



## **Starlight Dividend Growth Class**

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Interim Management Report of Fund Performance

For the six-month period ended September 30, 2024

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This interim management report of fund performance contains financial highlights but does not contain the complete interim or annual financial statements of the investment fund. You can receive a copy of the interim or 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 or by visiting our website at www.starlightcapital.com or SEDAR+ at www.sedarplus.com.

Shareholders 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 shareholders.

## Management Discussion of Fund Performance

November 29, 2024

This management discussion of Starlight Dividend Growth Class (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, 2024 to September 30, 2024 (the "period"). 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 investment objective of the Fund is to achieve above-average long-term capital growth that is consistent with a conservative investment philosophy encompassing a diversified portfolio approach. The Fund invests primarily in equity securities of Canadian companies that demonstrate financial strength and good growth potential.

The Fund will invest in companies that offer potential for strong growth and have the ability to provide stable dividend payments. When evaluating the investment potential of a particular company, the Manager may assess the financial condition and management of the company, analyze financial data and other information sources to compare revenue acceleration, earnings and cash flows and conduct company interviews.

Investment selections are broadly diversified among all market segments; the Manager does not have a bias towards any particular sector. A portion of the assets of the Fund may also be invested in foreign securities. Under normal market conditions, it is anticipated that the Fund will invest approximately 30% of its assets in foreign securities in accordance with its performance benchmark, although the Fund's investments in foreign securities may be above this level from time to time.

## 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 capital growth, a source of regular income and an exposure to Canadian equities, 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 period, Canadian equity (S&P/TSX Composite Index) total returns were 9.8%, outperforming global equities (MSCI World Index (CAD)) with total returns of 9.3% and underperforming U.S. equities (S&P 500 Index (CAD)) with total returns of 10.1%.

Financial conditions globally are beginning to ease as the European Central Bank and the Bank of Canada have commenced cutting policy rates and the Federal Reserve Bank is set to join them. With few exceptions, most central banks have begun to cut rates as inflation has moderated back to long term target levels.

Global growth remains at 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. In Canada, rising mortgage rates and slowing immigration are capping growth. US dollar strength is negatively impacting emerging market growth and both China and the ECB are already growing below potential. 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 NAV increased from \$326.2 million at March 31, 2024 to \$342.5 million at September 30, 2024. The increase in the NAV was mainly from an increase from operations of \$25.7 million, which was partially offset by net dividends paid of \$2.4 million and net redemptions of \$5.9 million. Net investment expenses were \$3.4 million (2023 - \$3.3 million after expenses absorbed of \$258 thousand) during the period, primarily from management fees and securityholder reporting costs.

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The Fund's dividends are detailed below.

	Total dividends during the period	Number of monthly dividends	Monthly dividend rate per share 2024	Annualized Cash-on-cash dividend yield*
Series A	\$0.3101	6	\$0.0517	3.57%
Series B	\$0.2783	6	\$0.0464	3.58%
Series C	\$0.2794	6	\$0.0466	3.58%
Series L	\$0.3716	6	\$0.0619	3.59%
Series F	\$0.4076	6	\$0.0679	3.53%
Series FT6	\$0.3073	6	\$0.0512	5.42%
Series FT8	\$0.4062	6	\$0.0677	7.32%
Series I	\$0.2283	6	\$0.0381	3.50%
Series PTF	\$0.2717	6	\$0.0453	3.52%
Series T8	\$0.2933	6	\$0.0489	7.39%
Series T8B	\$0.2671	6	\$0.0445	7.43%

\* Based on September 30, 2024, respective NAVs

## Portfolio Review

For the six-months ended September 30, 2024, the Fund's series F had positive returns of 8.5%, which underperformed the Fund's benchmark by 1.4%. The benchmark which is a blend of 80% Morningstar Canada Index and 20% Morningstar US Large Cap Index returned 9.9% over the period.

From a sector perspective, Financials, Consumer Staples, Utilities and Industrials contributed the most to the Fund (contributing to roughly ¾ of the total return in aggregate).

At the end of the period, significant sector allocations included Financials, Industrials and Energy at 28.4%, 15.6% and 13.0%, respectively.

The Fund's geographic and sector allocations are shown in the summary of the 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.

We take a relatively balanced stance on the portfolio. The 2.3% average weight in cash (over the 6-month period ending September 30, 2024) allowed us to benefit from rising stock prices across both Canada and the United States while being opportunistic and make purchases of companies that meet our criteria and protect against the potential downside due to market volatility.

The top 2 contributors to Fund performance during the period were Royal Bank ("RBC") with a 26% total return and Brookfield Corporation ("Brookfield") with a total return of 27.2%.

RBC posted a solid quarter with primarily coming from lower-than-expected losses on loans and higher than expected net interest income. The results were boosted by strong capital markets contribution to revenue. Quarter after quarter RBC keeps justifying the premium valuation relative to other Canadian banks

Brookfield outperformed, benefitting from easing monetary policy across the world which eases concerns on Commercial Real Estate valuations and further fund raising. They also hosted an investor day with a set of fresh 5-year targets for 2024-2029 which was stronger than the market expected.

The top detractor from the performance during the year was CVS Health Corp ("CVS") with a total return of -19.7%.

CVS Health's stock underperformance in 2024 can be attributed to several issues, most notably within its Health Care Benefits segment. The company's acquisition of Aetna, initially aimed at boosting growth, faced profitability challenges, with Medicare Advantage plans underperforming and higher-than-expected medical costs straining earnings. This led to a series of downward revisions in CVS's profit forecasts, compounded by restructuring and leadership changes, including the departure of CEO Karen Lynch. Despite these setbacks, CVS's Pharmacy Benefit Management division and long-term growth potential in healthcare services present a solid case for recovery. CVS remains attractive due to its undervaluation and potential to stabilize and capitalize on an expanding healthcare market as restructuring efforts take effect.

During the period, the Fund's investments have had 35 dividend increases at an average increase of 11%.

## Portfolio Outlook

At September 30, 2024, the Fund held 44 positions. With inflationary pressures subsiding and as the manager saw rate-easing cycle on the horizon during the period, exposure to interest rate-sensitive investments was increased incrementally. This strategy was executed while maintaining a strong focus on high earnings quality and robust balance sheet standards.

The Manager initiated a position in one of the best grocery operators in Canada with Metro Inc. at a relatively lower premium to the group as it has been under pressure lately due to their ongoing investment in building their second automated distribution center in Ottawa. The Manager also initiated a new position in McKesson, the largest pharmaceutical distribution company in the US where 3 companies are responsible for the distribution of over 95% of all drugs throughout the US market. During the period a handful of positions were unwound due to reaching the fair value or exceeding valuation beyond what fundamentals could support including Oracle, Bookings Holdings, and Element Fleet. The Manager also sold its position in Open Text due to disappointing organic growth and management's push for acquisitions at any price.

The Financials sector, representing the Fund's largest allocation, was also the primary contributor to its performance. Royal Bank, Brookfield Corporation, and Intact ranked as the top performers, with Brookfield Asset Management and National Bank of Canada also making significant contributions. The Manager views Canadian banks as offering a balanced risk-reward profile and strategically manages the portfolio with a blend of high-quality U.S. stocks alongside top-tier Canadian equities, positioning for potential gains from declining interest rates.

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In the Consumer Staples sector, Jamieson Wellness delivered a return exceeding 33% over the six-month period. Additionally, Metro Inc. bolstered the sector's performance. Despite a brief period of underperformance due to investments in automated distribution centers—which temporarily affected free cash flow—investors continue to regard Metro as a leading operator in the industry.

The most notable shift in overall exposure occurred within the Financials sector, where the Manager achieved considerable success with both Canadian and U.S. selections, including Royal Bank, Brookfield Corporation, Visa, and Bank of America. Alongside increased weight from strong performance, the Manager also initiated a new position in National Bank of Canada.

Throughout the period, the Manager kept U.S. stock exposure below 30%, allocating over 70% of the Fund to Canadian investments, where a more favorable risk-reward profile was identified.

The Manager is confident that the Fund is well-positioned to navigate various economic scenarios, employing a barbell strategy that balances defensive and growth-oriented investments. The Manager will continue to monitor the investment landscape closely and adjust the Fund's positioning as needed, focusing on carefully selected businesses that align with Starlight Capital's investment philosophy.

### **Recent Developments**

On October 9, 2024, Starlight Capital announced the launch of the new Starlight Dividend Growth Class ETF series. Now trading under the symbol SCDG.

### **RELATED PARTY TRANSACTIONS**

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

#### **Management Services**

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 the Manager management fees. Management fees of \$2.7 million were incurred by the Fund during the period (\$2.5 million during the period ended September 30, 2023). The amount owed but unpaid to the Manager as at September 30, 2024 was \$460 thousand (March 31 2024 - \$403 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 securities of a Fund. See Series Information for the management fee of each series.

### **Series A, B, C, F, FT6, FT8, L, T8 and PTF 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 35.1 % of the total management fees for Series A, B, C, F, FT6, FT8, L, T8 and PTF 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 I**

Series I securities 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 securities. Series I investors negotiate their own management fee that is paid directly to the Manager.

### **Operating Fees**

The Fund pays operating fees (the "Operating Fees") to the Manager for the day-to-day operational services. The Operating Fees include but are not limited to legal and audit fees, transfer agency costs, custodian costs, filing fees, administrative and overhead costs charged by the manager, and the Independent Review Committee of the Fund.

Operating Fees incurred by the Fund are allocated among the series on a reasonable basis as determined by the Manager.

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund. The management expense ratios of each of the series of shares of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table.

### **Related Fund Trading**

Related fund trading occurs when a Fund purchases or sells units/shares of another Fund managed by the Manager. During the period ended September 30, 2024, the Fund engaged in related fund trading or held position(s) in related fund(s) at the end of the period.

### **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

The following tables present selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six 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 shares outstanding during the period and all other numbers being based on actual shares outstanding at the relevant point in time.

### The Fund's Net Assets Per Security<sup>1, 2, 4, 5</sup>

As at	Increase (decrease) from operations:						Dividends:				Net assets, end of period <sup>2</sup>	
	Net assets, 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>	Net investment income (excluding dividends)	Dividends	Capital gains	Return of capital		Total dividends <sup>3</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Series A<sup>5</sup></b>												
Commencement of operations November 14, 1957												
Sep 30, 2024	16.42	0.22	(0.21)	0.40	0.85	1.26	—	(0.11)	(0.20)	—	(0.31)	17.39
Mar 31, 2024	14.84	0.38	(0.42)	2.62	(0.45)	2.13	—	(0.22)	(0.38)	—	(0.60)	16.42
Mar 31, 2023	16.61	0.47	(0.50)	2.85	(4.26)	(1.44)	—	(0.15)	—	(0.24)	(0.39)	14.84
Dec 31, 2021	13.43	0.36	(0.39)	0.44	3.01	3.42	—	(0.24)	—	—	(0.24)	16.61
Dec 31, 2020	12.63	0.33	(0.33)	1.00	—	1.00	—	(0.24)	—	—	(0.24)	13.43
Dec 31, 2019	10.87	0.30	(0.32)	(0.14)	2.19	2.03	—	(0.24)	—	—	(0.24)	12.63
<b>Series B<sup>5</sup></b>												
Commencement of operations August 1, 2003												
Sep 30, 2024	14.72	0.19	(0.23)	0.36	0.74	1.06	—	(0.10)	(0.18)	—	(0.28)	15.53
Mar 31, 2024	13.38	0.34	(0.45)	2.29	(0.38)	1.80	—	(0.20)	(0.34)	—	(0.54)	14.72
Mar 31, 2023	15.07	0.41	(0.55)	2.48	(3.81)	(1.41)	—	(0.13)	—	(0.21)	(0.34)	13.38
Dec 31, 2021	12.25	0.33	(0.43)	0.42	2.72	3.04	—	(0.21)	—	—	(0.21)	15.07
Dec 31, 2020	11.58	0.30	(0.37)	0.94	(0.09)	0.78	—	(0.21)	—	—	(0.21)	12.25
Dec 31, 2019	10.01	0.28	(0.36)	(0.13)	2.08	1.87	—	(0.21)	—	—	(0.21)	11.58
<b>Series C<sup>5</sup></b>												
Commencement of operations August 1, 2003												
Sep 30, 2024	14.78	0.19	(0.23)	0.36	0.78	1.10	—	(0.10)	(0.18)	—	(0.28)	15.59
Mar 31, 2024	13.43	0.34	(0.45)	2.33	(0.38)	1.84	—	(0.20)	(0.34)	—	(0.54)	14.78
Mar 31, 2023	15.13	0.43	(0.55)	2.61	(3.90)	(1.41)	—	(0.13)	—	(0.21)	(0.34)	13.43
Dec 31, 2021	12.29	0.33	(0.43)	0.42	2.73	3.05	—	(0.21)	—	—	(0.21)	15.13
Dec 31, 2020	11.62	0.30	(0.37)	0.92	(0.02)	0.83	—	(0.21)	—	—	(0.21)	12.29
Dec 31, 2019	10.04	0.28	(0.36)	(0.13)	2.07	1.86	—	(0.21)	—	—	(0.21)	11.62
<b>Series F<sup>5</sup></b>												
Commencement of operations August 1, 2003												
Sep 30, 2024	21.67	0.29	(0.15)	0.54	1.14	1.82	—	(0.15)	(0.26)	—	(0.41)	23.07
Mar 31, 2024	19.35	0.50	(0.32)	3.52	(0.61)	3.09	—	(0.29)	(0.49)	—	(0.78)	21.67
Mar 31, 2023	21.28	0.63	(0.36)	3.86	(5.62)	(1.49)	—	(0.17)	—	(0.27)	(0.44)	19.35
Dec 31, 2021	16.97	0.46	(0.27)	0.55	3.83	4.57	—	(0.25)	—	—	(0.25)	21.28
Dec 31, 2020	15.73	0.41	(0.24)	1.20	0.19	1.56	—	(0.25)	—	—	(0.25)	16.97
Dec 31, 2019	13.33	0.38	(0.23)	(0.16)	2.64	2.63	—	(0.25)	—	—	(0.25)	15.73
<b>Series FT6<sup>5,6</sup></b>												
Commencement of operations August 1, 2023												
Sep 30, 2024	10.76	0.14	(0.08)	0.25	0.77	1.08	—	(0.11)	(0.20)	—	(0.31)	11.35
Mar 31, 2024	—	0.16	(0.12)	4.90	(3.19)	1.75	—	(0.15)	(0.25)	—	(0.40)	10.76
<b>Series FT8<sup>5,6</sup></b>												
Commencement of operations August 1, 2023												
Sep 30, 2024	10.62	0.14	(0.08)	0.28	0.62	0.96	—	(0.15)	(0.26)	—	(0.41)	11.09
Mar 31, 2024	—	0.14	(0.09)	2.12	0.03	2.20	—	(0.20)	(0.34)	—	(0.54)	10.62
<b>Series L<sup>5</sup></b>												
Commencement of operations September 1, 2007												
Sep 30, 2024	19.65	0.26	(0.32)	0.48	1.00	1.44	0.01	(0.14)	(0.24)	—	(0.37)	20.73
Mar 31, 2024	17.87	0.46	(0.61)	3.08	(0.50)	2.43	—	(0.26)	(0.46)	—	(0.72)	19.65
Mar 31, 2023	20.06	0.56	(0.74)	3.38	(5.12)	(1.92)	—	(0.15)	—	(0.24)	(0.39)	17.87
Dec 31, 2021	16.25	0.44	(0.58)	0.62	3.53	4.01	—	(0.21)	—	—	(0.21)	20.06
Dec 31, 2020	15.30	0.40	(0.50)	1.24	(0.10)	1.04	—	(0.21)	—	—	(0.21)	16.25
Dec 31, 2019	13.17	0.37	(0.48)	(0.17)	2.70	2.42	—	(0.21)	—	—	(0.21)	15.30
<b>Series I<sup>5,7</sup></b>												
Commencement of operations August 1, 2019												
Sep 30, 2024	12.19	0.16	(0.02)	0.74	0.62	1.50	—	(0.08)	(0.15)	—	(0.23)	13.05
Mar 31, 2024	10.73	0.30	(0.01)	1.35	0.02	1.66	—	(0.16)	(0.27)	—	(0.43)	12.19
Mar 31, 2023	11.63	0.32	(0.01)	1.97	(2.93)	(0.65)	—	(0.11)	—	(0.17)	(0.28)	10.73
Dec 31, 2021	10.00	0.18	(0.01)	0.03	1.48	1.68	—	(0.11)	—	—	(0.11)	11.63
Dec 31, 2020	10.00	—	—	—	—	—	—	—	—	—	—	10.00
Dec 31, 2019	10.00	—	—	—	—	—	—	—	—	—	—	10.00
<b>Series PTF<sup>5,8</sup></b>												
Commencement of operations September 3, 2019												
Sep 30, 2024	14.46	0.19	(0.07)	0.36	0.75	1.23	—	(0.10)	(0.17)	—	(0.27)	15.42
Mar 31, 2024	12.87	0.33	(0.16)	2.39	(0.44)	2.12	—	(0.19)	(0.33)	—	(0.52)	14.46
Mar 31, 2023	14.04	0.37	(0.18)	2.24	(3.62)	(1.19)	—	(0.11)	—	(0.17)	(0.28)	12.87
Dec 31, 2021	11.15	0.30	(0.13)	0.36	2.50	3.03	—	(0.17)	—	—	(0.17)	14.04
Dec 31, 2020	10.29	0.26	(0.11)	0.19	1.83	2.17	—	(0.17)	—	—	(0.17)	11.15
Dec 31, 2019	10.00	0.06	(0.03)	0.01	0.48	0.52	—	(0.04)	—	—	(0.04)	10.29

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**The Fund's Net Assets Per Security<sup>1, 2, 4, 5</sup>**

As at	Net assets, beginning of period <sup>2</sup>	Increase (decrease) from operations:					Dividends:				Net assets, end 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>	Net investment income (excluding dividends)	Dividends	Capital gains	Return of capital		Total dividends <sup>3</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Series T8<sup>5</sup></b>												
Commencement of operations September 1, 2007												
Sep 30, 2024	7.64	0.10	(0.10)	0.19	0.40	0.59	0.01	(0.11)	(0.19)	–	(0.29)	7.94
Mar 31, 2024	7.19	0.18	(0.19)	1.24	(0.19)	1.04	–	(0.21)	(0.37)	–	(0.58)	7.64
Mar 31, 2023	8.75	0.24	(0.25)	1.47	(2.17)	(0.71)	–	(0.33)	–	(0.51)	(0.84)	7.19
Dec 31, 2021	7.49	0.20	(0.21)	0.25	1.61	1.85	–	(0.47)	–	(0.13)	(0.60)	8.75
Dec 31, 2020	7.51	0.19	(0.19)	0.60	(0.11)	0.49	–	(0.14)	–	(0.46)	(0.60)	7.49
Dec 31, 2019	10.00	0.06	(0.03)	0.01	0.48	0.52	–	(0.04)	–	–	(0.04)	10.29
<b>Series T8B<sup>5</sup></b>												
Commencement of operations September 1, 2007												
Sep 30, 2024	6.95	0.09	(0.11)	0.17	0.35	0.50	–	(0.10)	(0.17)	–	(0.27)	7.19
Mar 31, 2024	6.58	0.17	(0.22)	1.10	(0.17)	0.88	–	(0.20)	(0.33)	–	(0.53)	6.95
Mar 31, 2023	8.07	0.20	(0.28)	1.22	(1.92)	(0.78)	–	(0.31)	–	(0.47)	(0.78)	6.58
Dec 31, 2021	6.96	0.18	(0.24)	0.25	1.49	1.68	–	(0.44)	–	(0.12)	(0.56)	8.07
Dec 31, 2020	7.02	0.18	(0.22)	0.56	(0.05)	0.47	–	(0.13)	–	(0.43)	(0.56)	6.96
Dec 31, 2019	6.41	0.17	(0.23)	(0.08)	1.32	1.18	–	(0.10)	–	(0.41)	(0.51)	7.02

**Explanatory Notes:**

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

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

<sup>3</sup> Dividends were paid in cash and/or reinvested in additional securities of the Fund, or both. The dividends per security do not include the management fee rebates.

<sup>4</sup> This schedule is not a reconciliation of NAV since it does not reflect shareholder 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 period ended September 30, 2024 and year ended March 31, 2024, period ended March 31, 2023, and years ended December 31, 2021, 2020 and 2019.

<sup>6</sup> The information shown in this column is for the period beginning August 1, 2023 (the series' inception date) to March 31, 2024.

<sup>7</sup> The information shown in this column is for the period beginning August 1, 2019 (the series' inception date) to December 31, 2019.

<sup>8</sup> The information shown in this column is for the period beginning September 3, 2019 (the series' inception date) to December 31, 2019.

**Starlight Dividend Growth Class**  
Interim Management Report of Fund Performance  
For the six-month period ended September 30, 2024

**Financial Highlights (continued)**

**Ratios And Supplemental Data<sup>1</sup>**

As at	Total net asset value \$000's <sup>1</sup>	Number of securities outstanding <sup>1</sup> 000's	Management expense ratio ("MER") <sup>2</sup> %	MER before waivers or absorptions <sup>2</sup> %	Trading expense ratio <sup>3</sup> %	Portfolio turnover rate <sup>4</sup> %	Net asset value per security <sup>1</sup> \$
<b>Series A</b>							
Commencement of operations November 14, 1957							
Sep 30, 2024	142,498	8,195	2.40	2.40	0.02	9.00	17.39
Mar 31, 2024	137,935	8,398	2.57	2.56	0.08	68.02	16.42
Mar 31, 2023	137,104	9,237	2.52	2.53	0.03	18.52	14.84
Dec 31, 2021	177,435	10,684	2.50	2.50	0.01	12.00	16.61
Dec 31, 2020	146,193	10,887	2.54	2.55	0.04	24.00	13.43
Dec 31, 2019	148,280	11,740	2.55	2.55	0.01	–	12.63
<b>Series B</b>							
Commencement of operations August 1, 2003							
Sep 30, 2024	11,245	724	2.99	2.99	0.02	9.00	15.53
Mar 31, 2024	11,599	788	3.17	3.16	0.08	68.02	14.72
Mar 31, 2023	12,326	921	3.11	3.11	0.03	18.52	13.38
Dec 31, 2021	17,576	1,166	3.10	3.10	0.01	12.00	15.07
Dec 31, 2020	16,738	1,366	3.13	3.13	0.04	24.00	12.25
Dec 31, 2019	19,589	1,691	3.13	3.13	0.01	–	11.58
<b>Series C</b>							
Commencement of operations August 1, 2003							
Sep 30, 2024	4,991	320	2.98	2.98	0.02	9.00	15.59
Mar 31, 2024	4,876	330	3.15	3.14	0.08	68.02	14.78
Mar 31, 2023	4,977	371	3.09	3.10	0.03	18.52	13.43
Dec 31, 2021	6,530	432	3.08	3.08	0.01	12.00	15.13
Dec 31, 2020	5,866	477	3.10	3.11	0.04	24.00	12.29
Dec 31, 2019	6,134	528	3.13	3.13	0.01	–	11.62
<b>Series F</b>							
Commencement of operations August 1, 2003							
Sep 30, 2024	118,236	5,124	1.27	1.27	0.02	9.00	23.07
Mar 31, 2024	109,429	5,051	1.43	1.42	0.08	68.02	21.67
Mar 31, 2023	100,800	5,208	1.38	1.39	0.03	18.52	19.35
Dec 31, 2021	113,465	5,331	1.36	1.36	0.01	12.00	21.28
Dec 31, 2020	82,462	4,860	1.40	1.40	0.04	24.00	16.97
Dec 31, 2019	66,071	4,201	1.41	1.41	0.01	–	15.73
<b>Series FT6<sup>5</sup></b>							
Commencement of operations August 1, 2023							
Sep 30, 2024	644	57	1.29	1.29	0.02	9.00	11.35
Mar 31, 2024	440	41	0.69	0.69	0.08	68.02	10.76
<b>Series FT8<sup>5</sup></b>							
Commencement of operations August 1, 2023							
Sep 30, 2024	289	26	1.31	1.31	0.02	9.00	11.09
Mar 31, 2024	193	18	0.71	0.70	0.08	68.02	10.62
<b>Series L</b>							
Commencement of operations September 1, 2011							
Sep 30, 2024	4,657	225	3.04	3.04	0.02	9.00	20.73
Mar 31, 2024	4,680	238	3.21	3.20	0.08	68.02	19.65
Mar 31, 2023	4,880	273	3.14	3.15	0.03	18.52	17.87
Dec 31, 2021	6,813	340	3.13	3.13	0.01	12.00	20.06
Dec 31, 2020	7,526	463	3.16	3.17	0.04	24.00	16.25
Dec 31, 2019	8,751	572	3.17	3.17	0.01	–	15.30
<b>Series I<sup>6</sup></b>							
Commencement of operations August 1, 2019							
Sep 30, 2024	27	2	0.24	0.24	0.02	9.00	13.05
Mar 31, 2024	27	2	–	–	0.08	68.02	12.19
Mar 31, 2023	226	21	–	–	0.03	18.52	10.73
Dec 31, 2021	158	14	–	–	0.01	12.00	11.63
Dec 31, 2020	–	0	–	–	–	24.00	10.00
Dec 31, 2019	–	0	–	–	–	–	10.00
<b>Series PTF<sup>7</sup></b>							
Commencement of operations September 3, 2019							
Sep 30, 2024	10,143	658	0.91	0.91	0.02	9.00	15.42
Mar 31, 2024	9,562	661	1.05	1.04	0.08	68.02	14.46
Mar 31, 2023	8,156	634	1.01	1.02	0.03	18.52	12.87
Dec 31, 2021	12,481	889	0.99	0.99	0.01	12.00	14.04
Dec 31, 2020	7,130	639	0.96	0.97	0.04	24.00	11.15
Dec 31, 2019	4	0	0.97	0.97	0.01	–	10.29

**Starlight Dividend Growth Class**  
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For the six-month period ended September 30, 2024

**Financial Highlights (continued)**  
**Ratios And Supplemental Data<sup>1</sup>(continued)**

As at	Total net asset value (\$000's) <sup>1</sup>	Number of securities outstanding <sup>1</sup> (000's)	Management expense ratio ("MER") (%) <sup>2</sup>	MER before waivers or absorptions (%) <sup>2</sup>	Trading expense ratio (%) <sup>3</sup>	Portfolio turnover rate (%) <sup>4</sup>	Net asset value per security (\$)
	\$000's <sup>1</sup>	000's	%	%	%	%	\$
<b>Series T8</b>							
Commencement of operations September 1, 2007							
Sep 30, 2024	45,898	5,783	2.35	2.35	0.02	9.00	7.94
Mar 31, 2024	43,402	5,679	2.53	2.53	0.08	68.02	7.64
Mar 31, 2023	39,647	5,516	2.48	2.49	0.03	18.52	7.19
Dec 31, 2021	45,775	5,233	2.47	2.47	0.01	12.00	8.75
Dec 31, 2020	41,016	5,479	2.52	2.52	0.04	24.00	7.49
Dec 31, 2019	48,093	6,406	2.53	2.53	0.01	–	7.51
<b>Series T8B</b>							
Commencement of operations September 1, 2007							
Sep 30, 2024	3,904	543	3.00	3.00	0.02	9.00	7.19
Mar 31, 2024	4,024	579	3.18	3.17	0.08	68.02	6.95
Mar 31, 2023	4,496	683	3.12	3.12	0.03	18.52	6.58
Dec 31, 2021	7,031	871	3.11	3.11	0.01	12.00	8.07
Dec 31, 2020	7,888	1,134	3.15	3.15	0.04	24.00	6.96
Dec 31, 2019	10,162	1,447	3.15	3.15	0.01	–	7.02

**Explanatory Notes:**

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

<sup>2</sup> MER for each series 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 rebates to the applicable securityholders 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 rebates to securityholders.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value 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 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.

<sup>5</sup> The information shown in this column is for the period beginning August 1, 2023 (the series' inception date) to March 31, 2024.

<sup>6</sup> The information shown in this column is for the period beginning August 1, 2019 (the series' inception date) to December 31, 2019.

<sup>7</sup> The information shown in this column is for the period beginning September 3, 2019 (the series' inception date) to December 31, 2019.

**Starlight Dividend Growth Class**  
 Interim Management Report of Fund Performance  
 For the six-month period ended September 30, 2024

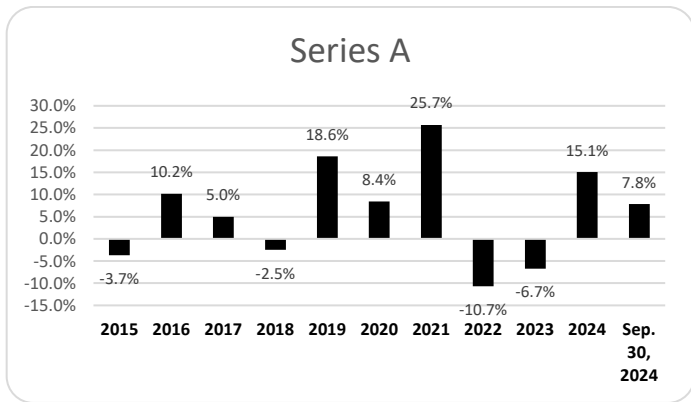
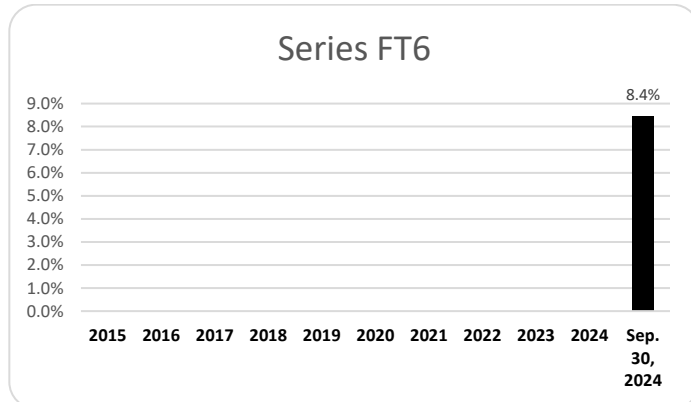
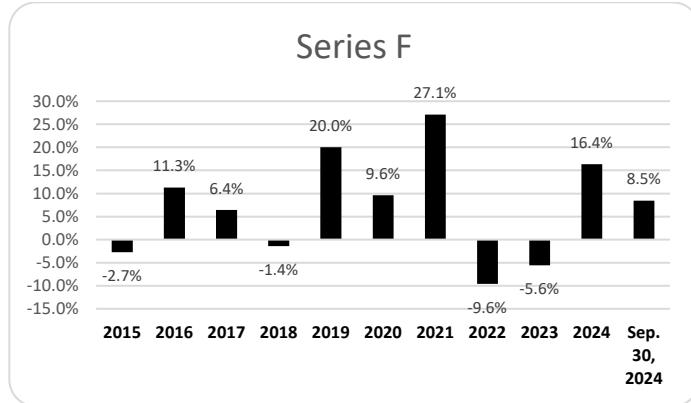
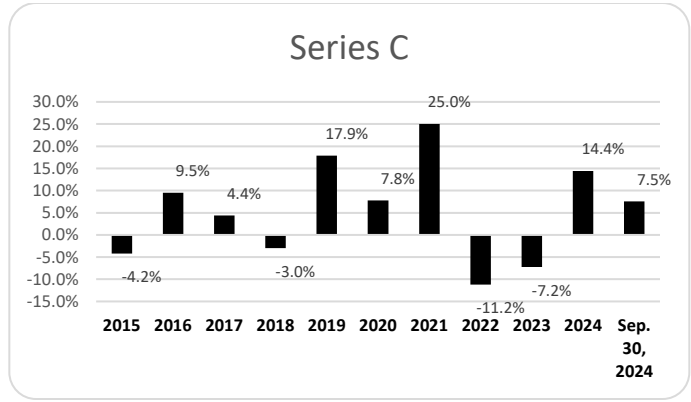
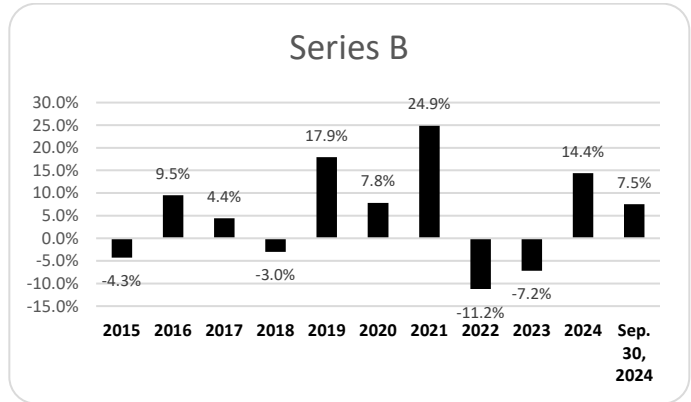
**Past Performance**

Returns are calculated using the NAV per security and assume that all dividends made by the Fund in the periods shown, if any, are reinvested in additional securities 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, operating fees and expenses allocated to each series. Management fee rebates, if any, are not reflected in the series returns or MERs. See Series Information for the management fees and see Financial Highlights for the MER for each series of the Fund. The returns of series I securities do not take into account the management fee that is paid directly to the Manager.

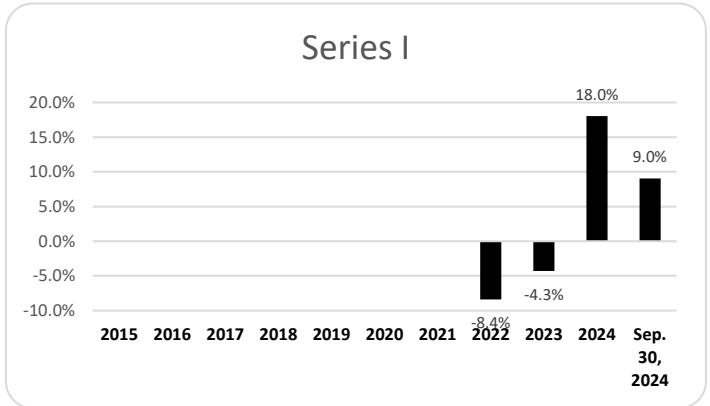
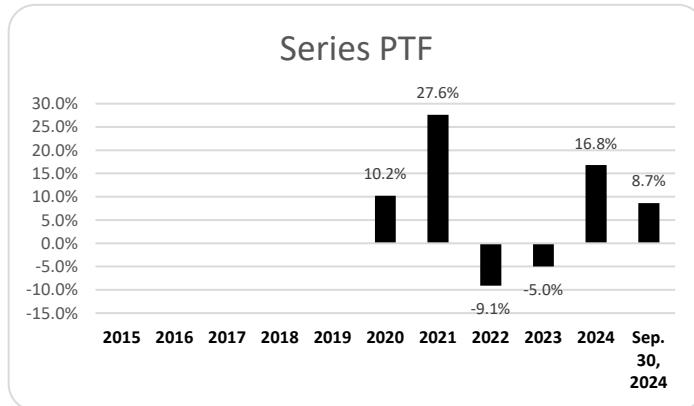
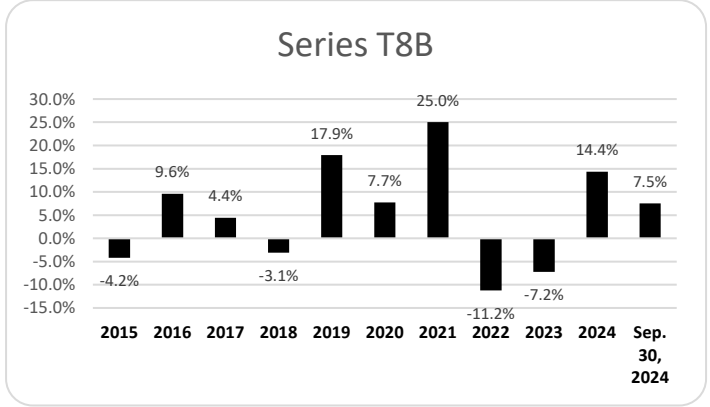
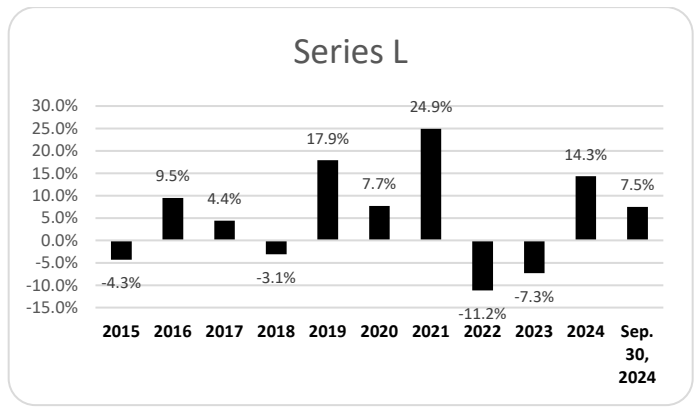
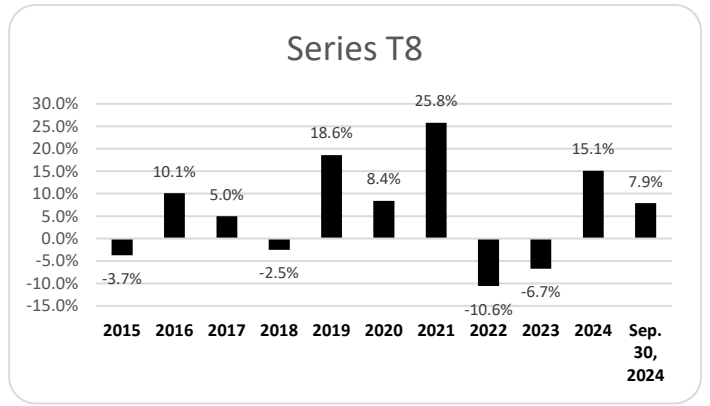
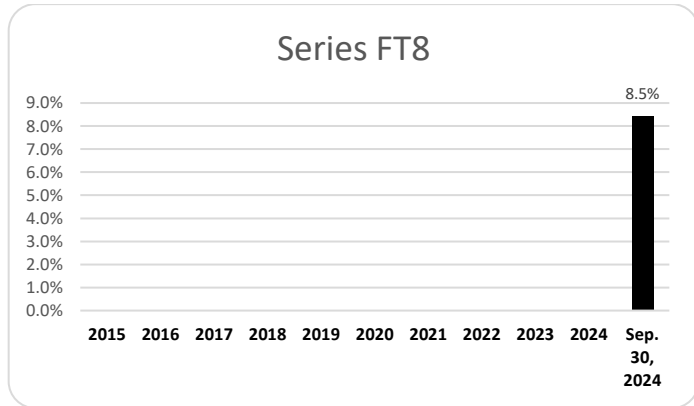
**Year-by-year returns**

The following charts present the Fund's interim and annual performance for each of the periods shown and illustrate how the Fund's performance has changed from period to period. The charts show, in percentage terms, how much an investment made 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 each fiscal period presented, and assumes reinvestment of dividends, if any, at NAV on the day the dividends were paid. See *Series Information* for the inception date of each series. Returns are not disclosed for series of the Fund that have been in existence for less than one year.



**Starlight Dividend Growth Class**  
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 For the six-month period ended September 30, 2024

**Past Performance (continued)**  
 Year-by-year returns



**Starlight Dividend Growth Class**  
Interim Management Report of Fund Performance  
For the six-month period ended September 30, 2024

## Summary of Investment Portfolio

As at September 30, 2023

### Portfolio Breakdown

Sector	% of NAV
Financials	28.0
Energy	12.4
Industrials	12.0
Funds	10.2
Consumer Staples	9.0
Health Care	8.5
Information Technology	8.0
Utilities	4.9
Consumer Discretionary	3.2
Materials	1.1
Cash & Cash Equivalents	2.7
Other Assets (Liabilities)	0.0
<b>Total</b>	<b>100.0</b>

Regional	% of NAV
Canada	70.1
United States of America	26.9
Cash & Cash Equivalents	2.7
Other Assets (Liabilities)	0.0
<b>Total</b>	<b>100.0</b>

Net Currency Exposure	% of NAV
Canadian Dollar	70.9
U.S. Dollar	29.1
<b>Total</b>	<b>100.0</b>

### Top 25 Holdings

Name of Security	% of NAV
Royal Bank of Canada	5.7
Starlight Private Global Real Estate Pool, Series 'I'	5.5
Brookfield Corporation	5.1
Starlight Global Private Equity Pool, Series 'I'	4.7
Waste Connections Inc.	4.1
UnitedHealth Group Inc.	3.9
Stantec Inc.	3.3
Microsoft Corporation	3.0
The Toronto-Dominion Bank	2.9
Brookfield Infrastructure Partners L.P.	2.8
Canadian Natural Resources Ltd.	2.8
Intact Financial Corporation	2.8
Visa Inc., Class 'A'	2.8
Cash & Cash Equivalents	2.7
Enbridge Inc.	2.7
Bank of Montreal	2.5
Suncor Energy Inc.	2.5
Alimentation Couche-Tard Inc.	2.3
Brookfield Asset Management Ltd.	2.3
Imperial Oil Ltd.	2.3
Capital Power Corporation	2.1
Tourmaline Oil Corp.	2.1
Canadian National Railway Company	2.0
Costco Wholesale Corporation	2.0
Northrop Grumman Corporation	2.0
<b>Total</b>	<b>76.9</b>

**Total net asset value of the Fund (in \$000's)      \$342,532**

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

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.sedarplus.com](http://www.sedarplus.com) or at [www.starlightcapital.com](http://www.starlightcapital.com).

**Starlight Dividend Growth Class**  
Interim Management Report of Fund Performance  
For the six-month period ended September 30, 2024

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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 T8	Series T8 securities are available to all investors, have the same attributes as Series A securities and provide investors with a targeted fixed monthly distribution.
Series T8B	Series T8B securities are closed to new purchases. Series T8B securities have the same attributes as Series B securities and provide investors with a targeted fixed monthly distribution.
Series B	Series B securities are closed to new purchases. Series B Securities were available under a DSC option.
Series C	Series C securities are closed to new purchases. Series C Securities were available under a DSC option.
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 FT8	Series FT8 securities are generally only available to investors who have a fee-based account with their dealers. Series FT8 securities have the same attributes as Series F securities and provide investors with a targeted fixed monthly distribution.
Series L	Series L securities are closed to new purchases. Series L Securities were available under a DSC option.
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.
Series PTF	Series PTF securities are generally only available for purchase by investors in an account where investors pay for advice directly to the dealer (in whatever form agreed to between the investor and the Dealer), rather than through us (either directly or indirectly).

Our account linking service allows investors with a minimum of \$250,000 invested collectively in Series A, Series T8, Series F, Series FT6, and/or FT8 securities 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 I securities with the minimum investment amounts will be qualified for further reduced management fees in accordance with the tiered management fee schedule contained within the 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 Dividend Growth Class**  
Interim Management Report of Fund Performance  
For the six-month period ended September 30, 2024

**Series Information (continued)**

The inception dates and management fees of each series are:

<b>Series</b>	<b>Inception date</b>	<b>Management fees</b>
Series T8	September 1, 2007	2.00 % <sup>1</sup>
Series T8B	September 1, 2007	2.50 %
Series A	November 14, 1957	2.00 % <sup>1</sup>
Series B	August 1, 2003	2.50 %
Series C	August 1, 2003	2.50 %
Series F	August 1, 2003	0.95 % <sup>1</sup>
Series FT6	August 1, 2023	0.95 % <sup>1</sup>
Series FT8	August 1, 2023	0.95 % <sup>1</sup>
Series L	September 1, 2011	2.50 %
Series I	August 1, 2019	– % <sup>2</sup>
Series PTF	September 3, 2019	0.65 %

<sup>1</sup> Management fees in respect of Series A, T8, F, FT6 and FT8 securities are reduced at certain levels based on the amount invested. The applicable management fee rebate 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, T8, F, FT6 and FT8	0.05%	0.10%	0.15%	0.20%

<sup>2</sup> Series I securities are generally only available to eligible investors who make large investments in the Fund. Series I securityholders negotiate their own management fee that is paid directly to the Manager. The maximum rate of the management fee for series I securities is 0.95%.

The forward-looking information contained in this document is current only as of November 21, 2024. 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 & PTF 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**  
Senior Portfolio Manager

**SEAN TASCATAN**  
Senior Portfolio Manager

**HISHAM YAKUB**  
Senior Portfolio Manager