital Partners made the acquisition of the East Atlanta Logistics Center a newly built 200,880 square foot warehouse located in Atlanta. The property was acquired at an attractive discount to replacement costs and will meet the needs of rising demand for logistics space near Atlanta's dense population hubs. IP Capital also acquired Inland Port Greer a newly built 380,000 square foot warehouse located in in Greenville, SC and pictured below:

Inland Port Greer is similarly being acquired at an attractive discount to replacement cost, and it is located only 2 miles from the Inland Port of Greer and 6 miles from Greenville-Spartanburg International Airport. Inland Port Greer is a strategically positioned regional distribution center between Atlanta and Charlotte, with direct access to Interstate 85 and major carriers such as UPS and FedEx. Bridge Investment Group called capital for a portfolio of properties including 1200 Valwood Parkway in Carrollton, TX, a 31,000 square foot 1998 vintage asset in Carrollton, TX show on page 10. To date, Bridge has called approximately 62% of total commitments to its second logistics value fund, which is led by the old Brookfield Logistics team.

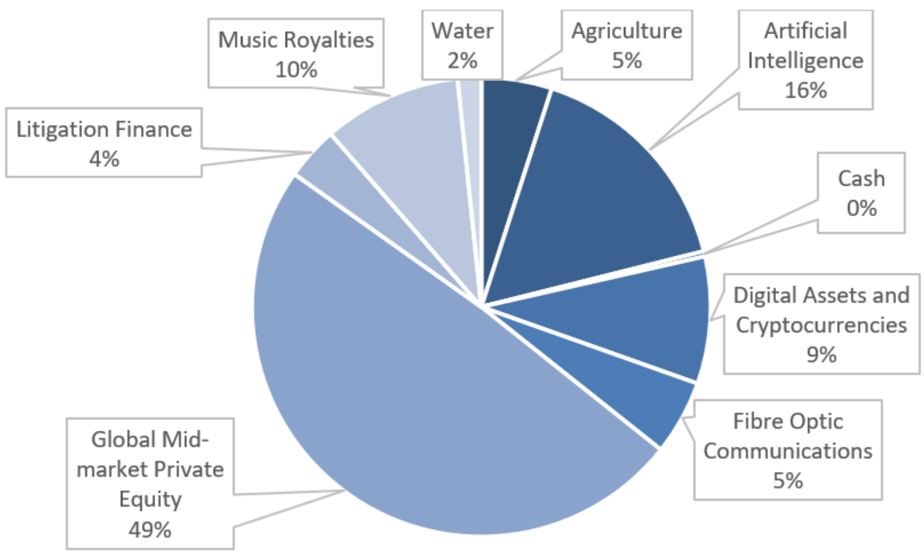
Real Estate: Closing Remarks

The 360 Degree Fund is having a positive year, and it has nothing to do with us being real estate investment "geniuses" or "gurus". In fact, we are quite simply a bunch of scared Canadians not wanting to lose money for our unitholders. That fear has driven us to follow the data and ignore the noise. Doing so has naturally allowed the fund to migrate into comparative safe real estate opportunities that are long on attractive cash yields and exit caps and short on glamour and pageantry. If we have said this once we have said it a hundred times: real estate is an asset class that requires precision and not broad-based generalizations. If you are contemplating a major real estate deal and need someone to scare you *out* of doing so, just come talk to us. In retrospect it could end up being the most profitable discussion you have had all year.

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, 2025



During the third quarter of 2025, the Emergence Fund was higher by thirty basis points. During the quarter mid-market private equity LPs were mixed with those focused on healthcare outperforming those focused on other industry groups. Music Royalties and digital assets and cryptocurrencies, agriculture and fibre optic communications performed well during the quarter with litigation finance and water lagging. Artificial Intelligence (AI) was also weaker during the quarter primarily due to poor disposition activity.

Private Equity Portfolio: Activity

During the quarter the fund added to its positions with Round 13 Capital and 424 Capital. Round 13 Capital principally focuses on growth-stage venture capital and later-stage tech-enabled services, while selectively evaluating seed stage opportunities.

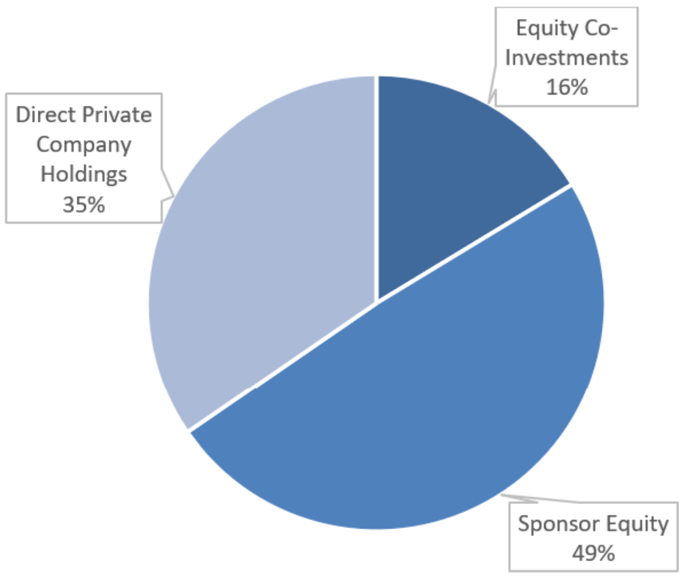
424 Capital makes control investments and may bring in other debt or equity to ensure the financing is structured to support meaningful expansion. During the quarter, the Portfolio Manager engaged with an existing fund sponsor and concluded due diligence into an investment in Elon Musk’s Space X.

More formally known as Space Exploration Technologies, SpaceX, is an American space technology company headquartered at the Starbase development site in Starbase, Texas. Since its founding in 2002, the company has made numerous advances in rocket propulsion, reusable launch vehicles, human spaceflight and satellite constellation technology. SpaceX has raised over $13.3 billion across numerous funding rounds. Recent activity includes a **secondary market round on September 10, 2025**, and continued investment in other ventures like AI. Major investors include Google, Fidelity, and Founders Fund, with funding coming in various forms, including grants, private equity financing, and debt financing. Emergence was given an option to participate in a liquidity window whereby SpaceX staff and early investors exit their shares. As the performance of SpaceX has been strong, the Emergence Fund opted to proceed with the sponsor investment [which technically occurred just after the 3rd quarter ended] but did so at a discount to Net Asset Value (NAV). Effectively, the move gives Emergence access to a stake in SpaceX at an effective valuation of roughly $290 billion [i.e. the company’s 2024 valuation] rather than the $400 billion figure rumored to be the company’s current value.

SpaceX investment summary:

- Elon Musk: Founder and CEO, 54%
- Founders Fund: 10.4%
- Fidelity Investments: 10.2%
- Google (Google Ventures): 7.5%
- Baillie Gifford and Valor Equity Partners: participated in 2020 funding round, contributing to SpaceX's valuation

Chart 7 – Emergence Fund Investment Structure Mix, as of September 30th, 2025



Structurally, Emergence was nearly identical to where it stood at the end of the second quarter, with only basis points separating direct private company holdings, sponsored positions and equity co-investments.

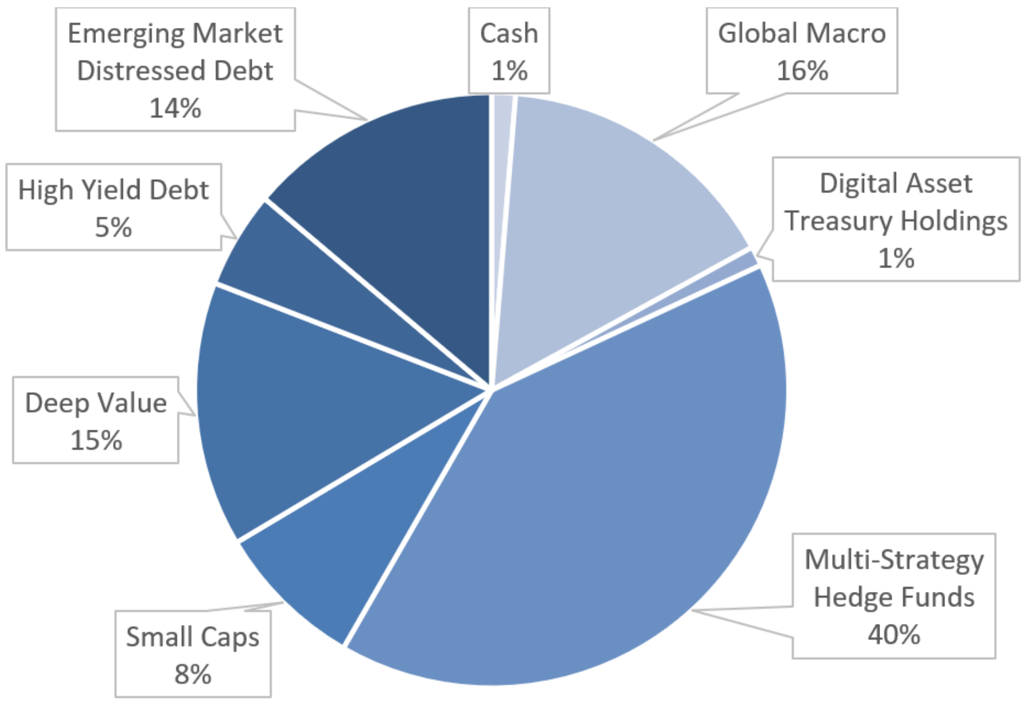
Hedge Funds: MacNicol Absolute Return Fund

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 on page 14.

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, 2025



During the third quarter of 2025 the fund was higher by 5.2%. The most notable difference in the fund's investment strategy compared to the end of the second quarter was a reduction in cash. Cash was used to purchase a stake in TenX Protocols a Toronto, Ontario blockchain and digital treasury start up.

A crypto treasury company is a business focused primarily on accumulating digital assets such as Bitcoin, Ether, Solana or Ripple. During the past 12-18 months many investors including sovereign governments have confirmed that stockpiling cryptocurrencies is a strategic priority. Moreover, companies including SpaceX and others have adopted cryptocurrency strategies as part of their own corporate strategies. Crypto treasury corporations' performance should mirror the value of their crypto holdings.

Closing Comments

The third quarter of 2025 saw the Trust move closer to its targeted long-term average since inception of 10%. When compounded over many years, this rate of return, given the level of volatility in the underlying partnerships, represents an attractive alternative for investors living [and dying] by the stock market. It is always fun to ponder what an allocation to another asset class might look like. But we are confident that with our time-tested diversified approach to alternative asset investing, your trust in our Trust will be a very good long-term investment decision.

MacNicol & Associates Asset Management Inc.
October 2025