



Sean Tascatan, CFA

Senior Portfolio Manager

Fund	YTD 2025	Q4 2025	1 Year	3 Year	5 Year	10 Year
Starlight North American Equity Fund, Series F	4.2%	0.5%	4.2%	15.3%	11.5%	9.8%

Source: Starlight Capital, as of December 31, 2025.

Performance Summary

- Over the fourth quarter of 2025, Starlight North American Equity Fund, Series F (the Fund) returned 0.5%. In 2025, the Fund is up 4.2%.
- North American equities advanced in Q4 2025, with the S&P 500 up about 2.7% and the S&P TSX Composite up about 6.3%.
- Health Care, Communication Services and Consumer Discretionary were the top sector contributors to Fund performance in the quarter, which was partially offset by a decline in Industrials, Information Technology and Consumer Staples.
- Looking ahead, positioning remains anchored in high quality franchises with resilient end markets and strong balance sheets, while we remain valuation disciplined in areas where expectations appear to be pulling forward multiple years of execution.

Market Overview

North American equities advanced in Q4 2025, with the S&P 500 up about 2.7% and the S&P TSX Composite up about 6.3%.

Markets were supported by a combination of easing monetary restraint and improving risk appetite into year end. In the United States, the Federal Reserve continued to ease policy in late 2025, underpinning generally resilient earnings commentary and sustaining investor focus on AI-related beneficiaries, despite periodic bouts of volatility tied to interest-rate and inflation expectations. The quarter ultimately finished positive, though market leadership remained selective and sentiment toward higher-multiple growth stocks stayed particularly sensitive to macroeconomic data and forward guidance.

In Canada, the Bank of Canada held its policy rate at 2.25% in December following earlier cuts in 2025, supporting rate-sensitive sectors and improving sentiment into year end. The TSX also benefited from strength in its largest index constituents, with financials and commodity-linked sectors remaining key performance drivers.

Earnings and positioning also played a meaningful role. Investor focus remained anchored on AI-linked demand, while stock-level dispersion stayed elevated, with companies demonstrating credible growth and durable cash generation rewarded, and higher-multiple names with softer forward expectations repriced.

Contributors and Detractors

Q4 2025 Top Five Contributors		
Stock	Average Weighting	Contribution to Return
ALPHABET INC-CL C	5.3%	1.2%
APPLIED MATERIALS INC	3.1%	0.6%
INTUITIVE SURGICAL INC	2.6%	0.5%
METTLER-TOLEDO INTERNATIONAL INC	2.6%	0.3%
TRISURA GROUP LTD	1.4%	0.2%

Q4 2025 Top Five Detractors		
Stock	Average Weighting	Contribution to Return
MOTOROLA SOLUTIONS INC	2.1%	-0.4%
GFL ENVIRONMENTAL INC-SUB VT	2.8%	-0.3%
PALO ALTO NETWORKS INC	2.7%	-0.3%
NETFLIX INC	0.8%	-0.2%
MICROSOFT CORP	2.6%	-0.2%

Source: Starlight Capital & Bloomberg Finance L.P. As of December 31, 2025.

Alphabet was a key contributor, supported by continued investor focus on strong operating results, including resilient digital advertising, above-expectation Google Cloud growth driven by AI demand, and ongoing cost discipline.

Applied Materials was supported by improving sentiment across semiconductor capital equipment, where investors continued to position for continued AI driven spending. Fiscal Q4 results were solid and reinforced the company's participation in leading edge demand trends.

Motorola Solutions Inc. was a modest detractor from performance, as its solid fundamentals and positive outlook for 2026 revenue growth and margin expansion were overshadowed by investor focus on short-term noise related to the longest U.S. government shutdown in history.

GFL detracted from performance as company-specific capital markets activity and balance sheet sensitivity weighed on sentiment, despite constructive operating performance. Shares declined following secondary offering headlines and ongoing investor focus on leverage, funding costs, and softer commodity prices.

Portfolio Update

Sector	Portfolio Weight %	Top %Q/Q Changes
Communication Services	9.0%	2.2%
Financials	12.9%	0.9%
Consumer Discretionary	10.1%	0.9%
Industrials	13.3%	0.6%
Information Technology	24.1%	-0.8%

Source: Starlight Capital & Bloomberg Finance L.P. As of December 31, 2025. Excludes Cash and Cash Equivalents.

Health Care contributed, driven by steady earnings execution and continued investor preference for companies with secular demand and strong cash flow generation. Communication Services also led, supported by large-cap platform companies where results and forward commentary reinforced confidence in digital advertising trends and ongoing AI investment cycles. Consumer Discretionary added to performance as select retail and consumer services names delivered solid earnings and maintained constructive margin and demand outlooks into year end.

These gains were partially offset by Industrials, where select holdings lagged amid pockets of weaker order and backlog expectations and increased valuation sensitivity. Information Technology also detracted, as the sector saw a late-quarter pullback driven by profit taking after strong year-to-date performance and heightened sensitivity to rates and elevated valuations.

There were no newly established positions during the quarter.

Fund Outlook

Looking ahead, positioning remains anchored in high quality franchises with resilient end markets and strong balance sheets, while we remain valuation disciplined in areas where expectations appear to be pulling forward multiple years of execution.

Source: Starlight Capital

Invest With Us

For more information on our investment solutions, learn more at starlightcapital.com or speak to our Sales Team.

For more information, please visit StarlightCapital.com

Important disclaimer.

The views in this update are subject to change at any time based upon market or other conditions and are current as of December 31, 2025. While all material is deemed to be reliable, accuracy and completeness cannot be guaranteed.

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 and the portfolio manager believe to be reasonable assumptions, neither Starlight Capital nor the portfolio manager can 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. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated.

The content of this document (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it. Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the offering documents before investing. Investors should consult with their advisors prior to investing.

Starlight, Starlight Investments, Starlight Capital and all other related Starlight logos are trademarks of Starlight Group Property Holdings Inc.

Starlight Capital

1400-3280 Bloor Street West
Toronto, Ontario, Canada M8X 2X3
info@starlightcapital.com
1-833-752-4683
Starlightcapital.com

