



# Starlight Global Real Estate Fund

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Annual Management Report of Fund Performance  
For the year ended March 31, 2023

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can receive a copy of the annual financial statements at your request, and at no cost, by calling 1-833-290-2606, by writing to us at Starlight Capital, 1400 - 3280 Bloor Street West, Centre Tower, Toronto, ON M8X 2X3, by e-mailing [info@starlightcapital.com](mailto:info@starlightcapital.com), or by visiting our website at [www.starlightcapital.com](http://www.starlightcapital.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, quarterly portfolio disclosure, or the Independent Review Committee's Report to unitholders.

## Management Discussion of Fund Performance

June 26, 2023

This management discussion of Starlight Global Real Estate Fund (the "Fund") performance presents the views of the portfolio management team at Starlight Investments Capital LP ("Starlight Capital" or the "Manager") about the significant factors and developments affecting the Fund's performance for the period from April 1, 2022 to March 31, 2023 (the "year"). In this report, "we", "us" and "our" refer to the Manager and Transactional Net Asset Value ("NAV") is calculated in accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure*.

Please read the caution regarding forward-looking information located at the end of the document.

## Investment Objective and Strategies

The Fund's investment objective is to provide regular current income by investing globally primarily in real estate investment trusts (REITs) and equity securities of corporations participating in the residential and commercial real estate sector. The Fund invests primarily in the real estate sector, which involves corporations that own, manage, develop, finance and otherwise participate in the residential and commercial real estate industry. The Fund may also invest in fixed-income securities issued by real estate related corporations and government or other sovereign credits. The Fund's investment strategies allow, among other things, to invest up to 10% of the Fund's assets in securities of other mutual funds, including those managed by Starlight Capital. When selecting a mutual fund to invest in, the Manager ensures that such investment is consistent with the Fund's investment objective and considers such factors as the type of securities held within the underlying fund, the performance of the underlying fund and the associated expenses, and investments in certain exchange-traded funds. The Fund has the ability to invest up to all of its assets in foreign securities. For a complete discussion of the Fund's investment objective and strategies, please refer to the Fund's most recently filed simplified prospectus.

## Risk

A detailed description of the overall risks of investing in the Fund is included in the Fund's most recently filed simplified prospectus. The Manager is not aware of any changes during the period to the risks outlined in the simplified prospectus which would materially affect the overall risk of investing in the Fund as discussed below.

The Fund is most suitable for those investors seeking a source of regular income and an exposure to the real estate sector, with a long-term investment time horizon. Investors should not be concerned with short-term price fluctuations and should be willing to accept a medium degree of risk.

## RESULTS OF OPERATIONS

### Macroeconomic Update

During the year, global real estate (FTSE EPRA/NAREIT Developed Total Return Index (CAD)) total returns were -14.0%, underperforming global equities (MSCI World Index (CAD)) with total returns of -0.9% and underperforming U.S. equities (S&P 500 Index (CAD)) with total returns of -0.03%.

During the year global market and sector specific market declines resulted in decreases in the Fund's investments and the Fund's NAV.

Financial conditions globally are tightening as the European Central Bank and the Bank of Canada are tapering bond purchases and the Federal Reserve Bank is set to join them. With few exceptions, most central banks continue to raise rates to combat domestic inflation.

Global growth remains above the long-term average for 2022 and 2023. However, the absolute level of growth is declining as we move beyond comparisons to the pandemic lows and fiscal stimulus rolls off. Several impediments to global growth have emerged that are contributing to the slow-down. Wage inflation has returned with lightly-skilled workers now having significant negotiating leverage. We expect the combination of wage and commodity inflation, rising borrowing costs and supply chain challenges to put pressure on corporate margins and earnings. Economic output will continue to expand, however, the rate of this growth will mean reverting back to the long-term average.

### Fund Overview

The Fund's geographic and sector allocations are shown in the summary of investment portfolio. The Manager evaluates the Fund's investments on a stock-by-stock basis, and sector weights are the result of security selection. As a result, sector weights or shifts are not necessarily indicative of a particular opinion (or change of opinion) on that sector. The Fund's 14.5% cash weighting reflects regular operating cash and defensive cash position due to the market volatility and weakening macroeconomic conditions.

The Fund's NAV decreased from \$134.1 million at March 31, 2022

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to \$101.4 million at March 31, 2023. The decrease in NAV was mainly from net redemptions of \$12.5 million, a decrease in market value of \$16.8 million and net distributions of \$3.4 million. Investment expenses were \$1.8 million (2022 - \$2.0 million) during the year, primarily from management fees and administration fees. The decrease in expenses was primarily due to the decrease in net assets of the Fund.

The Fund's distributions are detailed in the table below.

	Total distributions during the distribution year	Number of monthly distributions	Monthly distribution rate per unit 2022	Monthly distribution rate per unit 2023	Annualized Cash-on-cash distribution yield*
<b>ETF</b>					
<b>Series</b>	\$0.58	12	\$0.0485	\$0.0485	6.54%
<b>Series A</b>	\$0.56	12	\$0.0468	\$0.0468	6.63%
<b>Series D</b>	\$0.53	12	\$0.0444	\$0.0444	6.53%
<b>Series F</b>	\$0.58	12	\$0.0486	\$0.0486	6.53%
<b>Series FT6</b>	\$0.65	12	\$0.0583	\$0.0421	7.58%
<b>Series I</b>	\$0.61	12	\$0.0507	\$0.0507	6.42%
<b>Series O</b>	\$0.60	12	\$0.0504	\$0.0504	6.44%
<b>Series O6</b>	\$0.68	12	\$0.0604	\$0.0440	7.49%
<b>Series T6</b>	\$0.63	12	\$0.0562	\$0.0401	7.67%

\* Based on March 31, 2023 respective NAVs

## Portfolio Review

For the year ended March 31, 2023, the Fund's series F total returns were -12.0% outperforming the Fund's benchmark by 2.0%. The FTSE EPRA/NAREIT Developed Total Return Index (CAD) total returns were -14.0%. The Fund had higher exposure to Industrial and Residential REITs and significantly less portfolio weights to Diversified, Healthcare and Retail REITs during the year. The Fund is actively managed with an active share of 70% or greater throughout the year.

The top contributing real estate sectors to the Fund's performance during the year were Residential, Industrials and Specialized REITs with the Residential sector being the top detractor from performance.

Major geographic weights were in Canada and the United States (U.S.) representing over 90% of the NAV at year-end as the Manager maintained a developed market, lower volatility posture. Significant sector allocations included Industrial REITs, Multi-Family Residential REITs and Single-Family Residential REITs at 17.71%, 15.1% and 9.0%, respectively (average portfolio weight of 23.8%, 20.1% and 8.0%, respectively).

Two of the top contributors to Fund performance for the year were VICI Properties Inc. ("VICI"), with a total return of 30.4% and Switch Inc. ("Switch"), with a total return of 12.8%.

Switch is a data centre company in the U.S. and offers co-location, connectivity, cloud computing and other related solutions to customers in North America. Switch was taken private by DigitalBridge Group Inc. and IFM Investors in an all-cash transaction valued at approximately \$11 billion, including the assumption of debt.

VICI is a S&P 500® experiential real estate investment trust that owns market-leading gaming, hospitality and entertainment destinations, including Caesars Palace Las Vegas, MGM Grand and the Venetian Resort Las Vegas. VICI's portfolio consists of 49 gaming facilities across the United States and Canada comprising approximately 124 million square feet and features approximately 60,100 hotel rooms and more than 450 restaurants, bars, nightclubs and sportsbooks.

VICI reported strong numbers in Q1 2023 beating analyst estimates and announced the accretive acquisition of four assets in Canada. VICI also provided funding for the redevelopment of additional gaming assets, further expanding their acquisition pipeline. VICI's leases are triple-net with a rising percentage of income from investment grade or publicly listed tenants (~80%) and inflation indexing (~96%+).

One of the top detractors from Fund performance was Alexandria Real Estate Equities Inc. ("Alexandria"). Alexandria owns, develops and operates offices and labs for life science (biotech, pharmaceutical, universities, research institutions) and technology tenants. The portfolio is clustered in innovation and research markets such as Boston, New York, San Francisco, San Diego, Seattle and the Research Triangle. Alexandria is classified as an office REIT and this subsector has come under pressure as employers are forced to embrace hybrid work models in the face of a strong labour market. Recent defaults by high profile office landlords have also negatively impacted the outlook for office REITs and trimmed their trading multiples. Specific to Alexandria there have been concerns about funding for biotech and technology startups, that make up a material portion of their tenant base. The differentiated focus of Alexandria on life sciences has generated strong operating results in 2022 and in Q1 2023.

During the year, the Fund's investments have had 29 distribution or dividend increases at an average increase of 10.3%. In Q1 2023, the Fund's investments have had 12 dividend or distribution increases with an average increase of 15.3%.

## Portfolio Outlook

At March 31, 2023, the Fund held 29 positions (2022 – 38 positions). As the global economy experiences higher interest rates, inflationary pressure and a weakening growth outlook, the Manager has maintained its portfolio concentration in sectors and companies with resilient earnings growth and conservative leverage profiles.

The industrial sector has been resilient and continued to benefit from the trend towards e-commerce, global trade and near- or on-shoring. In April 2020, 40 million U.S. citizens purchased items online for the first time. In the U.S. alone, consumers spent \$861 billion online in 2020, up 44% from 2019 levels to account for 21.3% of retail sales. According to CBRE Limited, every 1% increase in e-commerce results in global demand for 1.25 million square feet of logistics and distribution real estate. This long-term structural driver of industrial real estate performance has been accelerated by COVID-19 and the Manager believes this trend will continue.

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In contrast to other real estate subsectors, in the multi-family sector tenants actually live in the real estate they lease. This has historically resulted in greater occupancy and revenue stability during economic downturns and appears to be the case during this downturn.

Multi-family has always been driven by job growth – wherever jobs are created, people migrate to those areas and the demand for housing rises. In some countries, immigration has provided additional impetus for rental housing demand. The larger publicly traded, multi-residential REITs maintained strong occupancy and rent collection rates throughout COVID-19 and continued to grow their cash flows. Despite the resiliency and strong results of the larger publicly traded REITs, they continue to trade at a discount to their NAV providing further upside potential.

The proliferation of data and our need to access it from anywhere has resulted in strong growth for the InfraTech sector (data centre and cell tower REITs). InfraTech has largely benefited from COVID-19, as traditional in-person interactions have been replaced with digital interactions. In the last two years, more data has been generated than in the entirety of human history before that and the trend continues to accelerate. The increased demand for digital storage capacity, access and communication has driven utilization rates higher and pulled corporate expansion plans forward, driving strong performance of data centre and cell tower businesses.

Overall, the Manager believes the Fund is well positioned in these uncertain markets to participate in an economic recovery while providing downside protection if a recession occurs. The Manager will closely monitor the investment environment and actively manage the Fund's positioning by carefully selecting individual businesses in-line with Starlight Capital's investment philosophy.

### **Recent Developments**

On June 16, 2023, the Manager re-designated Series D units as Series F units.

## **RELATED PARTY TRANSACTIONS**

The following arrangements listed below are considered to be related party transactions:

### **Management Services**

Starlight Capital is the Manager and trustee of the Fund. The Manager is responsible for the day-to-day operations of the Fund, including providing or arranging for the provision of investment advice, making brokerage arrangements for the purchase and sale of the investment portfolio, marketing, promotion and distribution of the Fund, and other administrative services, and in return, the Fund pays Starlight Capital management fees. Management fees of \$1.2 million were incurred by the Fund during the year (2022 - \$1.3 million). The amount owing but unpaid to the Manager as of March 31, 2023 was \$90 thousand (2022 - \$118 thousand). See *Management Fees* for details.

### **Management Fees**

Management fees are accrued daily and are subject to Harmonized Sales Tax ("HST"). The management fee varies for each series of units of a Fund. See *Series Information* for the management fee of each series.

#### ***Series A, D, T6, F, FT6 and ETF Series***

The Fund pays an annual management fee based on a fixed percentage of the monthly average of the daily series NAV of the Fund.

Approximately 19.1% of the total management fees for Series A, D, T6, F, FT6 and ETF Series were used to pay for sales and service fees. None of the management fees were used for investment management and other general administration. Administrative services include, but are not limited to, oversight and arranging for regulatory compliance, securityholder reporting and the Fund's daily operations.

#### ***Series O and O6***

Management fees are accrued daily, paid monthly and are subject to HST. Unitholders pay an annual management fee based on a fixed percentage of the monthly average daily series NAV of the Fund.

#### ***Series I***

Series I units are generally only available to eligible investors who make large investments in the Fund. The Fund does not pay management fees on its Series I units. Series I investors negotiate their own management fee that is paid directly to the Manager.

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### **Administration Fee**

The Manager pays all operating expenses, other than “Fund Costs”, for each series, in exchange for a fixed rate annual administration fee (the “Administration Fee”). Administration Fees are paid by each series of each Fund, except for Series I units, for which Administration Fees are charged directly to the investor. Administration Fees are subject to applicable taxes, such as HST. We provide the majority of the services required for the Funds to operate, although the Manager may retain third parties to provide such services.

In exchange for the Administration Fee, the expenses borne by the Manager on behalf of the Funds include: (i) recordkeeping, accounting and fund valuation costs; (ii) custody safekeeping fees; (iii) audit and legal fees; and (iv) the costs of preparing and distributing Fund financial reports, simplified prospectuses, and other investor communications we are required to prepare to comply with applicable laws (other than Fund Costs including the costs of complying with any new regulatory requirements, as described in the Fund’s prospectus).

The Administration Fee is charged separately from the management fee for each series. It is calculated as a fixed annual percentage of the NAV of each Series.

### **Related Fund Trading**

Related fund trading occurs when a Fund purchases or sells units/shares of another Fund managed by the Manager. During the year ended March 31, 2023, the Fund engaged in related fund trading or held position(s) in related fund(s) at the end of the year.

### **Transactions with Related Entities**

The Fund may, from time to time, engage in inter-fund trading where the Fund may enter into security trades with other mutual funds managed by Starlight Capital. These trades, if any, were executed through market intermediaries and under prevailing market terms and conditions and in accordance with Starlight Capital’s applicable policies and procedures.

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## Financial Highlights – All Series

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five periods, as applicable. The information on the following tables is not expected to add across due to the increase (decrease) in net assets from operations being based on average units outstanding during the period and all other numbers being based on actual units outstanding at the relevant point in time.

### The Fund's Net Assets per unit (\$) <sup>1,2,4</sup>

	Increase (decrease) from operations:					Distributions:					Total Distributions <sup>2,3</sup>	Net assets at the end of the period shown <sup>2</sup>
	Net assets at the beginning of period <sup>2</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from Operations <sup>2</sup>	From net investment income (excluding dividends)	From Canadian Dividend	From capital gains	Return of Capital		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ETF Series <sup>5</sup></b>												
Commencement of operations October 2, 2018												
Mar. 31, 2023	10.77	0.27	(0.15)	(0.09)	(1.77)	(1.74)	(0.03)	–	(0.17)	(0.38)	(0.58)	8.90
Mar. 31, 2022	9.68	0.22	(0.18)	0.51	0.98	1.53	(0.04)	(0.01)	(0.11)	(0.39)	(0.55)	10.77
Mar. 31, 2021	8.83	0.15	(0.17)	0.31	0.83	1.12	(0.03)	–	–	(0.51)	(0.54)	9.68
Mar. 31, 2020	10.44	0.32	(0.22)	(1.22)	(1.29)	(2.41)	(0.06)	–	–	(0.45)	(0.51)	8.83
Mar. 31, 2019	10.00	0.12	(0.11)	0.06	0.66	0.73	(0.04)	–	–	(0.21)	(0.25)	10.44
<b>Series A <sup>5</sup></b>												
Commencement of operations October 2, 2018												
Mar. 31, 2023	10.36	0.26	(0.24)	(0.16)	(1.15)	(1.29)	(0.03)	–	(0.16)	(0.37)	(0.56)	8.47
Mar. 31, 2022	9.42	0.21	(0.29)	0.49	1.00	1.41	(0.04)	(0.01)	(0.11)	(0.39)	(0.55)	10.36
Mar. 31, 2021	8.69	0.17	(0.26)	0.21	1.06	1.18	(0.03)	–	–	(0.51)	(0.54)	9.42
Mar. 31, 2020	10.38	0.32	(0.34)	(1.41)	(1.68)	(3.11)	(0.06)	–	–	(0.45)	(0.51)	8.69
Mar. 31, 2019	10.00	0.19	(0.16)	0.14	1.43	1.60	–	–	–	(0.25)	(0.25)	10.38
<b>Series D <sup>6</sup></b>												
Commencement of operations October 18, 2021												
Mar. 31, 2023	9.87	0.30	(0.10)	(0.20)	(0.90)	(0.90)	(0.02)	–	(0.16)	(0.35)	(0.53)	8.16
Mar. 31, 2022	10.00	0.07	(0.10)	0.09	(0.60)	(0.54)	(0.01)	–	(0.05)	(0.16)	(0.22)	9.87
<b>Series F <sup>5</sup></b>												
Commencement of operations October 2, 2018												
Mar. 31, 2023	10.80	0.27	(0.15)	(0.13)	(1.32)	(1.33)	(0.03)	–	(0.17)	(0.38)	(0.58)	8.93
Mar. 31, 2022	9.69	0.22	(0.18)	0.51	0.96	1.51	(0.04)	(0.01)	(0.11)	(0.39)	(0.55)	10.80
Mar. 31, 2021	8.84	0.17	(0.16)	0.25	0.95	1.21	(0.03)	–	–	(0.51)	(0.54)	9.69
Mar. 31, 2020	10.44	0.33	(0.23)	(1.42)	(1.76)	(3.08)	(0.06)	–	–	(0.45)	(0.51)	8.84
Mar. 31, 2019	10.00	0.16	(0.10)	0.12	1.63	1.81	–	–	–	(0.25)	(0.25)	10.44
<b>Series FT6 <sup>5</sup></b>												
Commencement of operations October 2, 2018												
Mar. 31, 2023	10.49	0.27	(0.15)	(0.18)	(1.14)	(1.20)	(0.03)	–	(0.19)	(0.43)	(0.65)	8.59
Mar. 31, 2022	9.48	0.21	(0.18)	0.50	0.82	1.35	(0.03)	(0.01)	(0.13)	(0.43)	(0.60)	10.49
Mar. 31, 2021	8.73	0.16	(0.18)	0.29	1.03	1.30	(0.04)	–	–	(0.59)	(0.63)	9.48
Mar. 31, 2020	10.40	0.31	(0.22)	(1.12)	(1.13)	(2.16)	(0.07)	–	–	(0.51)	(0.58)	8.73
Mar. 31, 2019	10.00	0.12	(0.11)	–	0.69	0.70	–	–	–	(0.29)	(0.29)	10.40
<b>Series I <sup>5</sup></b>												
Commencement of operations October 2, 2018												
Mar. 31, 2023	11.31	–	–	–	(3.00)	(3.00)	(0.03)	–	(0.18)	(0.40)	(0.61)	9.47
Mar. 31, 2022	10.01	0.23	(0.05)	0.53	1.12	1.83	(0.03)	(0.01)	(0.12)	(0.40)	(0.56)	11.31
Mar. 31, 2021	9.00	0.18	(0.04)	0.21	1.19	1.54	(0.03)	–	–	(0.51)	(0.54)	10.01
Mar. 31, 2020	10.50	0.32	(0.07)	(0.75)	(0.53)	(1.03)	(0.06)	–	–	(0.45)	(0.51)	9.00
Mar. 31, 2019	10.00	0.12	(0.05)	0.06	0.63	0.76	–	–	–	(0.25)	(0.25)	10.50

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**Financial Highlights (continued)**

**Ratios and Supplemental Data <sup>1</sup> (continued)**

	Net assets at the beginning of period <sup>2</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period shown <sup>2</sup>
		Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from Operations <sup>2</sup>	From net investment income (excluding dividends)	From Canadian Dividend	From capital gains	Return of Capital	Total Distributions <sup>2,3</sup>	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Series O<sup>5</sup></b>												
Commencement of operations October 2, 2018												
Mar. 31, 2023	11.23	–	–	–	(2.00)	<b>(2.00)</b>	(0.02)	–	(0.18)	(0.40)	<b>(0.60)</b>	<b>9.39</b>
Mar. 31, 2022	9.96	0.23	(0.07)	0.52	1.12	<b>1.8</b>	(0.03)	(0.01)	(0.12)	(0.40)	<b>(0.56)</b>	<b>11.23</b>
Mar. 31, 2021	8.98	0.18	(0.06)	0.21	1.18	<b>1.51</b>	(0.03)	–	–	(0.51)	<b>(0.54)</b>	<b>9.96</b>
Mar. 31, 2020	10.49	0.32	(0.09)	(0.75)	(0.53)	<b>(1.05)</b>	(0.06)	–	–	(0.45)	<b>(0.51)</b>	<b>8.98</b>
Mar. 31, 2019	10.00	0.12	(0.06)	0.06	0.63	<b>0.75</b>	–	–	–	(0.25)	<b>(0.25)</b>	<b>10.49</b>
<b>Series O6<sup>5</sup></b>												
Commencement of operations October 2, 2018												
Mar. 31, 2023	10.90	–	–	–	(1.00)	<b>(1.00)</b>	(0.04)	–	(0.20)	(0.44)	<b>(0.68)</b>	<b>9.02</b>
Mar. 31, 2022	9.74	0.22	(0.06)	0.51	1.08	<b>1.75</b>	(0.04)	(0.01)	(0.13)	(0.44)	<b>(0.62)</b>	<b>10.90</b>
Mar. 31, 2021	8.87	0.17	(0.06)	0.20	1.16	<b>1.47</b>	(0.04)	–	–	(0.60)	<b>(0.64)</b>	<b>9.74</b>
Mar. 31, 2020	10.45	0.31	(0.09)	(0.75)	(0.51)	<b>(1.04)</b>	(0.07)	–	–	(0.52)	<b>(0.59)</b>	<b>8.87</b>
Mar. 31, 2019	10.00	0.12	(0.06)	0.06	0.63	<b>0.75</b>	–	–	–	(0.29)	<b>(0.29)</b>	<b>10.45</b>
<b>Series T6<sup>5</sup></b>												
Commencement of operations October 2, 2018												
Mar. 31, 2023	10.09	0.25	(0.24)	(0.09)	(1.19)	<b>(1.27)</b>	(0.04)	–	(0.18)	(0.41)	<b>(0.63)</b>	<b>8.16</b>
Mar. 31, 2022	9.22	0.20	(0.29)	0.47	0.77	<b>1.15</b>	(0.04)	(0.01)	(0.12)	(0.42)	<b>(0.59)</b>	<b>10.09</b>
Mar. 31, 2021	8.59	0.15	(0.27)	0.27	0.84	<b>0.99</b>	(0.04)	–	–	(0.58)	<b>(0.62)</b>	<b>9.22</b>
Mar. 31, 2020	10.34	0.32	(0.32)	(0.87)	(0.76)	<b>(1.63)</b>	(0.07)	–	–	(0.51)	<b>(0.58)</b>	<b>8.59</b>
Mar. 31, 2019	10.00	0.17	(0.16)	0.14	1.20	<b>1.35</b>	–	–	–	(0.29)	<b>(0.29)</b>	<b>10.34</b>

**Explanatory Notes:**

<sup>1</sup> This information is derived from the Fund's audited annual financial statements.

<sup>2</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the fiscal period.

<sup>3</sup> Distributions were paid in cash and/or reinvested in additional units of the Fund, or both. The distributions per unit do not include the management fee distributions.

<sup>4</sup> This schedule is not a reconciliation of NAV since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities and accordingly columns may not add.

<sup>5</sup> The information shown in this column is for the years ended March 31 and the period beginning October 2, 2018 (the series' inception date) to March 31, 2019.

<sup>6</sup> The information shown in this column is for the period beginning October 18, 2021 (the series' inception date) to March 31, 2023.

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**Financial Highlights (continued)**

**Ratios and Supplemental Data<sup>1, 5</sup>**

	Total net assets <sup>1</sup>	Number of units outstanding <sup>1</sup>	Management expense ratio <sup>2</sup>	Management expense ratio (before expenses absorbed) <sup>2</sup>	Trading expense ratio <sup>3</sup>	Portfolio turnover rate <sup>4</sup>	Net asset value per unit <sup>1</sup>
	\$000's	000's	%	%	%	%	\$
<b>ETF Series</b>							
Commencement of operations October 2, 2018							
Mar. 31, 2023	12,460	1,400	1.29%	1.29%	0.09%	40.62%	<b>8.90</b>
Mar. 31, 2022	22,349	2,075	1.27%	1.27%	0.20%	107.47%	<b>10.77</b>
Mar. 31, 2021	17,666	1,825	1.32%	1.32%	0.24%	105.81%	<b>9.68</b>
Mar. 31, 2020	6,626	750	1.31%	1.39%	0.53%	104.16%	<b>8.83</b>
Mar. 31, 2019	3,391	325	1.91%	2.09%	0.20%	27.30%	<b>10.44</b>
<b>Series A</b>							
Commencement of operations October 2, 2018							
Mar. 31, 2023	18,586	2,195	2.41%	2.41%	0.09%	40.62%	<b>8.47</b>
Mar. 31, 2022	20,655	1,993	2.37%	2.37%	0.20%	107.47%	<b>10.36</b>
Mar. 31, 2021	15,545	1,651	2.40%	2.40%	0.24%	105.81%	<b>9.42</b>
Mar. 31, 2020	10,949	1,260	2.34%	2.42%	0.53%	104.16%	<b>8.69</b>
Mar. 31, 2019	2,176	210	2.47%	3.28%	0.20%	27.30%	<b>10.38</b>
<b>Series D</b>							
Commencement of operations October 18, 2021							
Mar. 31, 2023	90	11	1.30%	1.30%	0.09%	40.62%	<b>8.16</b>
Mar. 31, 2022	62	6	1.30%	1.30%	0.20%	107.47%	<b>9.87</b>
<b>Series F</b>							
Commencement of operations October 2, 2018							
Mar. 31, 2023	64,197	7,188	1.30%	1.30%	0.09%	40.62%	<b>8.93</b>
Mar. 31, 2022	84,040	7,780	1.27%	1.27%	0.20%	107.47%	<b>10.80</b>
Mar. 31, 2021	55,143	5,688	1.28%	1.28%	0.24%	105.81%	<b>9.69</b>
Mar. 31, 2020	28,166	3,187	1.28%	1.35%	0.53%	104.16%	<b>8.84</b>
Mar. 31, 2019	6,829	654	1.46%	2.07%	0.20%	27.30%	<b>10.44</b>
<b>Series FT6</b>							
Commencement of operations October 2, 2018							
Mar. 31, 2023	4,961	577	1.34%	1.34%	0.09%	40.62%	<b>8.59</b>
Mar. 31, 2022	5,298	505	1.31%	1.31%	0.20%	107.47%	<b>10.49</b>
Mar. 31, 2021	2,406	254	1.32%	1.32%	0.24%	105.81%	<b>9.48</b>
Mar. 31, 2020	726	83	1.32%	1.39%	0.53%	104.16%	<b>8.73</b>
Mar. 31, 2019	11	1	1.91%	2.10%	0.20%	27.30%	<b>10.40</b>
<b>Series I</b>							
Commencement of operations October 2, 2018							
Mar. 31, 2023	12	1	0.10%	0.10%	0.09%	40.62%	<b>9.47</b>
Mar. 31, 2022	14	1	0.06%	0.06%	0.20%	107.47%	<b>11.31</b>
Mar. 31, 2021	11	1	0.09%	0.09%	0.24%	105.81%	<b>10.01</b>
Mar. 31, 2020	10	1	0.07%	0.15%	0.53%	104.16%	<b>9.00</b>
Mar. 31, 2019	11	1	0.69%	0.88%	0.20%	27.30%	<b>10.50</b>
<b>Series O</b>							
Commencement of operations October 2, 2018							
Mar. 31, 2023	12	1	0.29%	0.29%	0.09%	40.62%	<b>9.39</b>
Mar. 31, 2022	13	1	0.24%	0.24%	0.20%	107.47%	<b>11.23</b>
Mar. 31, 2021	11	1	0.27%	0.27%	0.24%	105.81%	<b>9.96</b>
Mar. 31, 2020	10	1	0.26%	0.33%	0.53%	104.16%	<b>8.98</b>
Mar. 31, 2019	11	1	0.87%	1.06%	0.20%	27.30%	<b>10.49</b>

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**Financial Highlights (continued)**

**Ratios and Supplemental Data<sup>1</sup> (continued)**

	Total net assets <sup>1</sup>	Number of units outstanding <sup>1</sup>	Management expense ratio <sup>2</sup>	Management expense ratio (before expenses absorbed) <sup>2</sup>	Trading expense ratio <sup>3</sup>	Portfolio turnover rate <sup>4</sup>	Net asset value per unit <sup>1</sup>
	\$000's	000's	%	%	%	%	\$
<b>Series O6</b>							
Commencement of operations October 2, 2018							
Mar. 31, 2023	12	1	0.29%	0.29%	0.09%	40.62%	<b>9.02</b>
Mar. 31, 2022	13	1	0.24%	0.24%	0.20%	107.47%	<b>10.90</b>
Mar. 31, 2021	11	1	0.27%	0.27%	0.24%	105.81%	<b>9.74</b>
Mar. 31, 2020	10	1	0.26%	0.33%	0.53%	104.16%	<b>8.87</b>
Mar. 31, 2019	11	1	0.87%	1.05%	0.20%	27.30%	<b>10.45</b>
<b>Series T6</b>							
Commencement of operations October 2, 2018							
Mar. 31, 2023	1,023	125	2.45%	2.45%	0.09%	40.62%	<b>8.16</b>
Mar. 31, 2022	1,616	160	2.40%	2.40%	0.20%	107.47%	<b>10.09</b>
Mar. 31, 2021	707	77	2.39%	2.39%	0.24%	105.81%	<b>9.22</b>
Mar. 31, 2020	257	30	2.43%	2.50%	0.53%	104.16%	<b>8.59</b>
Mar. 31, 2019	68	7	2.72%	3.24%	0.20%	27.30%	<b>10.34</b>

**Explanatory Notes:**

<sup>1</sup> This information is provided as at the period shown, as applicable.

<sup>2</sup> The management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period. The Manager may reduce the effective management fee it charges the Fund by directing the Fund to make management fee distributions to the applicable unitholders in amounts equal to the amounts of the management fee reduction (see *Series Information*). The MER does not take into account the reduction in management fees due to management fee distributions to unitholders.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period.

<sup>4</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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For the year ended March 31, 2023

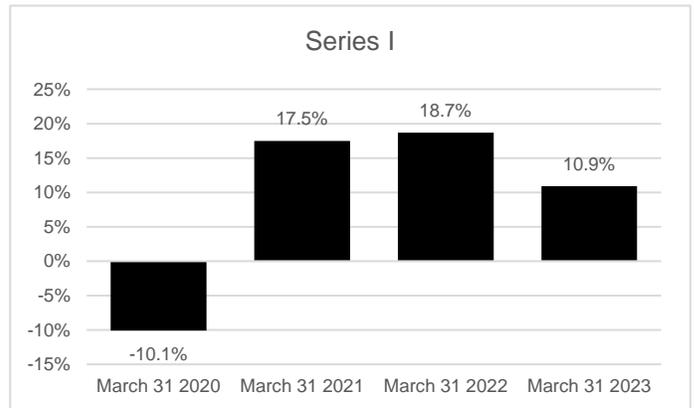
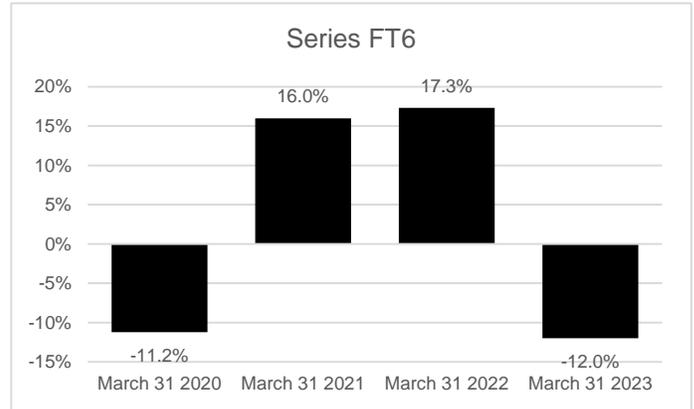
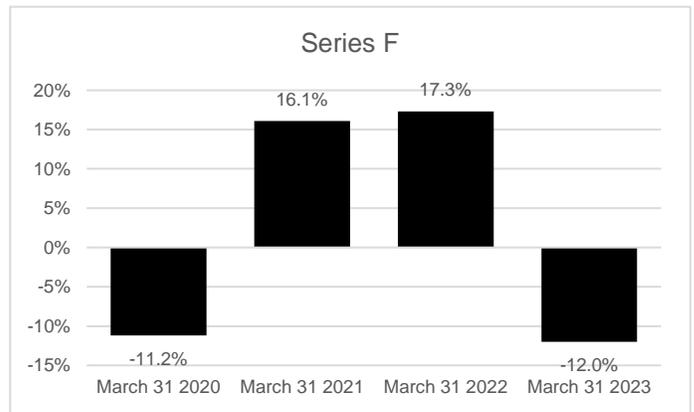
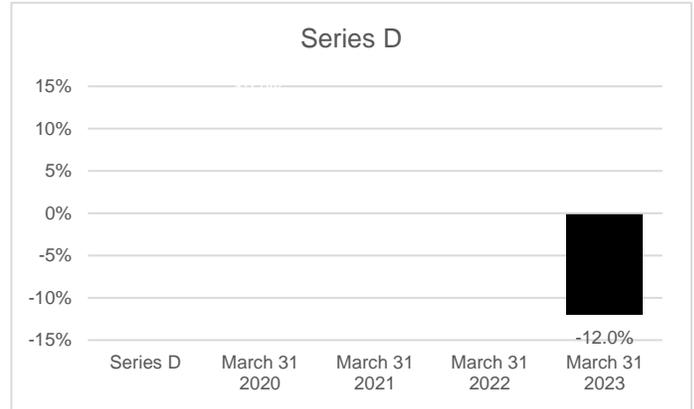
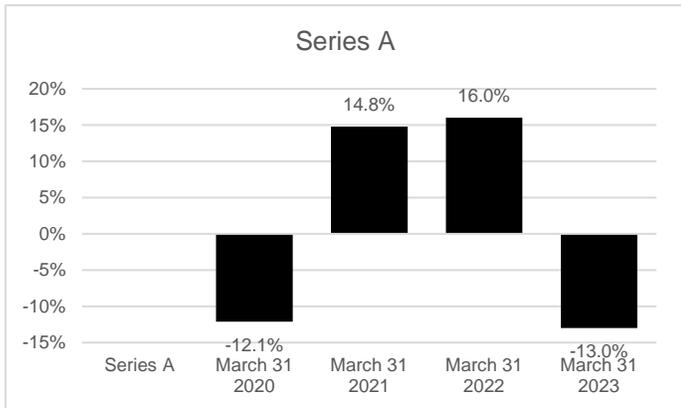
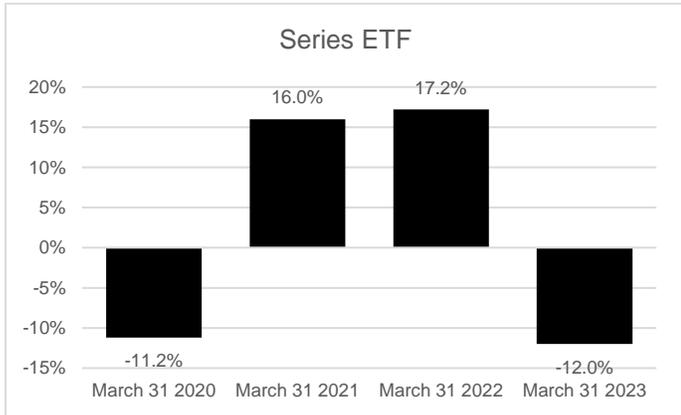
**Past Performance**

Returns are calculated using the NAV per unit and assume that all distributions made by the Fund in the periods shown, if any, are reinvested in additional units of the same series of the Fund. Returns do not take into account sales, redemption, distribution or optional charges, or income taxes payable by an investor, which would have reduced returns for an individual investor. Past performance may not be indicative of future returns.

Returns for each series may differ primarily due to differences in management fees, Administration Fees and expenses allocated to each series. Management fee distributions, if any, are assumed to be reinvested in additional units of the Fund. See *Series Information* for the management fee and Administration Fee and see *Financial Highlights* for the MER for each series of the Fund. The returns of Series O, O6 and I units do not take into account the management fee that is paid directly to the Manager.

**Year-by-year Returns**

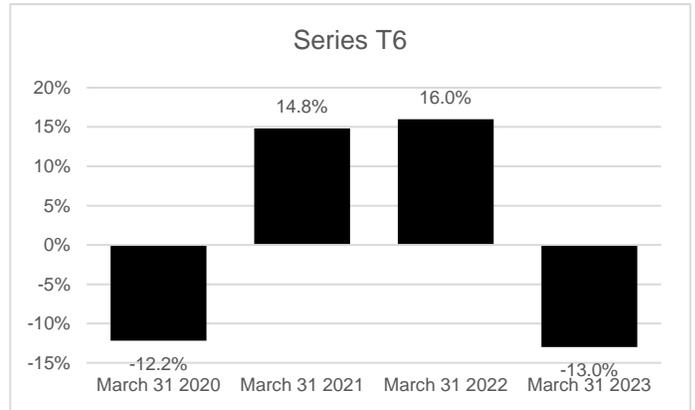
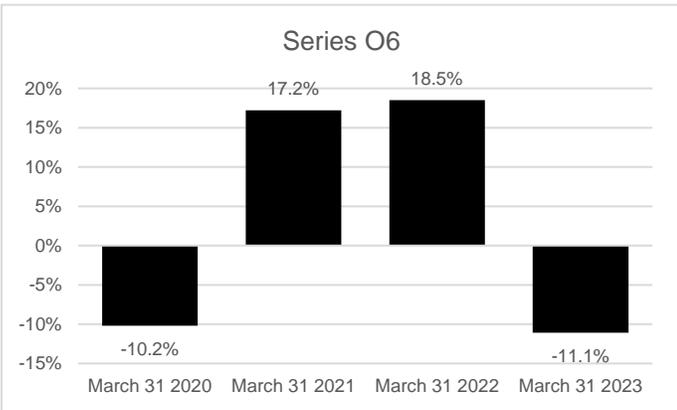
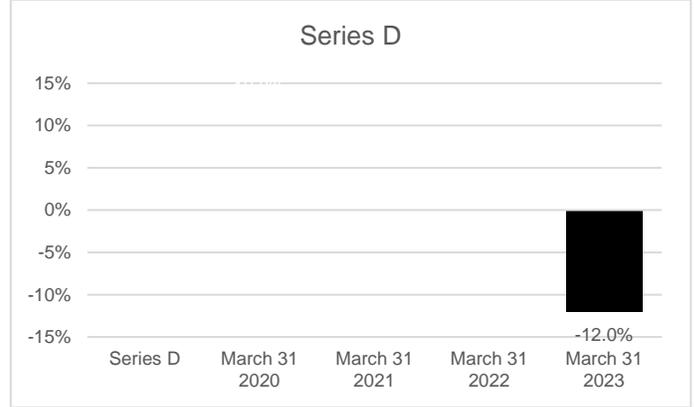
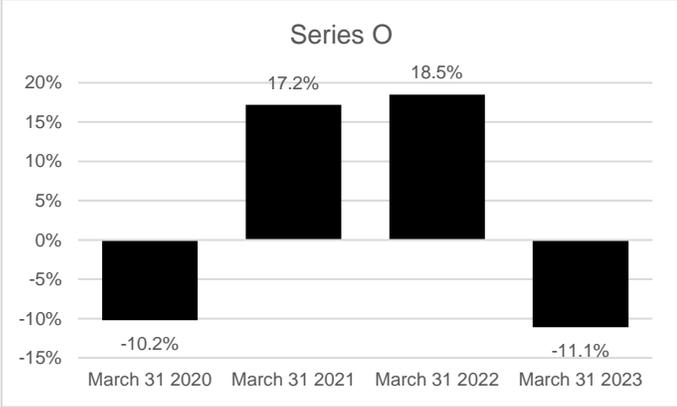
The following chart shows the performance of each series of the Fund for each of the years ended March 31, as applicable, and illustrates how the performance has changed from year to year. The chart shows, in percentage terms, how much an investment held on the first day of each fiscal period, or the series inception date, as applicable, would have increased or decreased by the last day of the fiscal period presented, and assumes reinvestment of distributions, if any, at NAV on the day the distributions were paid. See *Series Information* for the inception date of each series.



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**Past Performance**

**Year-by-year Returns (continued)**



**Starlight Global Real Estate Fund**  
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**Past Performance (continued)**

**Annual Compound Returns**

This table shows the annual compound return of each series of units of the Fund for each indicated period ended on March 31, 2023. The annual compound total return is also compared to the Fund's benchmark. A benchmark is usually an index or a composite of more than one index. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

The Fund's benchmark is the FTSE EPRA/NAREIT Developed Total Return Index (CAD).

	1 YEAR	3 YEAR	SINCE INCEPTION
ETF Series	-12.0%	6.2%	2.9%
Series A	-13.0%	5.0%	1.8%
Series D	-12.0%	N/A	-7.9%
Series F	-12.0%	6.2%	3.0%
Series FT6	-12.0%	6.2%	2.9%
Series I	-10.9%	7.5%	4.2%
Series O	-11.1%	7.3%	4.0%
Series O6	-11.1%	7.3%	4.0%
Series T6	-13.0%	5.0%	1.8%
FTSE EPRA/NAREIT Developed Total Return Index (CAD)	-14.0%	18.7%	10.9%

**Starlight Global Real Estate Fund**  
Annual Management Report of Fund Performance  
For the year ended March 31, 2023

## Summary of Investment Portfolio

As at March 31, 2023

### Portfolio Breakdown

Sector	% of NAV
Other Specialized REITs	18.8
Industrial REITs	17.3
Multi-Family Residential REITS	15.0
Cash & Cash Equivalents	14.5
Fund(s)	10.6
Single-Family Residential REITS	8.9
Retail REITs	5.0
Asset Management & Custody Banks	2.8
Office REITs	2.2
Diversified REITs	0.3
Other Assets (Liabilities)	4.6
<b>Total</b>	<b>100.0</b>

Regional	% of NAV
United States	48.0
Canada	32.9
Cash & Cash Equivalents	14.5
Other Assets (Liabilities)	4.6
<b>Total</b>	<b>100.0</b>

Net Currency Exposure	% of NAV
United States Dollar	66.2
Canadian Dollar	33.8
Euro	0.0
<b>Total</b>	<b>100.0</b>

### Top 25 Holdings

Name of Security	% of NAV
Cash & Cash Equivalents	14.5
Starlight Private Global Real Estate Pool, Series I	10.6
Prologis Inc.	4.3
Dream Industrial Real Estate Investment Trust	4.1
Granite Real Estate Investment Trust	3.9
Public Storage	3.2
Camden Property Trust	3.1
Canadian Apartment Properties Real Estate Investment Trust	3.0
Rexford Industrial Realty Inc.	3.0
VICI Properties Inc.	3.0
Killam Apartment Real Estate Investment Trust	2.9
Brookfield Corp.	2.8
Extra Space Storage Inc.	2.7
RioCan Real Estate Investment Trust	2.7
American Tower Corporation	2.6
Equity LifeStyle Properties Inc.	2.5
InterRent Real Estate Investment Trust	2.5
Mid-America Apartment Communities Inc.	2.5
SBA Communications Corporation	2.5
Equinix Inc.	2.4
Crown Castle International Corporation	2.3
Invitation Homes Inc.	2.3
Kimco Realty Corporation	2.3
Alexandria Real Estate Equities Inc.	2.2
Sun Communities Inc.	2.2
<b>Total</b>	<b>90.1</b>

**Total net asset value of the Fund** **\$101,353**

The Fund held no short positions at the end of the year.

This summary of investment portfolio may change due to ongoing portfolio transactions. Quarterly updates are available at [www.starlightcapital.com](http://www.starlightcapital.com). The simplified prospectus, fund facts document and other information about the Fund's investments in other investment funds, if any, are available on SEDAR at [www.sedar.com](http://www.sedar.com) or at [www.starlightcapital.com](http://www.starlightcapital.com).

**Starlight Global Real Estate Fund**  
Annual Management Report of Fund Performance  
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## Series Information

Starlight Capital managed mutual funds are collectively referred to as the “Starlight Capital Funds”. The Fund currently has the following series:

Series A	Series A securities are available to all investors under an initial sales charge option.
Series D	Series D units are available to investors who have an account with an eligible online or other discount brokerage firm or for other investors for whom the Manager does not incur substantial distribution costs.
Series T6	Series T6 securities are available to all investors, have the same attributes as Series A securities and provide investors with a targeted fixed monthly distribution.
Series F	Series F securities are generally only available to investors who have a fee-based account with their dealers.
Series FT6	Series FT6 securities are generally only available to investors who have a fee-based account with their dealers. Series FT6 securities have the same attributes as Series F securities and provide investors with a targeted fixed monthly distribution.
Series O	Series O securities are generally only available to investors who make large investments in the Starlight Capital Funds and who are approved by the Manager.
Series O6	Series O6 securities are generally only available to investors who make large investments in the Starlight Capital Funds and who are approved by the Manager. Series O6 securities have the same attributes as Series O securities and provide investors with a targeted fixed monthly distribution.
Series I	Series I securities are generally only available to institutional investors who invest a minimum of \$5,000,000 in Series I securities of the Starlight Capital Funds or an amount at the Manager’s discretion, and who are approved by the Manager. Series I securities are also available to Starlight Capital Funds or other investment products managed or sub-advised by Starlight Capital, directors, officers and employees of the Manager or an affiliate of the Manager.

Our account linking service allows investors with a minimum of \$250,000 invested collectively in Series A, Series D, Series T6, Series F, Series FT6, Series O, and/or Series O6 units of the Fund, spread across certain designated accounts, to aggregate such investment amounts in order to satisfy the initial minimum investment amounts. Investors with the minimum investment amounts will be qualified for management fee rebates. Investors in Series O, O6 and I units with the minimum investment amounts will be qualified for further reduced management fees in accordance with the tiered management fee schedule contained within the simplified prospectus or agreement entered into by each investor with Starlight Capital. The initial minimum investment amount in respect of Series I securities of a Starlight Capital Fund may be waived in respect of any qualifying designated account included within Starlight Capital’s preferred pricing program. Refer to the Funds’ most recently filed simplified prospectus for more details.

**Starlight Global Real Estate Fund**  
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For the year ended March 31, 2023

**Series Information (continued)**

The inception dates and management fees of each series are:

<b>Series</b>	<b>Inception date</b>	<b>Administration fee</b>	<b>Management fees</b>
ETF Series	October 2, 2018	0.20%	0.90%
Series A	October 2, 2018	0.20%	1.90% <sup>1</sup>
Series D	October 18, 2021	0.20%	0.90% <sup>1</sup>
Series T6	October 2, 2018	0.20%	1.90% <sup>1</sup>
Series F	October 2, 2018	0.20%	0.90% <sup>1</sup>
Series FT6	October 2, 2018	0.20%	0.90% <sup>1</sup>
Series O	October 2, 2018	0.15%	0.90% <sup>2</sup>
Series O6	October 2, 2018	0.15%	0.90% <sup>2</sup>
Series I	October 2, 2018	–	–% <sup>2</sup>

<sup>1</sup> Management fees in respect of Series A, T6, F and FT6 units are reduced at certain levels based on the amount invested. The applicable management fee distributions in connection with such an investment in the Fund are as follows:

	<b>\$250,000 to \$500,000</b>	<b>\$500,000 to \$1 million</b>	<b>\$1 million to \$2.5 million</b>	<b>Greater than \$2.5 million</b>
Series A, D, T6, F and FT6	0.05%	0.10%	0.15%	0.20%

<sup>2</sup> Series O, O6 and I units are generally only available to eligible investors who make large investments in the Fund. Series O and Series O6 investors pay a management fee directly to the Manager. Series I unitholders negotiate their own management fee that is paid directly to the Manager. The maximum rate of the management fee for Series O, O6 and I units is 0.90% and the applicable reductions to the maximum based on the size of the investment are set out below for series O and O6:

	<b>Maximum management fee</b>	<b>\$250,000 to \$500,000</b>	<b>\$500,000 to \$1 million</b>	<b>\$1 million to \$2.5 million</b>	<b>Greater than \$2.5 million</b>
Series O and O6	0.90%	0.85%	0.80%	0.75%	0.70%

The forward-looking information contained in this document is current only as of June 26, 2023. Certain statements in this document are forward-looking. Forward-looking statements (“FLS”) are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as “may,” “will,” “should,” “could,” “expect,” “anticipate,” “intend,” “plan,” “believe,” or “estimate,” or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what Starlight Capital believes to be reasonable assumptions, Starlight Capital cannot assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise. Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated.

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## **CORPORATE INFORMATION**

### **MANAGER**

STARLIGHT INVESTMENT CAPITAL LP  
1400 - 3280 Bloor Street West  
Centre Tower  
Toronto, Ontario, M8X 2X3

### **AUDITOR**

Deloitte LLP  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

### **CUSTODIAN AND TRANSFER AGENT**

RBC Investor Services Trust  
155 Wellington Street West,  
Toronto, ON M5V 3L3

### **ETF SERIES REGISTRAR AND TRANSFER AGENT**

TSX Trust Company  
100 Adelaide Street West, Suite 301  
Toronto, ON M5H 4H1

### **Board of Directors, Audit Committee and Executive team**

#### **DANIEL DRIMMER**

Chairman of the Board, Chair of the Audit Committee

#### **LEONARD DRIMMER**

Director

#### **NEIL FISCHLER**

Director

#### **GRAEME LLEWELLYN**

Director, Audit Committee Member, Chief Financial Officer and Chief Operating Officer

#### **DENNIS MITCHELL**

Director, Audit Committee Member, Chief Executive Officer and Chief Investment Officer

### **Investment Management Team**

#### **DENNIS MITCHELL**

Chief Executive Officer and Chief Investment Officer

#### **MICHAEL GIORDANO**

Vice-President and Senior Portfolio Manager

#### **SEAN TASCATAN**

Senior Portfolio Manager

#### **HISHAM YAKUB**

Senior Portfolio Manager