

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus (the “**Prospectus**”) constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended and, subject to certain exemptions, may not be offered or sold in the U.S.

## PROSPECTUS

Initial Public Offering

November 28, 2018

### STARLIGHT HYBRID GLOBAL REAL ASSETS TRUST

**Minimum: \$20,000,000 of Series A Units and/or Series C Units and/or Series F Units**

**Maximum: \$100,000,000 of Series A Units and/or Series C Units and/or Series F Units**

This Prospectus qualifies the distribution of up to 10,000,000 Series A units (the “**Series A Units**”) and/or Series C units (the “**Series C Units**”) and/or Series F units (the “**Series F Units**”, and collectively with the Series A Units and Series C Units, the “**Units**”) in the capital of Starlight Hybrid Global Real Assets Trust (the “**Trust**”) at an offering price of \$10.00 per Series A Unit, Series C Unit, and Series F Unit (the “**Offering**”).

The Trust is an investment trust which was established pursuant to a declaration of trust dated October 11, 2018 (the “**Declaration of Trust**”) under the laws of the province of Ontario. The Trust’s investment objective is to provide holders of Units (the “**Unitholders**”) with stable monthly cash distributions and long-term capital appreciation through exposure to institutional quality real assets in the global real estate and global infrastructure sectors. To achieve its objectives, the Trust will invest no less than 60% of the net capital raised into a subsidiary, Starlight Global Real Assets LP (the “**Public Portfolio LP**”), which will hold an actively managed global portfolio (the “**Public Portfolio**”) of real estate and infrastructure securities, targeting issuers primarily in OECD countries, managed by Dennis Mitchell of Starlight Investments Capital LP (the “**Investment Manager**”). The Trust will also invest in global real estate properties and global infrastructure assets, beginning with allocations of up to 20% of the net capital raised to each of the Starlight Canadian Residential Growth Fund (the “**Starlight Fund**”), a newly created fund to be managed by Daniel Drimmer of Starlight Group Property Holdings Inc., and the EagleCrest Infrastructure Canada LP (“**EICLP**”), managed by Fiera Infrastructure Inc. The Trust will target \$0.50 gross distributions per Unit per annum (5.0% yield based on the offering price per Unit) at the discretion of the Trustees, to be paid on a monthly basis commencing February 2019. Subject to compliance with applicable law, the Trust may in certain circumstances make or increase an investment in the Private Portfolio (as defined herein) with a view to acquiring control or significant influence positions. See “Investment Objectives” and “Investment Strategy”.

The Trust has received commitments (the “**Starlight Commitment**”) from Daniel Drimmer, the principal of the promoter of the Trust, to subscribe for \$5,000,000 of Series C Units pursuant to this Prospectus or, at the discretion of the Trust, by way of private placement. The Series C Units will be subject to the Series C Hold Period (as defined herein) for a period of four months following the Closing Date. The principal of the promoter intends to retain not less than 80% of his aggregate beneficial interest in such Series C Units acquired and/or Series A Units received upon the redesignation of any such Series C Units for a three year period following closing of the Offering. However, during such time period, the principal of the promoter may, in his discretion, sell 20% of such aggregate beneficial Unit interest in such manner as permitted by the Declaration of Trust and applicable securities laws.

Starlight Investments Capital GP Inc. (the “**Manager**”) will act as the manager and promoter of the Trust and will provide all management services required by the Trust. The Manager will make investment decisions with respect to the Private Portfolio (as defined herein) and the Investment Manager will act as the investment manager with respect to the Public Portfolio LP. See “Organization and Management Details of the Trust”.

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**Price: \$10.00 per Series A Unit**  
**\$10.00 per Series C Unit**  
**\$10.00 per Series F Unit**

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	<u>Price to the Public</u>	<u>Agents' Fee<sup>(1)</sup></u>	<u>Net Proceeds to the Trust<sup>(2)(3)</sup></u>
Per Series A Unit.....	\$10.00	\$0.45	\$9.55
Per Series C Unit <sup>(4)</sup> .....	\$10.00	\$0.00	\$10.00
Per Series F Unit.....	\$10.00	\$0.19	\$9.81
Minimum Offering <sup>(5)</sup> .....	\$20,000,000	\$675,000	\$19,325,000
Maximum Offering <sup>(6)</sup> .....	\$100,000,000	\$4,275,000	\$95,725,000

Notes:

- (1) The Trust has agreed to pay the Agents (as defined herein) a cash commission equal to 4.5% of the gross proceeds from the Series A Units and 1.9% of the gross proceeds from the Series F Units sold in the Offering (the “**Agents’ Fee**”). The Agents will not receive a cash commission in respect of the Series C Units.
- (2) After deducting the Agents’ Fee in respect of the Offering, but before deducting the expenses of the Offering, estimated to be \$300,000 in the case of the Minimum Offering (as defined herein) and \$975,000 in the case of the Maximum Offering (as defined herein), and in each case assuming only the Starlight Commitment and Series A Units are sold. Such expenses, to a maximum of 1.5% of the gross proceeds of the Offering, will be paid by the Trust from the proceeds of the Offering.
- (3) The Agents’ Fee and Offering expenses will be paid by the Trust from the proceeds of a margin facility.
- (4) Series C Units will only be sold to the principal of Starlight Property Holdings Group Inc. and certain other investors known to the Manager.
- (5) There will be no closing unless a minimum of 2,000,000 Units are sold pursuant to the Offering, inclusive of the \$5,000,000 Starlight Commitment.
- (6) The Trust has granted to the Agents an over-allotment option, exercisable for a period of 30 days from the Closing Date (as defined herein), to purchase up to an additional 15% of the aggregate number of Series A Units issued on the Closing Date on the same terms as set forth above solely to cover over-allocations, if any (the “**Over-Allotment Option**”). If the Over-Allotment Option is exercised in full under the Maximum Offering, and assuming only the Starlight Commitment and Series A Units are sold, the Series A price to the public, Agents’ Fee and net proceeds to the Trust, before expenses of the Offering, will be \$109,250,000, \$4,916,250 and \$104,333,750, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Series A Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Series A Units forming part of the Agents’ over-allocation position acquires such Series A Units under this Prospectus, regardless of whether the Agents’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

The Aquitas NEO Exchange (the “Exchange”) has conditionally approved the listing of the Series A Units. Listing of the Series A Units is subject to the Trust fulfilling all of the requirements of the Exchange.

**There is currently no market through which the Units may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Units, and the extent of issuer regulation. See “Risk Factors.”**

**There is no guarantee that an investment in the Trust will earn any positive return in the short or long term nor is there any guarantee that the investment objectives will be achieved. An investment in the Trust involves a degree of risk and is appropriate only for investors who have the capacity to absorb investment losses. See “Risk Factors” for a discussion of certain factors that should be considered by prospective purchasers of Units.**

**This is a “blind pool” offering. The Investment Manager has identified issuers the Trust will acquire for the Public Portfolio (as defined herein) with initially not less than 60% of the net proceeds from this Offering but the unallocated portion of the net proceeds of the Offering will be applied to purchase securities of public and private companies selected by the Manager and the Investment Manager. The Portfolio will be actively managed to seek to meet the Trust’s investment objectives and therefore the composition of the Portfolio will vary from time to time based on the Manager’s and the Investment Manager’s assessment of market conditions and the availability of suitable securities. Prospective purchasers who are not willing to rely on the discretion and judgment of the Manager and the Investment Manager should not subscribe for Units. See “Risk Factors.”**

CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Industrial Alliance Securities Inc., Manulife Securities Incorporated, Desjardins Securities Inc., Mackie Research Capital Corporation and Echelon Wealth Partners Inc. (collectively, the “**Agents**”), as agents, conditionally offer the Units on a best efforts basis, subject to prior sale, if, as and when issued by the Trust and accepted by the Agents in accordance with the conditions contained in the Agency Agreement (as defined herein), and subject to the approval of certain Canadian legal matters on behalf of the Trust and the Manager by Blake, Cassels & Graydon LLP and on behalf of the Agents by McCarthy Tétrault LLP. See “Plan of Distribution”.

Registration and transfers of Units will be effected only through the book entry only system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). A purchaser of Units will receive only a customer confirmation from the registered dealer which is a CDS participant and from or through which Units are purchased. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership of such securities. See “Plan of Distribution”.

**In this Prospectus, unless otherwise indicated, all references to dollar amounts are expressed in Canadian dollars.** Closing of the Offering is expected to occur on or about December 13, 2018 and in any event no later than 90 days after the issuance of a receipt for the final prospectus relating to the Offering. See “Plan of Distribution”.

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## FORWARD-LOOKING STATEMENTS

Certain statements, other than statements of historical fact, contained in this Prospectus constitute “forward-looking information” within the meaning of Canadian securities laws and are based on expectations, estimates and projections as of the date on which the statements are made in this Prospectus. Forward-looking statements include, without limitation, statements with respect to:

- (i) the completion of the Offering and receipt of all regulatory approvals in connection therewith;
- (ii) the use of the net proceeds of the Offering;
- (iii) the availability of investment opportunities;
- (iv) the performance of the Trust’s business and operations;
- (v) applicable laws, regulations and any amendments thereof;
- (vi) the competitive and business strategies of the Trust;
- (vii) statements related to the effect and consequences of certain regulatory initiatives;
- (viii) the competitive conditions of the commercial and residential real estate industries and the global infrastructure industry;
- (ix) the number of Series C Units to be subscribed for pursuant to the Starlight Commitment.

The words “plans”, “expects”, “scheduled”, “budgeted”, “projected”, “estimated”, “timeline”, “forecasts”, “anticipates”, “suggests”, “indicative”, “intend”, “guidance”, “outlook”, “potential”, “prospects”, “seek”, “strategy”, “targets” or “believes”, or variations of such words and phrases or statements that certain future conditions, actions, events or results “will”, “may”, “could”, “would”, “should”, “might” or “can”, or negative versions thereof, “be taken”, “occur”, “continue” or “be achieved”, and other similar expressions, identify forward-looking statements. Forward-looking statements are necessarily based upon management’s perceptions of historical trends, current conditions and expected future developments, as well as a number of specific factors and assumptions that, while considered reasonable by management as of the date on which the statements are made in this Prospectus, are inherently subject to significant business, economic and competitive uncertainties and contingencies which could result in the forward-looking statements ultimately being incorrect. In addition to the various factors and assumptions set forth in this Prospectus, the material factors and assumptions used to develop the forward-looking information include, but are not limited to: the Trust will be able to compete in the global commercial and residential real estate industries and the global infrastructure industry; the Trust will be able to make investments on suitable terms; issuers in the Portfolio will be able to meet their objectives and financial estimates and that the risk factors noted below, collectively, do not have a material impact on the Trust.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Known and unknown risk factors, many of which are beyond the control of the Trust could cause actual results to differ materially from the forward-looking information in this Prospectus. Such factors, without limitation, include the following, which are discussed in greater detail in the “Risk Factors” section of this Prospectus: there is no assurance that the Trust will be able to achieve its investment objectives; return on investment is not guaranteed; risks relating to the Portfolio issuers; risks relating to the valuation of the Portfolio; no current market for Units; risks relating to recent and future global financial developments; industry concentration risks; infrastructure risk; real estate risk; risks associated with investment in illiquid and private securities; degree of leverage; United States anti-money laundering laws and regulations; series risk; short selling; sensitivity to interest rates; reliance on the Manager and Investment Manager; conflicts of interest; fluctuations in NAV and NAV per each series of Unit; limited control; loss of investment; effect of fees; risks relating to currency exposure; risks relating to foreign market exposure; lack of operating history; risks relating to changes in regulation; and tax risks. These risk factors are not intended to represent a complete list of the factors that could affect the Trust and investors are

cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. The Trust disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

**All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Units.**

#### **INFORMATION REGARDING PUBLIC INFORMATION**

Certain information contained in this Prospectus relating to publicly traded securities, the issuers of those securities and the sectors in which the Trust will invest is taken from and based solely upon information published by those issuers or other public sources. None of the Trust, the Manager, the Investment Manager or the Agents have independently verified the accuracy or completeness of any such information.

## ABOUT THIS PROSPECTUS

In order to address certain securities regulatory or public interest policy objectives, the Trust will voluntarily adopt a number of measures that will define its business and the scope of its operations. These voluntary measures include:

- (a) the Trust will not invest more than 20% (at the time of investment) of its total assets in securities of any single issuer other than (i) securities issued or guaranteed by the government of Canada or a province or territory thereof or securities issued or guaranteed by the U.S. government or its agencies and instrumentalities, (ii) the Public Portfolio LP, or (iii) wholly-owned subsidiaries;
- (b) the Trust will set aside in permitted investments at least 15% of the net proceeds of the Offering to be committed in the Private Portfolio within six months of Closing;
- (c) notwithstanding that the Trust is not an “investment fund” within the meaning of applicable securities laws, it will nonetheless comply at all times with Part 5 of National Instrument 81-102 *Investment Funds* in the event that, subsequent to the Closing, the fundamental investment objectives of the Trust are to be changed. This provides holders of Units with the opportunity to approve any change to the fundamental investment objectives of the Trust following Closing;
- (d) although the Trust is not a non-redeemable investment fund under Canadian securities laws, it will nonetheless voluntarily provide in its management’s discussion and analysis required by National Instrument 51-102 *Continuous Disclosure Obligations* certain disclosure only required to be provided by investment funds pursuant to Form 81-101F2 *Contents of Annual Information Form*, specifically: (i) item 3(5) with respect to fundamental changes of the Trust (including in respect of the Trust’s investment objectives or the Manager); (ii) item 4(1) with respect to investment restrictions (including details of the Trust’s investment objectives); (iii) item 10 with respect to the Manager and Investment Manager; and (iv) item 13 (including a summary of the management and performance fees in the form required by item 3.6 of Form 41-101F2 *Information Required in an Investment Fund Prospectus*);
- (e) the Trust will provide an undertaking to the Ontario Securities Commission that it will (i) include a statement of investment portfolio prepared in accordance with section 3.5 of NI 81-106 in its annual and interim financial statements and (ii) provide financial and non-financial disclosure about the investees within the Private Portfolio that represent greater than 10% of the Trust’s assets in its annual and interim management’s discussion and analysis in accordance with CSA Multilateral Staff Notice 51-349 *Report on the Review of Investment Entities and Guide for Disclosure Improvements*, as it may be amended from time to time, including: (a) summarized financial information of the investee including the aggregated amounts of assets, liabilities, revenue and profit or loss along with a discussion of those results; (b) the Trust’s proportionate interest in the investee, if known; (c) a description of the investee company’s business; (d) the type of investment; (e) a description of the valuation techniques used including related inputs, if known; and (f) the effect of the fair value measurement on income;
- (f) the Trust will provide an undertaking to the Ontario Securities Commission that the Investment Manager will remain, and any future investment manager responsible for the Public Portfolio will be, registered as (i) a portfolio manager and (ii) an investment fund manager as defined under National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.
- (g) the Trust will have a majority of independent trustees in accordance with the recommendation of the Canadian securities regulatory authorities set forth in section 3.1 of National Policy 58-201 – Corporate Governance Guidelines; and
- (h) the Trust shall appoint a custodian that is qualified to act as a custodian in accordance with Part 6 of National Instrument 81-102 - Investment Funds other than the requirements under subsections 6.2(3)(a) and 6.2(3)(b) for the safekeeping of all of the investments and other assets of the Trust delivered to it.



## ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Trust, and McCarthy Tétrault LLP, counsel to the Agents, provided the Trust qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) or, in the case of the Series A Units, provided such Units are listed on a designated stock exchange for purposes of the Tax Act (which currently includes the Exchange), the Series A Units, Series C Units and Series F Units, if issued on the date hereof, would each be a qualified investment under the Tax Act for trusts governed by registered retirement savings plans (“**RRSP**”), registered education savings plans (“**RESP**”), registered retirement income funds (“**RRIF**”), deferred profit sharing plans, registered disability savings plans (“**RDSP**”) and tax-free savings accounts (“**TFSA**”) (collectively, “**Registered Plans**”). Property received in connection with an *in specie* redemption of Units as described under the heading “Description of the Securities – Units – Redemptions” may not be a qualified investment for trusts governed by a Registered Plan. Accordingly, Registered Plans that own Units should consult with their own tax advisors before deciding to exercise redemption rights in connection therewith.

Notwithstanding the foregoing, if the Series A Units, Series C Units and Series F Units are a “prohibited investment” (as defined in the Tax Act) for a trust governed by a TFSA, RESP, RDSP, RRSP or RRIF, the holder, subscriber or annuitant of such a trust that acquires Series A Units, Series C Units or Series F Units will be subject to a penalty tax as set out in the Tax Act. Series A Units, Series C Units and Series F Units will not be a prohibited investment for a TFSA, RESP, RDSP, RRSP or RRIF provided the holder, subscriber or annuitant of such Registered Plan, as the case may be, (i) deals at arm’s length with the Trust, for purposes of the Tax Act, and (ii) does not have a “significant interest” (as defined in the Tax Act) in the Trust. Generally, a holder, subscriber or annuitant will have a significant interest in the Trust if the holder, subscriber or annuitant, alone or together with persons and partnerships not dealing at arm’s length with the holder, subscriber or annuitant, owns 10% or more of the fair market value of all of the outstanding Units. In addition, Series A Units, Series C Units and Series F Units will not be a “prohibited investment” if such Units are “excluded property” as defined in the Tax Act for trusts governed by the relevant TFSA, RESP, RDSP, RRSP and RRIF.

Prospective purchasers who intend to hold Units in a TFSA, RRSP, RRIF, RDSP or RESP are advised to consult their personal tax advisors.

## MARKETING MATERIALS

The following marketing materials (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements*) have been filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with the Offering and are incorporated by reference into this Prospectus (collectively, the “**Marketing Materials**”):

- (a) the initial template version of the term sheet dated October 11, 2018;
- (b) the amended and restated template version of the term sheet dated October 12, 2018; and
- (c) the final template version of the term sheet dated November 28, 2018.

The initial template version of the term sheet was amended and restated on October 12, 2018 to correct the agents’ fee applicable to the Series F Units. Information in the amended and restated term sheet has been modified on the date hereof to include: the Maximum Offering amount, the Closing Date, and the option to redesignate Series F Units into Series C Units.

Pursuant to subsection 13.7(7) of National Instrument 41-101, the Trust has prepared the amended and restated template version of the term sheet and the final template version of the term sheet, each of which has been blacklined to the prior version to reflect the modified statements. The foregoing summary of modifications is not exhaustive and is qualified by the modifications contained in the amended and restated template version of the term sheet and the final template version of the term sheet and the blacklined versions of such documents which have been filed with the securities commission or similar authority in each of the provinces and territories of Canada and can be viewed under the Trust’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The template versions of the Marketing Materials are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus.

In addition, any template version of any other marketing materials filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the securities under this Prospectus is deemed to be incorporated by reference into this Prospectus.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Reference is made to the “Glossary of Terms” for the meanings of defined terms used in this summary. Potential investors should read the entire Prospectus and not rely solely on the contents of this summary, which does not contain full, true and plain disclosure of all material facts relating to the Units.*

**Trust:** Starlight Hybrid Global Real Assets Trust (the “**Trust**”) is a newly organized investment holding trust formed pursuant to a Declaration of Trust dated October 11, 2018 governed by the laws of Ontario. See “The Trust”.

**Offering:** The Trust is offering Series A units (the “**Series A Units**”) and/or Series C units (the “**Series C Units**”) and/or Series F units (“**Series F Units**”, and collectively with the Series A Units and Series C Units, the “**Units**”) at an offering price of \$10.00 per Unit.

**Issue Size:** Minimum Offering: \$20,000,000 (2,000,000 Units), including the Starlight Commitment (as defined herein).

Maximum Offering: \$100,000,000 (10,000,000 Units).

**Price:** \$10.00 per Unit.

**Minimum Purchase:** Series A Units: \$1,000 (100 Series A Units).

Series C Units: \$1,000,000 (100,000 Series C Units).

Series F Units: \$1,000,000 (100,000 Series F Units).

**Investment Objectives:** The Trust’s investment objective is to provide holders of Units (the “**Unitholders**”) with stable monthly cash distributions and long term capital appreciation through exposure to institutional quality real assets in the global real estate and global infrastructure sectors. See “Investment Objectives”.

**Investment Strategy:** The Trust will provide exposure to primarily publicly traded global equity securities, and to a lesser extent, debentures and bonds (the “**Public Portfolio**”) but may also invest up to 40% (determined at the time of investment) of the Trust’s total assets in private investments (the “**Private Portfolio**”, and together with the Public Portfolio, the “**Portfolio**”). To achieve its objectives, the Trust will invest no less than 60% of the net capital raised into a subsidiary, Starlight Global Real Assets LP (the “**Public Portfolio LP**”), which will invest in an actively managed global portfolio of real estate and infrastructure securities, targeting issuers primarily in OECD countries, managed by Dennis Mitchell of Starlight Investments Capital LP (the “**Investment Manager**”). The Trust also intends to invest in global real estate properties and global infrastructure assets, beginning with allocations of up to 20% of the net capital raised to each of the Starlight Canadian Residential Growth Fund (the “**Starlight Fund**”) managed by Daniel Drimmer of Starlight Group Property Holdings Inc. and the EagleCrest Infrastructure Canada LP (“**EICLP**”), managed by Fiera Infrastructure Inc. Subject to compliance with applicable law and the investment restrictions described under “Description of the Activities of the Trust – Investment Restrictions”, the Trust may in certain circumstances make or increase an investment in the Private Portfolio with a view to acquiring control or significant influence positions.

Through the Private Portfolio, the Trust will seek to enhance diversification and returns and provide investors with a unique opportunity to obtain exposure to private investments and acquisition candidates in the global real estate and global infrastructure sectors, primarily through investments in certain investment vehicles. Initially, investments in the real estate sector through

the Private Portfolio will be focused on opportunities in Canada through investment in the Starlight Fund and investments in the infrastructure sector through the Private Portfolio will be focused on North American and European assets through investment in EICLP. The goal of the Private Portfolio is to provide investors with exposure to private investments which the Manager believes exhibit strong growth and the potential for profitability and income generation. The Manager will be responsible for all investment decisions for the Private Portfolio but may delegate such responsibility in its discretion, pursuant to the Management Agreement.

In the future, the Private Portfolio may or may not include the Starlight Fund or EICLP referenced above and may include securities or other assets that are not described. The Starlight Fund is a fixed term investment vehicle and EICLP is not obligated to accept further commitments from the Trust, as such the Trust will have to find alternative investments for the Private Portfolio in the future. In keeping with the Trust's active management strategy, the Portfolio composition will vary over time depending on the Manager's and Investment Manager's assessment of overall market conditions, opportunities and outlook including the allocation between the Public Portfolio and the Private Portfolio which will be determined by the Manager. Generally, however, the Trust will seek to invest approximately 60% of its total assets in the Public Portfolio (30% in the global real estate sector and 30% in the global infrastructure sector) and 40% of its total assets in the Private Portfolio (20% in the global real estate sector and 20% in the global infrastructure sector). In all cases, percentage of investment is measured at cost at the time of investment.

Initially, 100% of the net capital raised will be invested in the Public Portfolio LP, with at least 15% of such capital to be set aside in permitted investments to be committed in the Private Portfolio within six months of Closing. However, it is the Trust's intention to commit up to 20% of the net capital raised to each of the Starlight Fund and EICLP. Once those commitments have been made, the Trust has a contractual obligation to deploy funds when the Starlight Fund or EICLP, respectively, make capital calls. It is expected that capital will be drawn down from the Public Portfolio LP and deployed into investments by the Private Portfolio over an estimated 12 to 24 month time period, as and when capital calls are made by the Starlight Fund and EICLP. Pending deployment, such capital will be invested in liquid securities in the Public Portfolio LP under the supervision of the Investment Manager, which securities may be subject to price fluctuation.

**Distributions:**

The Trust will target \$0.50 gross distributions per Unit per annum (5.0% yield based on the offering price per Unit) at the discretion of the Trustees, to be paid on a monthly basis.

Such distributions will be payable to Unitholders of record on the last day of each month or such other date as the Trustees may set from time to time and will be paid on or before the last Business Day of the first month following each such month.

The initial distribution is expected to be declared payable to Unitholders of record on February 28, 2019 and to be paid on or before the last Business Day of the following month.

Assuming (i) the gross proceeds of the Offering are \$100 million of Series A Units, (ii) the net proceeds are initially invested 100% into the Public Portfolio LP, (iii) the fees and expenses are as described herein, (iv) leverage of 15.0% of the Net Asset Value of the Public Portfolio is employed, which is the Trust's initial intention, and (v) no change in exchange rates between the Canadian dollar and foreign currencies, the Portfolio is expected to generate dividend and distribution income (net of applicable withholding tax), of approximately 5.0% per annum. The Portfolio would be required to generate an additional return of approximately 1.38% per annum (net of applicable withholding tax), including from dividend growth and realized capital appreciation, in order for the Trust to maintain its distribution level and a stable NAV per Unit. If the return on the Portfolio (including net realized capital gains from the sale of Portfolio securities) is less than the amount necessary to fund the monthly distribution and all expenses of the Trust, and if the Trust pays the monthly distributions at such amount, this will result in a portion of the capital of the Trust being returned to Unitholders and, accordingly, the NAV per

Unit would be reduced.

See “Description of the Securities – Units – Distributions”.

**Special Distribution:** If, in any taxation year, after payment of ordinary distributions, if any, there would remain in the Trust additional net income or net realized capital gains, the Trust will, prior to the end of the taxation year, pay or make payable such net income and net realized capital gains as one or more special year-end distributions to Unitholders as is necessary to ensure, to the extent permitted by the Tax Act, that the Trust will not be liable for non-refundable income tax under Part I the Tax Act for such taxation year. See “Description of the Securities - Distributions” and “Income Tax Considerations”.

**Leverage:** The Trust may obtain leverage of up to 15% of the Net Asset Value of the Public Portfolio LP by way of a margin facility.

In addition, the Private Portfolio will obtain leverage of up to 75% of the fair market value of any direct real estate held in the Private Portfolio either directly or indirectly through an investment vehicle.

In addition, the Private Portfolio will obtain leverage of up to 90% of the fair market value of any direct infrastructure held in the Private Portfolio either directly or indirectly through an investment vehicle.

The initial level of leverage is expected to be approximately 15.0% of the Net Asset Value of the Public Portfolio LP and the Trust.

See “Investment Strategy — Leverage”.

**Currency Hedging:** Certain of the securities included in the Portfolio may be denominated in currencies other than the Canadian dollar. The Investment Manager will take into consideration the foreign exchange exposure of the Portfolio and may enter into currency hedges to reduce the effects on the Portfolio of changes in the values of such foreign currencies relative to the Canadian dollar.

See “Investment Strategy – Currency Hedging”.

**Short Selling:** The Trust may short securities from time to time for investment purposes or for hedging and risk management purposes, though this is not a primary strategy of the Investment Manager. Short exposure in the Portfolio, for purposes other than hedging, will not exceed 20% of the total assets of the Trust on a daily marked-to-market basis.

See “Investment Strategy — Short Selling”.

**Use of Proceeds:** The net proceeds of the Offering will be used to purchase securities for the Portfolio following the Closing Date in accordance with the Trust’s investment objectives and investment strategy and for general operating purposes. As the Portfolio will be actively managed, the Trust may hold cash and cash equivalents from time to time depending on the Manager’s and the Investment Manager’s assessment of market conditions.

See “Use of Proceeds”.

**Organization and Management of the Trust:**

*Manager and Promoter*

Starlight Investments Capital GP Inc. (the “**Manager**”), the general partner of the Investment Manager and a wholly-owned subsidiary of Starlight Group Property Holdings Inc., is the manager of the Trust and is responsible for the provision of management services required by the Trust, including providing the officers and certain Trustees. The Manager’s head office is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, Canada, M8X 2X3.

The Manager may be considered a promoter of the Trust within the meaning of securities legislation of certain provinces and territories of Canada by reason of its initiative in organizing the Trust.

See “Organization and Management Details of the Trust — The Manager” and “Promoter”.

*Investment Manager*

Starlight Investments Capital LP, a wholly-owned subsidiary of Starlight Group Property Holdings Inc., is the investment manager of the Public Portfolio LP. The Investment Manager will be responsible for the investment decisions for the Public Portfolio.

See “Organization and Management Details of the Trust — The Investment Manager”.

*Auditor*

The auditor of the Trust is Deloitte LLP.

See “Auditor”.

*Registrar and Transfer Agent*

TSX Trust Company will provide the Trust with registrar and transfer agency services in respect of the Units from its principal offices in Toronto, Ontario.

See “Registrar and Transfer Agent”.

**Agents:**

The Trust has engaged CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Industrial Alliance Securities Inc., Manulife Securities Incorporated, Desjardins Securities Inc., Mackie Research Capital Corporation and Echelon Wealth Partners Inc. (collectively, the “**Agents**”), as agents, to offer the Units for sale to the public.

Pursuant to the Agency Agreement, the Agents have agreed to offer the Series A Units and Series F Units for sale, as agents of the Trust, on a best efforts basis, if, as and when issued by the Trust. The Agents will receive a fee equal to \$0.45 for each Series A Unit sold and \$0.19 for each Series F Unit sold and will be reimbursed for out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of its fees. While the Agents have agreed to use their best efforts to sell the Series A Units and Series F Units offered hereby, the Agents will not be obligated to purchase Series A Units and Series F Units which are not sold.

The Trust has granted the Agents an over-allotment option, exercisable for a period of 30 days from the Closing Date, to purchase up to an additional 15% of the aggregate number of Series A Units issued on the Closing Date on the same terms as set forth above solely to cover over-allocations, if any (the “**Over-Allotment Option**”). If the Over-Allotment Option is exercised in full under the Maximum Offering, and assuming only the Starlight Commitment and Series A Units are sold, the Series A price to the public, Agents’ Fee and net proceeds to the Trust, before expenses of the Offering, will be \$109,250,000, \$4,916,250 and \$104,333,750, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Series A Units issuable on the exercise of the Over-Allotment Option. A purchaser who acquires Series A Units forming part of the Agents’ over-allocation position acquires such Series A Units under this Prospectus, regardless of whether the Agents’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

See “Plan of Distribution”.

**Risk Factors:**

An investment in Units is subject to certain risks factors, including: there is no assurance that the Trust will be able to achieve its investment objectives; return on investment is not guaranteed; risks relating to the Portfolio issuers; risks relating to the valuation of the Portfolio; no current market for Units; risks relating to recent and future global financial developments; industry concentration risks; infrastructure risk; real estate risk; risks associated with investment in illiquid

and private securities; degree of leverage; United States anti-money laundering laws and regulations; series risk; foreign currency risk; currency hedging risk; short selling; sensitivity to interest rates; reliance on the Manager and Investment Manager; conflicts of interest; fluctuations in NAV and NAV per each series of Unit; limited control; loss of investment; effect of fees; risks relating to currency exposure; risks relating to foreign market exposure; lack of operating history; risks relating to changes in regulation; and tax risks.

For a more complete discussion of the risks associated with an investment in Units, see “Risk Factors”.

**Income Tax  
Considerations:**

Provided the Trust makes distributions to Unitholders in each taxation year of its income, including its net realized capital gains, as described under “Distribution Policy”, it will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act.

A Unitholder who is resident in Canada will generally be required to include, in computing income for a taxation year, the amount of the Trust’s net income for the taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year. The Trust intends to make designations so that the portion of any net realized taxable capital gains of the Trust that are distributed to Unitholders will be treated as taxable capital gains to Unitholders. Distributions by the Trust to a Unitholder in excess of the Unitholder’s share of the Trust’s net realized capital gains and other net income will reduce the adjusted cost base of the Unitholder’s Units held as capital property.

A Unitholder who disposes of a Unit that is held as capital property, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by the Trust designated as payable by the Trust out of its capital gains or income), net of costs of disposition, exceed (or are less than) the adjusted cost base of that Unit.

Prospective investors should consult their own tax advisors with respect to the income tax consequences of investing in Units, based upon their own particular circumstances. See “Certain Canadian Federal Income Tax Considerations”.

## SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Trust.

<u>Type of fee</u>	<u>Amount and Description</u>
<b>Agents' Fee:</b>	<p>\$0.45 per Series A Unit (4.5%) \$0.19 per Series F Unit (1.9%) The Agents will not receive a fee in respect of the Series C Units.</p>
<b>Expenses of the Offering:</b>	<p>The Trust will pay the reasonable expenses incurred in connection with the Offering, estimated to be \$300,000 in the case of the Minimum Offering and \$975,000 in the case of the Maximum Offering. Such expenses, to a maximum of 1.5% of the gross proceeds of the Offering, will be paid by the Trust from the proceeds of a margin facility.</p>
<b>Management Fee:</b>	<p>Annual management fee of 1.25% of the market capitalization of the Trust based on the net asset value of the Trust (the "<b>Net Asset Value</b>" or "<b>NAV</b>") plus the aggregate redemption price of any outstanding Preferred Units calculated and accrued daily and paid by the Trust to the Manager monthly in arrears (the "<b>Management Fee</b>"). Any fees payable on delegation of responsibilities of the Manager to the Investment Manager will be paid out of the Manager's fee entitlement and will not result in additional fees to the Trust.</p> <p>The Manager will waive the Management Fee until the Net Asset Value per Unit of the applicable series is greater than the initial offering price (i.e. \$10).</p> <p>Any management fees charged by an underlying investment vehicle will reduce the amount of the Management Fee paid to the Manager at the Trust level attributable to the portion of the Portfolio allocated to the respective underlying investment vehicle. In addition, (i) the Starlight Fund will charge its limited partners, including the Trust, fees typical for private real estate funds, including an acquisition fee and a performance fee once returns of 8% are realized by the Starlight Fund; and (ii) EICLP will charge its limited partners, including the Trust, fees typical for private infrastructure funds, including an acquisition fee and a performance fee once returns of CPI + 5% are realized by EICLP.</p> <p>The Management Fee will be payable in cash, or at the option of the Manager, in Series A Units. If the Manager elects to have the Management Fee paid in Series A Units, such election must be made no later than the 15<sup>th</sup> of each month. The number of Series A Units to be issued will be calculated based on the Net Asset Value of the Series A Units on the last Valuation Date in respect of which the Management Fee is to be paid, regardless of the actual date of issuance thereof.</p>
<b>Performance Fee:</b>	<p>The Public Portfolio LP will pay a performance fee to the Investment Manager on the Public Portfolio LP assets (the "<b>Public Portfolio Performance Fee</b>") which will be calculated and accrued monthly and paid for the period from the Closing Date to December 31, 2018 and for each fiscal year thereafter.</p> <p>The Public Portfolio Performance Fee will be equal to the product of:</p> <ul style="list-style-type: none"><li>(a) the weighted average number of Public Portfolio LP units outstanding on the calculation date for such year, and</li><li>(b) 10% of (A) the amount by which the sum of:</li></ul>



- (i) the Net Asset Value of the Public Portfolio per Public Portfolio LP unit at the end of such fiscal year (calculated before taking into account the Public Portfolio Performance Fee payable for the fiscal year), plus
- (ii) the total amount of distributions paid by the Public Portfolio LP to the Trust during such fiscal year, if any, divided by the weighted average number of Public Portfolio LP units outstanding during such fiscal year,

exceeds (B) the greater of:

- (i) the High Water Mark, and
- (ii) the Hurdle Amount.

Other than the Public Portfolio Performance Fee, the Manager and Investment Manager will not charge a performance fee but the Trust may invest in other investment vehicles, including those issued by the Manager, the Investment Manager and/or affiliates of the Manager and/or the Investment Manager, that charge performance fees.

In the future, the Trust may invest in other vehicles that invest in direct real estate or infrastructure and that have different fee structures, provided such fee structures are in line with market practice and, in the case of related party vehicles, are approved by the independent Trustees.

**Operating Expenses:**

The Trust will reimburse the Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Manager in connection with the performance of the services described in the Management Agreement, as well as certain specified expenses ancillary to the operations of the Manager, including travel on behalf of the Trust.

The Public Portfolio LP will reimburse the Investment Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Investment Manager in connection with the performance of the services described in the Investment Management Agreement, as well as certain specified expenses ancillary to the operations of the Investment Manager.

Each series of Units is responsible for the expenses specifically related to that series and a proportionate share of expenses that are common to all series.

## GLOSSARY OF TERMS

“**affiliate**” means an affiliate as defined under National Instrument 45-106 – *Prospectus Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), subject to the terms “person” and “issuer” in each instrument being ascribed the same meaning as “person” herein;

“**Agency Agreement**” means an agreement dated as of November 28, 2018 among the Trust, the Manager, the Investment Manager and the Agents, as described in “Plan of Distribution — Agency Agreement”, below;

“**Agents**” means CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., TD Securities Inc., Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Industrial Alliance Securities Inc., Manulife Securities Incorporated, Desjardins Securities Inc., Mackie Research Capital Corporation and Echelon Wealth Partners Inc.;

“**Agents’ Fee**” means a fee, equal to 4.5% of the aggregate purchase price of the Series A Units and 1.9% of the aggregate purchase price of the Series F Units sold under the Offering;

“**Aggregate Series A Interest**” is equal to (i) the aggregate gross proceeds received by the Trust for the issuance of the Series A Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Series A Units, divided by (ii) the number of Series A Units issued pursuant to the Offering and any concurrent private placements, multiplied by (iii) the number of Series A Units outstanding at the time the Aggregate Series A Interest is being calculated;

“**Aggregate Series C Interest**” is equal to (i) the aggregate gross proceeds received by the Trust for the issuance of the Series C Units pursuant to the Offering and any concurrent private placements, divided by (ii) the number of Series C Units issued pursuant to the Offering and any concurrent private placements, multiplied by (iii) the number of Series C Units outstanding at the time the Aggregate Series C Interest is being calculated;

“**Aggregate Series F Interest**” is equal to (i) the aggregate gross proceeds received by the Trust for the issuance of the Series F Units pursuant to the Offering and any concurrent private placements less the aggregate Agents’ Fee payable in respect of the Series F Units, divided by (ii) the number of Series F Units issued pursuant to the Offering and any concurrent private placements, multiplied by (iii) the number of Series F Units outstanding at the time the Aggregate Series F Interest is being calculated;

“**Aggregate Units Interest**” means, at any time, the sum of (i) the Aggregate Series A Interest, (ii) the Aggregate Series C Interest, and (iii) the Aggregate Series F Interest, at such time, which, on the Closing Date, shall be equal to the Net Subscription Proceeds;

“**allowable capital loss**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders”;

“**at-risk rules**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust – Investments in Limited Partnerships Including the Public Portfolio LP”;

“**Business Day**” means any day which is not a Saturday, Sunday or statutory holiday in the province of Ontario;

“**Capital Gains Refund**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust”;

“**cash equivalent**” means an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by

- (a) the government of Canada or the government of a jurisdiction,

- (b) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state or a permitted supranational agency, if, in each case, the evidence of indebtedness has a designated rating, or
- (c) a Canadian financial institution, or a financial institution that is not incorporated or organized under the laws of Canada or of a jurisdiction if, in either case, evidences of indebtedness of that issuer or guarantor that are rated as short term debt by a designated rating organization or its DRO affiliate have a designated rating;

“**CDS**” means the CDS Clearing and Depository Services Inc.;

“**CDS Participant**” has the meaning given to it under the heading “Purchase of Securities — Procedure”;

“**CFA**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust – Investments in Other Securities by the Trust or by a Trust Partnership”;

“**Closing Date**” means the closing date of the Offering, which is expected to occur on or about December 13, 2018;

“**Code of Conduct**” has the meaning given to it under the heading “Audit Committee and Corporate Governance — Corporate Governance”;

“**CPI**” means consumer price index;

“**CRA**” means the Canada Revenue Agency;

“**Declaration of Trust**” means the declaration of trust establishing the Trust dated October 11, 2018, as it may be amended and/or restated or supplemented from time to time;

“**DFA Rules**” has the meaning given to it under the heading “Risk Factors Relating to Canadian tax”;

“**EICLP**” means EagleCrest Infrastructure Canada LP. The description of EICLP is as of June 30, 2018 and is subject to change from time to time in accordance with its governing documents;

“**Equity Securities**” means any securities that represent an interest in an issuer which includes common shares, and securities convertible into or exchangeable for common shares, provided that a determination by the Manager that a security is an equity security shall be conclusive for all purposes herein;

“**Exchange**” means the Aequitas NEO Exchange;

“**FAPI**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust – Investments in Other Securities by the Trust or by a Trust Partnership”;

“**FAT**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust – Investments in Other Securities by the Trust or by a Trust Partnership”;

“**High Water Mark**” for any fiscal year means the greater of (a) \$10 and (b) the highest Net Asset Value per applicable Unit determined as at the last Business Day of any previous fiscal year, less the total amount of distributions paid on the applicable series during all consecutive immediately preceding fiscal years, if any, in respect of which no Public Portfolio Performance Fee was paid divided by the weighted average number of units of such series outstanding during such fiscal years.

“**Hurdle Amount**” for any fiscal year of the Trust means an amount equal to the product of (a) the Net Asset Value per applicable Unit on the last Business Day of the preceding fiscal year, and (b) 112%.

“**IFRS**” means the International Financial Reporting Standards;

**“Investment Management Agreement”** means an agreement dated on or before the Closing Date among the Public Portfolio LP and the Investment Manager pursuant to which the Investment Manager will provide certain investment management services to the Public Portfolio LP;

**“Investment Manager”** means Starlight Investments Capital LP, the investment manager of the Public Portfolio LP;

**“Management Agreement”** means an agreement dated on or before the Closing Date between the Trust and the Manager pursuant to which the Manager will provide certain management services to the Trust;

**“Management Fee”** has the meaning given to it under the heading “Fees and Expenses”;

**“Manager”** means Starlight Investments Capital GP Inc., the manager of the Trust pursuant to the Management Agreement;

**“Maximum Offering”** means the offering of a maximum of \$100,000,000 of Series A Units and/or Series C Units and/or Series F Units;

**“minimum distribution requirements”** has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Status of the Trust”;

**“Minimum Offering”** means the offering of at least \$20,000,000 of Series A Units and/or Series C Units and/or Series F Units;

**“Monthly Redemption Amount”** has the meaning given to it under the heading “Description of the Securities – Units – Redemptions”;

**“Net Asset Value”** or **“NAV”** means the net asset value of the Trust determined as described under “Calculation of Net Asset Value”;

**“Net Subscription Proceeds”** means the gross proceeds received by the Trust from the issuance of the Units pursuant to the Offering and any concurrent private placements, minus the Agents’ Fee;

**“Non-Portfolio Earnings”** has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust – Investments in Other Securities by the Trust or by a Trust Partnership”;

**“Non-Resident”** means a person who is a “non-resident” within the meaning of the Tax Act, including a partnership that is not a “Canadian partnership” for purposes of the Tax Act;

**“Offering”** means the offering of a minimum of \$20,000,000 and a maximum of \$100,000,000 of Series A Units and/or Series C Units and/or Series F Units;

**“Over-Allotment Option”** means the option granted by the Trust to the Agents exercisable for a period of 30 days from the Closing Date to purchase up to 15% of the aggregate number of Series A Units issued on the Closing Date on the same terms as the Offering;

**“permitted investments”** means:

- (a) cash;
- (b) cash equivalents;
- (c) synthetic cash;
- (d) receivables of the Trust arising from the disposition of portfolio assets, net of payables arising from the acquisition of portfolio assets;
- (e) securities purchased by the Trust in a reverse repurchase transaction under section 2.14 of NI 81-102, to the extent of the cash paid for those securities by the Trust;

- (f) each evidence of indebtedness that has a remaining term to maturity of 365 days or less and a designated rating;
- (g) each floating rate evidence of indebtedness if (i) the floating interest rate of the indebtedness is reset no later than every 185 days, and (ii) the principal amount of the indebtedness will continue to have a market value of approximately par at the time of each change in the rate to be paid to the holders of the evidence of indebtedness; and
- (h) securities issued by a money market fund;

“**person**” includes any individual, firm, partnership, limited partnership, limited liability partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, trust, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status, however designated or constituted;

“**Portfolio**” means the Private Portfolio and the Public Portfolio;

“**Preferred Units**” means the preferred units of the Trust, issuable in series from time to time after the later of (i) January 1, 2021 and (ii) the Net Asset Value of the Trust reaching \$500,000,000, with such designation, rights, privileges, restrictions and conditions attached to each series as determined by the Manager, up to such maximum number of Preferred Units with an aggregate Preferred Unit redemption price equal to 25% of the Net Asset Value of the Trust, after giving effect to the offering of such Preferred Units;

“**Private Portfolio**” means the portion of the Trust’s investment portfolio invested in private investments, as constituted from time to time;

“**Proportionate Series A Interest**” is equal to the Aggregate Series A Interest, divided by the Aggregate Units Interest;

“**Proportionate Series C Interest**” is equal to the Aggregate Series C Interest, divided by the Aggregate Units Interest;

“**Proportionate Series F Interest**” is equal to the Aggregate Series F Interest, divided by the Aggregate Units Interest;

“**Prospectus**” means this prospectus and any amendments hereto;

“**Public Portfolio**” means the portion of the Trust’s investment portfolio invested primarily in publicly traded equity securities, and to a lesser extent, debentures and bonds, as constituted from time to time;

“**Public Portfolio LP**” means Starlight Global Real Assets LP;

“**Public Portfolio Performance Fee**” has the meaning given to it under the heading “Fees and Expenses – Management and Performance Fee”;

“**RDSPs**” means registered disability savings plans as defined in the Tax Act;

“**Redesignation Date**” means the last Business Day of each fiscal quarter;

“**Registered Plan**” has the meaning given to it under the heading “Eligibility for Investment”;

“**REITs**” means real estate investment trusts;

“**RESPs**” means registered education savings plans as defined in the Tax Act;

“**RRIFs**” means registered retirement income funds as defined in the Tax Act;

“**RRSPs**” means registered retirement savings plans as defined in the Tax Act;

“**Series A Units**” means the Series A units of the Trust;

“**Series C Hold Period**” has the meaning given to it under “Description of the Securities – Units – Series C Units”;

“**Series C Units**” means the Series C units of the Trust;

“**Series F Units**” means the Series F units of the Trust;

“**SIFT Rules**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Status of the Trust”;

“**Starlight Commitment**” has the meaning given to it under the heading “Plan of Distribution”;

“**Starlight Fund**” means Starlight Canadian Residential Growth Fund;

“**Substituted Property**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust – Capital Gains and Losses”;

“**taxable capital gain**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of Unitholders”;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

“**Tax Proposals**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations”;

“**Tax Treaties**” has the meaning given to it under the heading “Risk Factors Relating to Canadian tax”;

“**TFSAs**” means tax-free savings accounts as defined in the Tax Act;

“**Trust**” means Starlight Hybrid Global Real Assets Trust;

“**Trustees**” means the trustees of the Trust;

“**Trust Partnership**” has the meaning given to it under the heading “Certain Canadian Federal Income Tax Considerations – Taxation of the Trust – Investments in Limited Partnerships Including the Public Portfolio LP”;

“**Unitholders**” means holders of record of Units;

“**Units**” means the Series A Units, the Series C Units and Series F Units;

“**Unit Series Expenses**” means the expenses of the Trust allocable to a specific series of Units;

“**U.S.**” or “**United States**” means the United States of America;

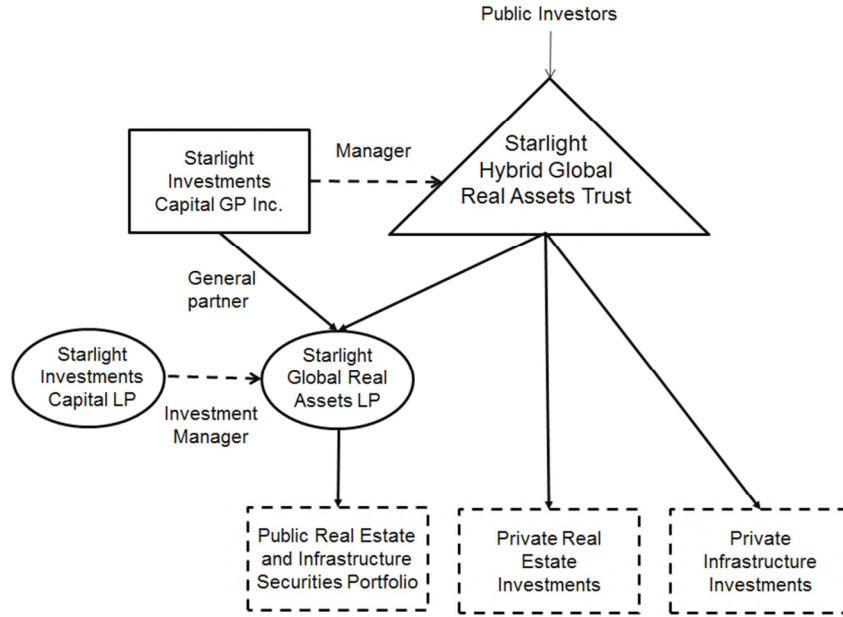
“**Valuation Date**” means the last Business Day of each month; and

“**Valuation Time**” means 4:00 p.m. (Toronto time) on a Valuation Date, and any other time as determined by the Manager.

## THE TRUST

The Trust is an investment holding trust formed under the laws of the Province of Ontario pursuant to the Declaration of Trust. The Manager and Investment Manager will provide all management services required by the Trust. The registered and head office of the Trust is located at 3280 Bloor Street West, Suite 1400, Toronto, Ontario, Canada, M8X 2X3.

Starlight Global Real Assets LP (the “**Public Portfolio LP**”) is a newly organized investment limited partnership formed pursuant to a Limited Partnership Agreement to be dated on or before the Closing Date governed by the laws of Ontario. Starlight Investments Capital GP Inc. the general partner of the Investment Manager and a wholly-owned subsidiary of Starlight Group Property Holdings Inc., is the general partner of the Public Portfolio LP and is responsible for the provision of management services. The Trust will be the only limited partner of the Public Portfolio LP.



## INVESTMENT OBJECTIVES

The Trust’s investment objective is to provide Unitholders with stable monthly cash distributions and long-term capital appreciation through exposure to institutional quality real assets in the global real estate and global infrastructure sectors.

## INVESTMENT STRATEGY

The Trust will provide exposure to primarily publicly traded global equity securities, and to a lesser extent, debentures and bonds (the “**Public Portfolio**”) but may also invest up to 40% (determined at the time of investment) of the Trust’s total assets in private investments (the “**Private Portfolio**”). To achieve its objectives, the Trust will invest no less than 60% of the net capital raised into its subsidiary, the Public Portfolio LP, which will hold an actively managed global portfolio of real estate and infrastructure securities, targeting issuers primarily in OECD countries, managed by Dennis Mitchell of Starlight Investments Capital LP utilizing his proprietary investment philosophy, Focused Business Investing. The Trust also intends to invest in global real estate properties and global infrastructure assets, beginning with allocations of up to 20% of the net capital raised to each of the Starlight Fund, to be managed by Daniel Drimmer of Starlight Group Property Holdings Inc. and EICLP, managed by Fiera Infrastructure Inc. The Trust will target \$0.50 gross distributions per Unit per annum (5.0% per Unit) at the discretion of the Trustees paid on a monthly basis. Subject to compliance with applicable law and the restrictions described under “Description of the Activities of the Fund – Investment Restrictions”, the Trust may in certain circumstances make or increase an investment in the Private Portfolio with a view to acquiring control or significant influence positions.

Through the Private Portfolio, the Trust will seek to enhance diversification and returns and provide investors with a unique opportunity to obtain exposure to private investments and acquisition candidates in the global real estate and global infrastructure sectors, primarily through investments in certain investment vehicles. Initially, investments in the real estate sector through the Private Portfolio will be focused on opportunities in Canada through investment in the Starlight Fund and investments in the infrastructure sector through the Private Portfolio will be focused on North American and European assets through investment in EICLP. The goal of the Private Portfolio is to provide investors with exposure to private investments which the Manager believes exhibit strong growth and the potential for profitability and income generation. The Manager will be responsible for all investment decisions for the Private Portfolio but may delegate such responsibility in its discretion, pursuant to the Management Agreement.

In the future, the Private Portfolio may or may not include the Starlight Fund or EICLP referenced above and may include securities or other assets that are not described. The Starlight Fund is a fixed term investment vehicle and EICLP is not obligated to accept further commitments from the Trust, as such the Trust will have to find alternative investments for the Private Portfolio in the future. In keeping with the Trust’s active management strategy, the Portfolio composition will vary over time depending on the Manager’s and Investment Manager’s assessment of overall market conditions, opportunities and outlook including the allocation between the Public Portfolio and the Private Portfolio which will be determined by the Manager. Generally, however, the Trust will seek to invest approximately 60% of its total assets in the Public Portfolio (30% in the global real estate sector and 30% in the global infrastructure sector) and 40% of its total assets in the Private Portfolio (20% in the global real estate sector and 20% in the global infrastructure sector). In all cases, percentage of investment is measured at cost at the time of investment.

Initially, 100% of the net capital raised will be invested in the Public Portfolio LP, with at least 15% of such capital to be set aside in permitted investments to be committed in the Private Portfolio within six months of Closing. However, it is the Trust’s intention to commit up to 20% of the net capital raised to each of the Starlight Fund and EICLP. Once those commitments have been made, the Trust has a contractual obligation to deploy funds when the Starlight Fund or EICLP, respectively, make capital calls. It is expected that capital will be drawn down from the Public Portfolio LP and deployed into investments by the Private Portfolio over an estimated 12 to 24 month time period, as and when capital calls are made by the Starlight Fund and EICLP. Pending deployment, such capital will be invested in liquid securities in the Public Portfolio LP under the supervision of the Investment Manager, which securities may be subject to price fluctuation.

The Starlight Fund is a newly organized investment partnership to be formed pursuant to a Limited Partnership Agreement dated on or about the first closing of the Starlight Fund and governed by the laws of Ontario. Starlight Canadian Residential Growth Fund GP Inc. is the general partner and a wholly-owned subsidiary of Starlight Group Property Holdings Inc.

The Starlight Fund will make direct investments in Canadian multi-residential real estate properties and portfolios. Long term value will be created by focusing on repositioning assets, infill development, repurposing assets and the assembly of residential and adjacent property types (i.e. student housing) opportunities.

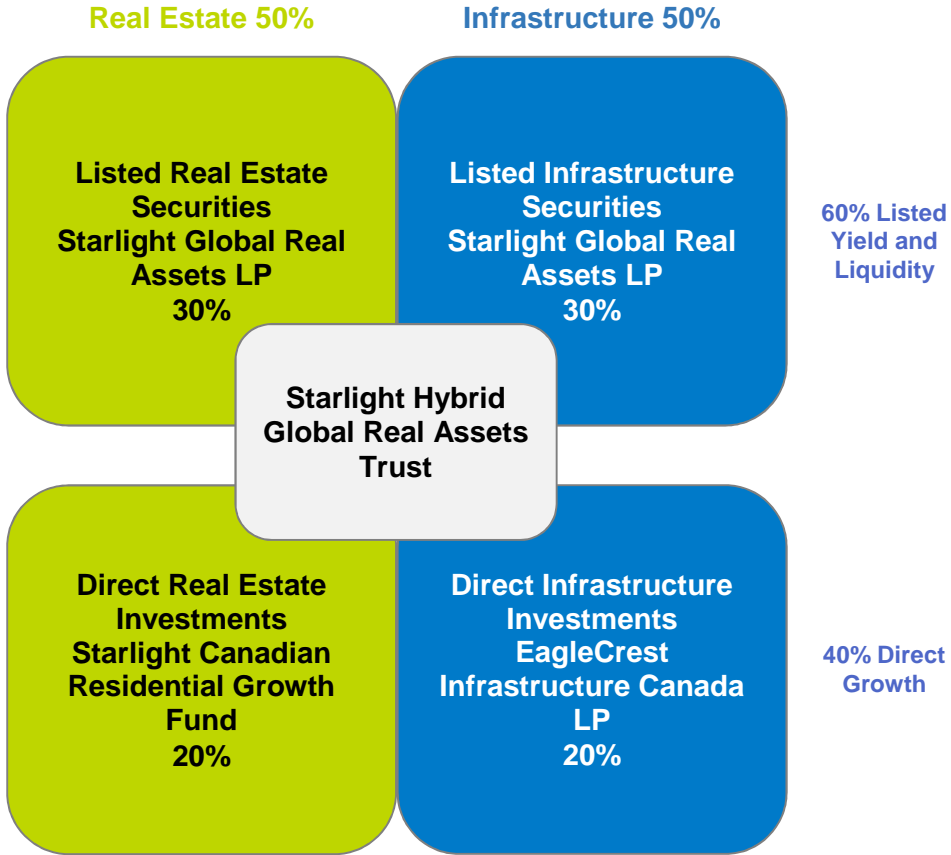


The Manager has received and reviewed copies of the limited partnership agreement for the Starlight Fund and determined it is acceptable, and the Starlight Fund has indicated that it is open to the Trust becoming a limited partner. The Starlight Fund expects to close and begin accepting investments in the first quarter of 2019.

EICLP is an investment partnership formed pursuant to a Limited Partnership Agreement dated September 2015 governed by the laws of Quebec. Fiera Infrastructure Inc. is the general partner and a subsidiary of Fiera Capital Corporation.

EICLP holds investments in 24 infrastructure assets located in Canada, the U.S., the U.K. and Spain. EICLP aims to achieve long term value by focusing on global mid-market core and core-plus infrastructure assets in developed markets. EICLP aims to be diversified across the members of the Organization for Economic Co-operation and Development (OECD), sub-sectors and types of projects. EICLP focuses on assets that generate stable and predictable cash flows and operate under regulatory frameworks, long-term contracts or concessions, or have monopolistic characteristics.

The Manager has completed its diligence on EICLP and executed documents with Fiera Infrastructure Inc. in respect of its intention of becoming a limited partner of EICLP following Closing. The Trust may begin its investment and commit up to 20% of the proceeds of the Offering following Closing.



For illustration purposes only.

**Leverage**

The Trust may obtain leverage of up to 15% of the Net Asset Value of the Public Portfolio LP by way of a margin facility.

In addition, the Private Portfolio will obtain leverage of up to 75% of the fair market value of any direct real estate held in the Private Portfolio either directly or indirectly through an investment vehicle.

In addition, the Private Portfolio will obtain leverage of up to 90% of the fair market value of any direct infrastructure held in the Private Portfolio either directly or indirectly through an investment vehicle.

The initial level of leverage is expected to be approximately 15.0% of the Net Asset Value of the Public Portfolio LP and the Trust.

### ***Currency Hedging***

Certain of the securities included in the Portfolio may be denominated in currencies other than the Canadian dollar. The Investment Manager will take into consideration the foreign exchange exposure of the Portfolio and may enter into currency hedges to reduce the effects on the Portfolio of changes in the values of such foreign currencies relative to the Canadian dollar.

### ***Short Selling***

The Trust may short securities from time to time for hedging purposes, though this is not a primary strategy of the Investment Manager. Short exposure in the Public Portfolio, for purposes other than hedging, will not exceed 20% of the total assets of the Trust on a daily marked-to-market basis. A short sale is effected by selling a security which the Trust does not own. In order to make delivery to the buyer of a security sold short, the Trust must borrow the security. In so doing, it incurs the obligation to replace the security, whatever its price may be, at the time it is required to deliver it to the lender. The Trust must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. The Trust may engage in so-called “naked” short sales when it does not own or have the immediate right to acquire the security sold short at no additional cost, in which case the Trust’s losses theoretically could be unlimited.

### ***Securities Lending***

The Trust may from time to time engage in securities lending transactions. The Trust’s custodian or a sub-custodian will act as agent for the Trusts in administering securities lending transactions, including negotiating the agreements, assessing the creditworthiness of counterparties and collecting the fees earned by the Trust. The agent will also monitor the collateral provided to ensure that it remains within the prescribed limits. The Investment Manager has set credit limits in an effort to control risk, and has policies, procedures and controls for these transactions.

## **OVERVIEW OF THE SECTORS IN WHICH THE TRUST INVESTS**

The Trust has been designed to provide investors long-term total return through capital appreciation and income generation by investing in an actively managed global portfolio of securities of public and private companies operating in, or that derive a significant portion of their revenue or earnings from, the global residential and commercial real estate sectors and the global infrastructure sector, and in global residential and commercial real estate properties and global infrastructure assets.

### **Listed Global Real Estate**

The listed global real estate market contains over 3,000 issuers with a market capitalization of over US\$6.4 trillion, according to Bloomberg (as of September 10, 2018). Over 35 countries have adopted the REIT structure, including all G7 nations. The Manager and the Investment Manager believe listed global real estate is an attractive asset class that offers the following benefits:

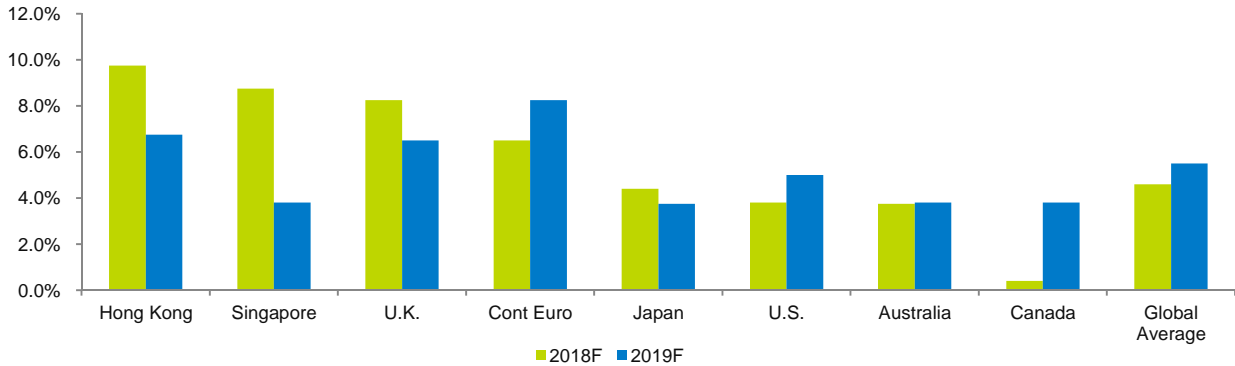
- Liquid investment in a relatively illiquid asset class;
- Low correlation with stocks and bonds adding to portfolio efficiency;
- Regular income, which generally reduces volatility; and

- Strong, long-term performance in most economic environments.

**Stable Income and Attractively-Valued Growth Potential**

The Investment Manager believes listed global real estate is attractively valued with good long-term growth potential. CBRE Clarion forecasts earnings growth of 5% for listed global real estate and 4% dividend yield with stable multiples in 2018.

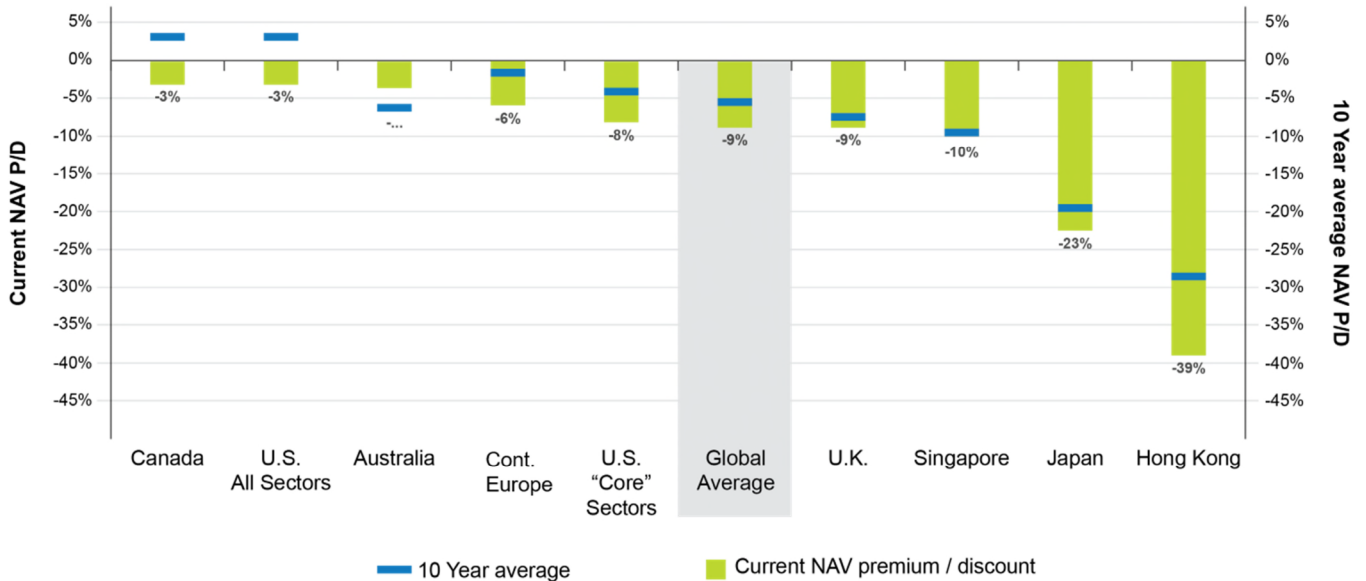
**Forecasted Annual Earnings Growth**



Source: CBRE Clarion. Data as at June 30, 2018.

Global REITs are trading at a 9% discount to net asset value and an implied capitalization rate of 6% (according to CBRE Clarion, as at June 30, 2018), which the Investment Manager views as attractive relative to other major asset classes.

**NAV premium / discount by region**

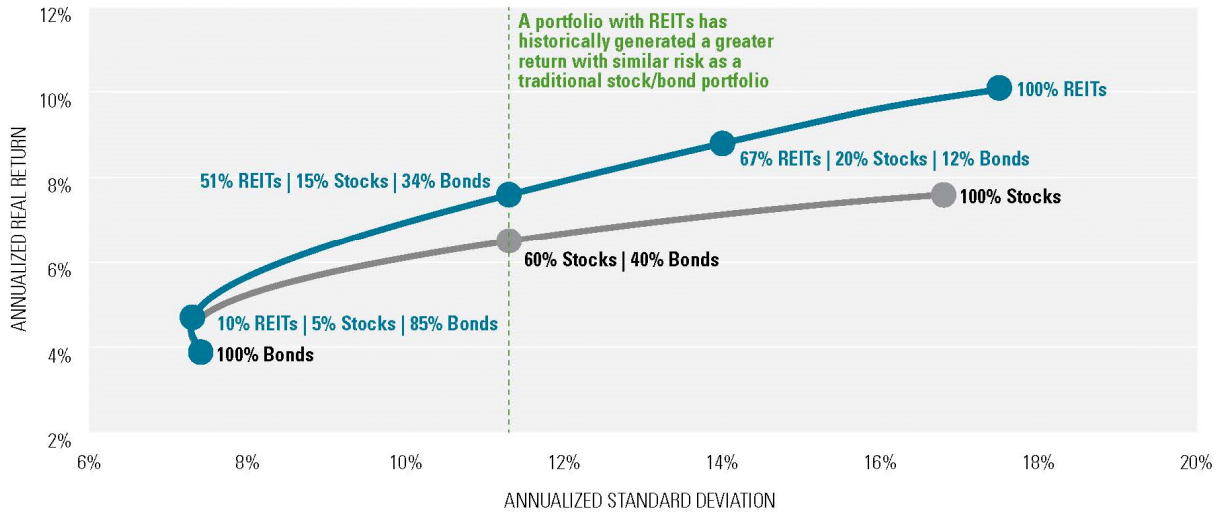


Source: CBRE Clarion. Data as at June 30, 2018.

**Diversification**

Over the long term, REITs have demonstrated a low correlation to other asset classes. The Investment Manager believes adding REITs to a portfolio should improve expected returns per unit of risk and improve overall portfolio efficiency.

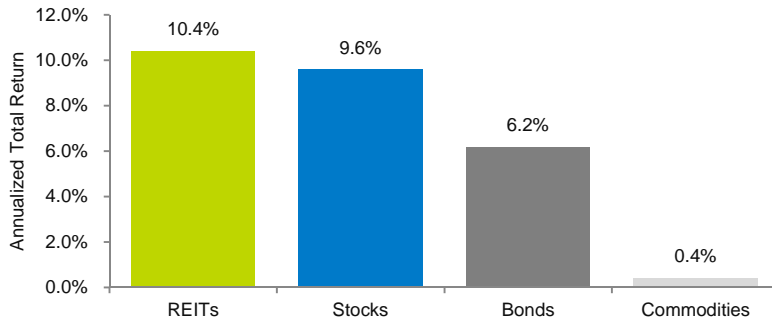
EFFICIENT FRONTIER: STOCK, BOND AND REITS PORTFOLIO | January 1976 – December 2014



Source: Altegris Note: Date range based on common period of data availability. An investor cannot invest directly in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented. Indices: REITs: FTSE NAREIT Equity Total Return Index; Stocks: S&P 500 Total Return Index; Bonds: Barclays US Aggregate Bond Index. Source: AACA, based on data from Bloomberg, PerTrac based on data from S&P. Standard deviation is a statistical measure of how consistent returns are over time; a lower standard deviation indicates historically less volatility. Standard deviation shown in this analysis is based on annual returns.

**REITs Outperform Other Major Asset Classes**

Over the long-term, REITs have outperformed other major asset classes, including stocks, bonds and commodities. The Investment Manager believes REITs provide diversification benefits of low correlation with stocks and stronger risk adjusted returns than most other assets, including stocks.



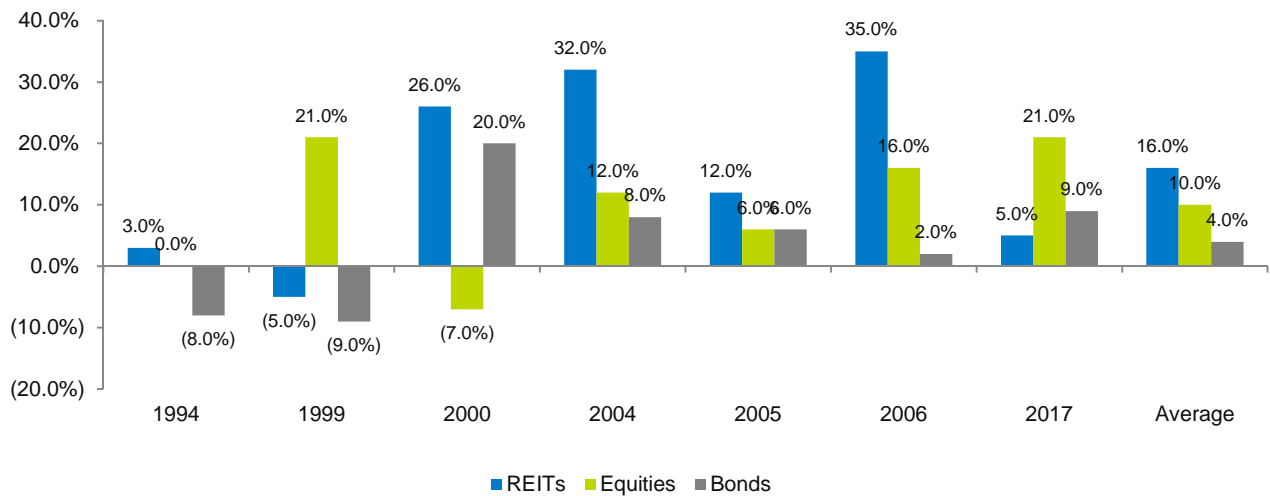
Source: Bloomberg Financial L.P. and Starlight Capital. Data from May 29, 1992 to May 31, 2018. REITs, stocks, bonds, and commodities are represented by the Dow Jones U.S. Select REIT Index, the S&P 500®, Bloomberg Barclays US Corporate Total Return Value Unhedged USD Index. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects historical performance.

**Rising Interest Rates**

The U.S. Federal Reserve Bank has raised the benchmark short-term interest rate eight times over the past three years; however, central banks elsewhere generally have held rates constant. The Investment Manager believes that quantitative easing is slowly coming to an end and we are generally entering a period of rising interest rates. Historically, rising interest rates have been driven by higher inflation, which is generally positive for rent growth. Global economic data suggests continued economic expansion, improving employment and moderate levels of inflation.

Despite their association with interest-sensitive asset classes, REITs have outperformed bonds in periods of rising rates, highlighting the growth potential of REITs. According to the National Association of Real Estate Investment Trusts (Nareit), REITs have posted positive total returns in 87 percent of previous periods of rising interest rates. Further, in more than half of those times, REITs have outperformed the S&P 500 Index.

**U.S. REIT Performance versus U.S. Equities and U.S. Bonds**



CBRE Clarion as of December 2017. U.S. REITs: FTSE NAREIT Equity REIT Index, U.S. Equities: Russell 3000 Index, U.S. Bonds: Citigroup Treasury 10+ Years Index.

The Manager believes that a global portfolio of listed real estate securities will expose investors to sectors and asset classes that do not exist in the Canadian market. The Manager also believes that its association with Starlight Investments will yield proprietary insights for investing in listed global real estate securities.

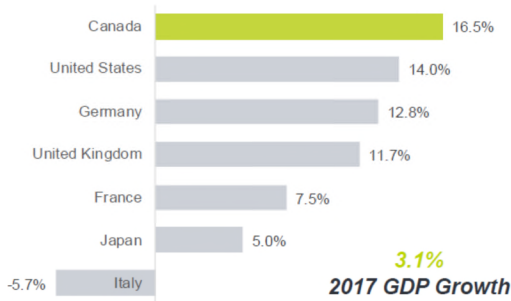
**Direct Real Estate**

Demand for rental housing across Canada is at record levels, driven by the country’s stable political climate, a robust labour market, record and growing immigration and a high cost of home ownership. Despite this demand, existing supply remains constrained and new supply remains insufficient, resulting in a substantial market dislocation.

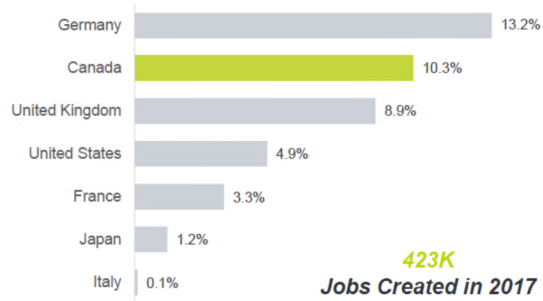
**Strong Economic Growth and Labour Market Attracting Foreign Investment**

Canada remains an attractive destination for capital, commerce and immigration, due to its stable political climate, solid and diversified economic landscape and strong labour market. Over the past decade, Canada has led G7 nations in GDP growth, with job growth driving unemployment to 40-year lows. Consequently, global publications such as the Economist continue to rank Canada as one of the best countries in the world for quality of life.

**G7 Countries GDP Growth (2007 – 2016)**



**G7 Countries Employment Growth (2007 – 2016)**



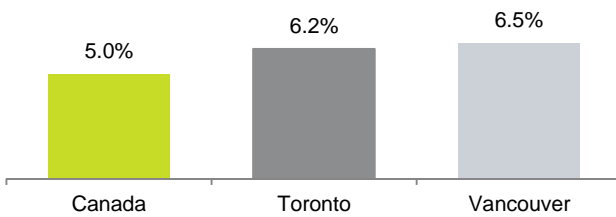
Note: Data as of Q4 2017.  
Source: OECD, BDC, StatsCan.

*Immigration at Highest Levels in 80 Years*

Canada has historically been perceived as a safe, diverse and welcoming nation for immigrants, with that momentum only intensifying in recent years. These factors, along with “open door” immigration policies, have attracted over 300,000 new permanent residents in 2017, the highest level in 80 years. This influx is part of an overall government plan to accept over one million new immigrants by 2020. Canada attracts the highest number of highly skilled and well-educated immigrants in the OECD, and most seek rental accommodations upon arrival rather than purchasing a home. Not surprisingly, more than half settle in urban areas where jobs are located including Toronto, Vancouver and Montreal.

**Canada’s Population Growth is Solid**

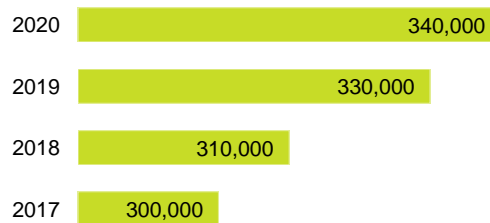
70% of Population Growth Coming from Immigration Over Past 5 Years



Source: CBRE, StatsCan, CMHC, Government of Canada.

**Immigration Will Continue to Fuel Population Growth**

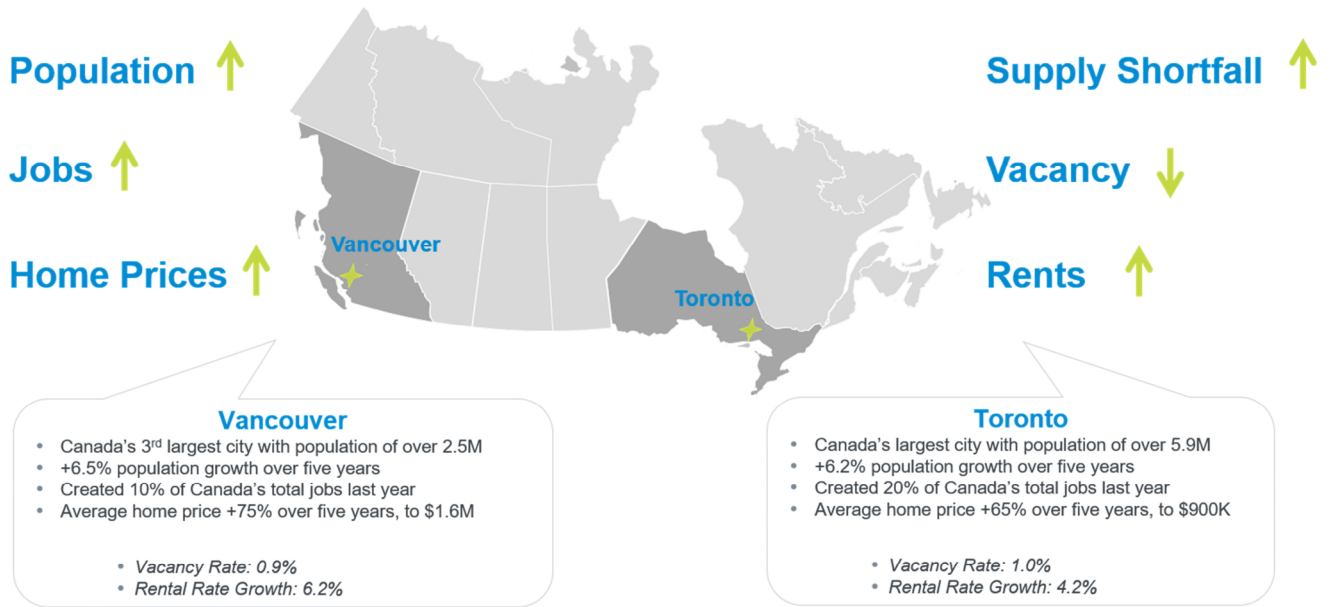
Canada Plans to Accept Over 1M Immigrants by 2020



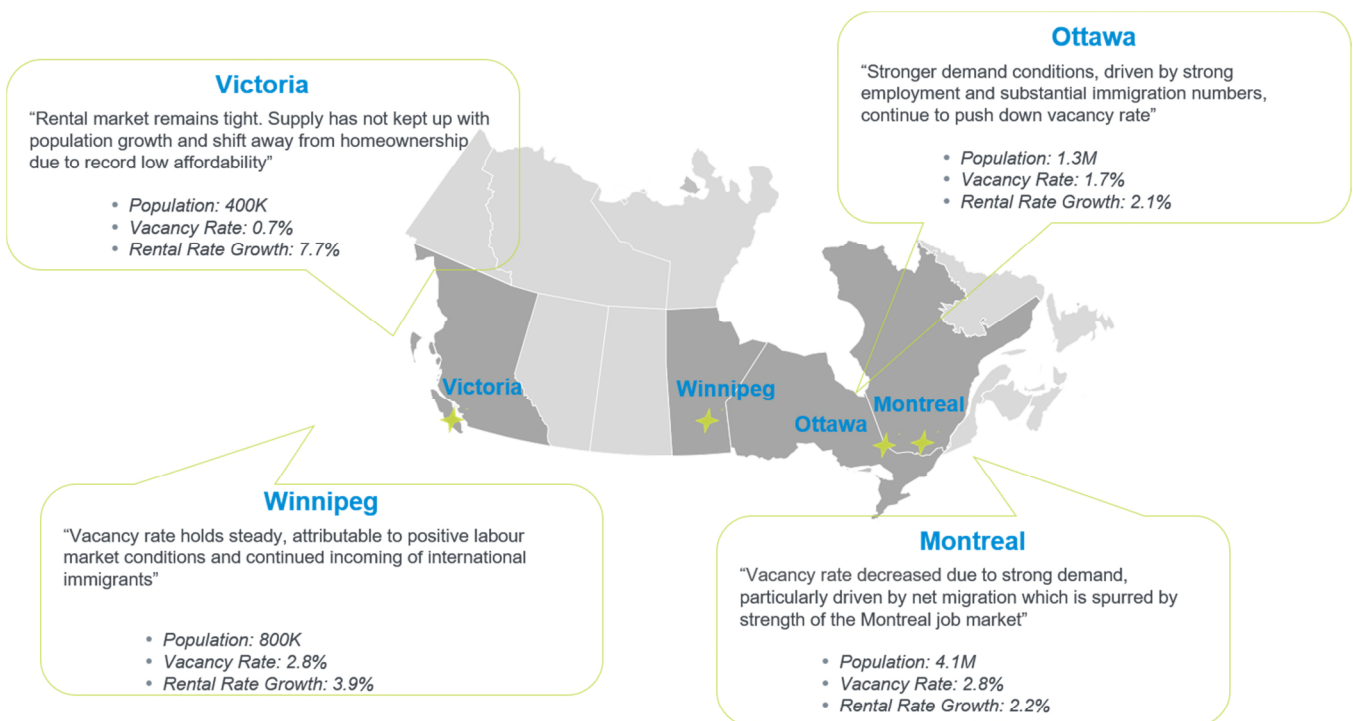
For period of 2011 – 2016. Source: CBRE, CMHC, Government of Canada

*Increasing Home Ownership Costs in Major Canadian Markets*

Notwithstanding the recent decline in housing prices, home prices in Canada’s largest cities have increased dramatically over the past decade, driven by improved economic strength, solid population growth and record low interest rates. This picture is particularly prominent in the economic hubs of Toronto and Vancouver, which are home to the bulk of the nation’s jobs and attract the majority of immigrants. Housing price increases are also appearing in the next tier of markets such as Victoria, Ottawa and Montreal, creating further affordability tensions.



Source: CREA, CBRE, CMHC, Colliers and StatsCan. Note: Datapoints are from 2017 CMHC Rental Market Report.



Note: according to Canada Mortgage and Housing Corporation. Datapoints are from 2017 CMHC Rental Market Report.

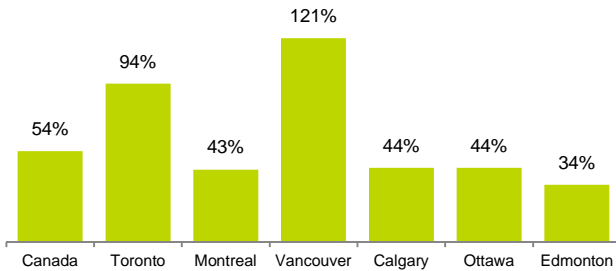
In an effort to cool Canada's most heated markets, federal and provincial governments have enacted a variety of strict regulations on home ownership, with the aim to discourage speculative investment and encourage more responsible purchasing behaviour. In particular, with the implementation of more stringent qualifying mortgage rules and recent rise in interest rates, the threshold for approvals has further pushed home ownership out of reach.

*Rising Interest in Renting as a Housing Solution*

In light of rising home ownership costs, renting in Canada is increasingly seen as a viable long-term alternative to owning a home, with ownership levels dropping to lowest levels nationally since 2001. This decline is particularly pronounced across the millennial cohort who are increasingly opting to rent. In 2016, 52% of Canadians aged 25 to 34 were renters, representing a significant increase from 46% in 2011.

**Deteriorating Home Affordability in Target Markets**

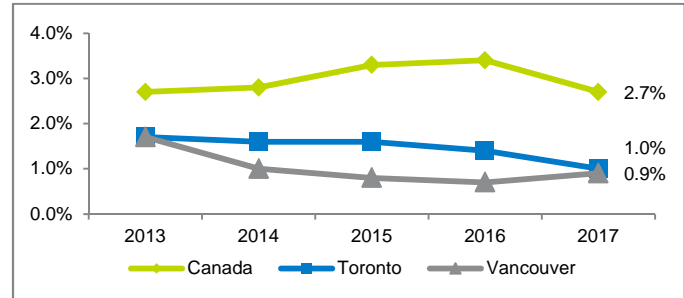
*Renting in Canada is Increasingly Seen as a Viable Long-Term Alternative to Owning a Home*



Source: Markus & Millichap, RBC, CMHC, Stats Canada, CIBC World Markets. As of Q3 2017. Affordability index is the ratio of average annual housing cost of single-family home to median household income.

**Stable and Tightening Vacancy Levels Over the Economic Cycle**

*Very Low Vacancy in Gateway Markets, with Rents Increasing Significantly Upon Turnover*



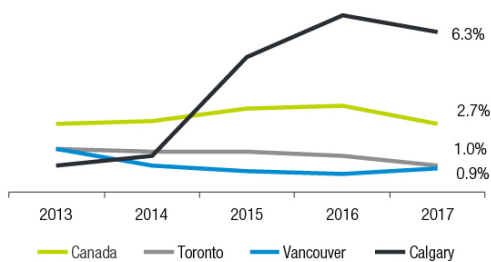
Source: CMHC, Stats Canada. Average vacancy rate and two bedroom rent across major Canadian census metropolitan areas.

While deteriorating affordability is forcing many to rent out of necessity, an increasing number of people are also choosing to rent as a lifestyle preference. These households are typically able and willing to pay a premium for modern apartments that are professionally managed and designed with high quality finishes and amenity offerings.

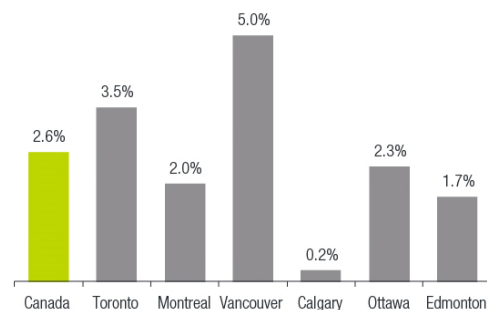
*Insufficient and Constrained Rental Supply in Canada*

According to Canada Mortgage and Housing Corporation, only 1.2% of the total national rental supply was added in 2017. This trend is not expected to materially increase as supply in many markets is limited by physical land constraints, development-hindering policies and increasing costs associated with construction. Instead of rental housing being a natural off-ramp for pent up demand due to rising home ownership costs, the insufficient level of supply is also exacerbating the dislocation between rental supply and demand.

**Stable and Tightening Apartment Vacancy Rates**



**Strong Rental Rate Growth (2013 – 2017 CAGR)**



Starlight Rental Rates CAGR: 5 -9%



Source: CMHC, StatsCan. Average vacancy rate and two bedroom rent across major Canadian census metropolitan areas.

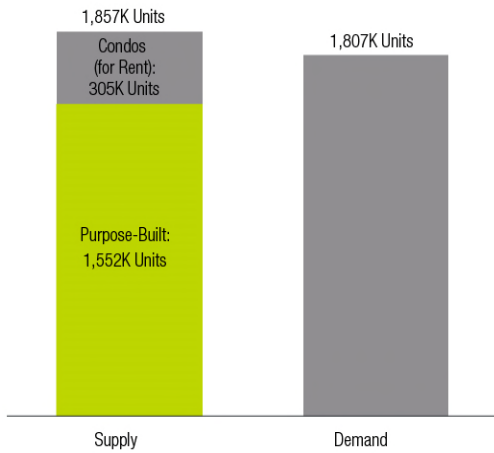
*The Rise of the Shadow Condominium Market is Not a Complete Solution*

As the current number of rental units under construction is not sufficient to meet the rising rental demand, Canada is increasingly relying on the secondary condominium rental market, which currently comprises approximately 15% of Canada’s total rental inventory. While this provides some relief to the housing problem, condominiums do not solve the supply and demand imbalance entirely. The spread between apartment and condominium rental rates is significant. With an average difference of 35% or \$375 per month according to Canada Mortgage and Housing Corporation, the issue of affordability creeps up again. Further, rental units are typically larger and offer greater value per square foot as compared to condominiums.

**2017(Inventory)**

Vacancy rate:

- 2.7% Canada wide
- Less than 1% in Toronto and

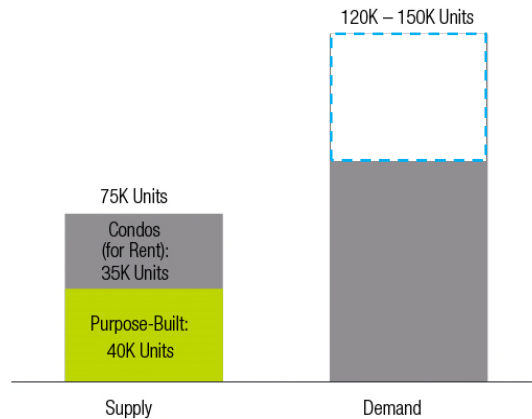


Canadian market is at full capacity

**Strong Rental Rate Growth (2013 – 2017 CAGR)**

Renter demand growth drivers (10 -15 %):

- Strong job growth
- Record and growing immigration
- High cost of homeownership
- Rise in millennial renters



Market shortfall of at least 45-75K units<sup>2</sup>

Source: CMHC, StatsCan, TD Securities.

<sup>1</sup> Units under construction typically take two to three years to be completed.

<sup>2</sup> Analysis based on data from Canada Mortgage Housing Corporation and Statistics Canada.

**Starlight Investments Overview**

Starlight Investments (“**Starlight**”) is a Toronto-based, privately held, full service, real estate investment and asset management company driven by an experienced team comprised of over 150 professionals. Starlight currently manages over \$9.0 billion of multi-family and commercial properties through funds, joint ventures and club deals. Starlight manages real estate on behalf of publicly-listed vehicles, six institutional and family office partnerships and retail investors. Starlight’s portfolio consists of approximately 36,000 multi-family units across Canada and the U.S. and over 5.9 million square feet of commercial properties.



Starlight was founded in 2011 by Daniel Drimmer, with the precursor company founded in 1995 and publicly listed in 2010. The company is a recognized leader in North American multi-family real estate with a strong track record:

- 85,000+ units and \$16B in transaction value executed since 2011
- 29% Gross IRR to clients in multi-family strategies
- \$500M+ in building upgrades on 8,000 units generating 30%+ in rental gains
- \$7.3 billion in assets under management, 450+ properties, 36,000 units
- \$4 billion development pipeline

### ***Starlight Canadian Residential Growth Fund Overview***

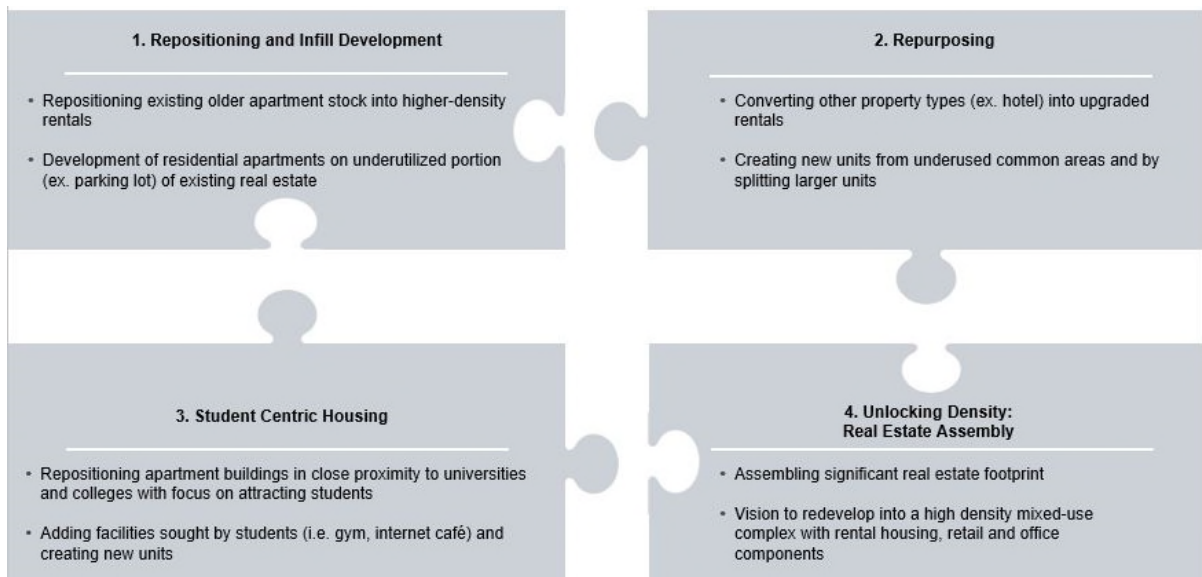
The Starlight Fund will pursue the same proven and successful real estate investment strategy that Starlight has employed on behalf of the firm's prior real estate funds since 2011 and will focus on acquiring Canadian multi-residential real estate properties and portfolios. The investment focus will be on repositioning, infill development, repurposing and assembly of residential and adjacent property types (e.g. student housing) opportunities. The Starlight Fund expects that the portfolio will be seeded with approximately 20-25% of income generating properties, located in major Canadian metropolitan and next tier cities. The Starlight Fund will have a five-year investment horizon with the potential for two one year extensions at the discretion of the manager of the Starlight Fund. It is intended that the Starlight Fund will provide liquidity to investors at some point after the initial five year fund life; however, the Starlight Fund does not provide liquidity prior to the fund's termination. It is anticipated that capital will be drawn down from the Public Portfolio and deployed by the Starlight Fund over an 18 to 24 month time period. Total leverage is targeted at 60-65% of total asset value and capped at 75% of any single asset's value. Starlight will co-invest approximately 10% of the offering, which is expected to amount to a \$30 million investment in the Starlight Fund. The target gross IRR of the fund is 15 – 16% for the Class A, B and C Units, including a 4.0% annual distribution, paid quarterly.

## Capitalizing on the Housing Shortfall

Starlight has identified a significant demand and supply dislocation for rental properties across Canada and believes that this dislocation has created enticing investment opportunities. Starlight is actively pursuing a number of innovative projects for the Starlight Fund to help alleviate some of the pressure and generate attractive risk adjusted returns.

As one of Canada's largest privately-owned multi-family asset managers and owners, Starlight is able to access a number of opportunities that allows it to creatively address the market dislocation. A unique strategy Starlight has pursued is the repurposing of other types of real estate into rental stock. One example is where Starlight converted a dated hotel into loft-style rental units and also created new units from underused common areas and by splitting larger units. Through this process, Starlight effectively created 100 apartment units.

Another example of innovatively addressing the supply pressure is by assembling underutilized real estate and conducting rezoning work to allow for future higher-density development, adding a significant number of new rental units in the process. In addition to these innovative projects, Starlight continues to execute on opportunities to create new rental supply within its existing apartment portfolio. One example is to create rental units from underused common areas and underutilized land located on existing real estate. This is evidenced where Starlight created 16 townhomes in a prime neighbourhood of a Canadian gateway market on a previously underutilized parking lot of an apartment complex it already owned.



## Significant Dislocation in the Canadian Rental Market Creates Strong Investment Opportunities

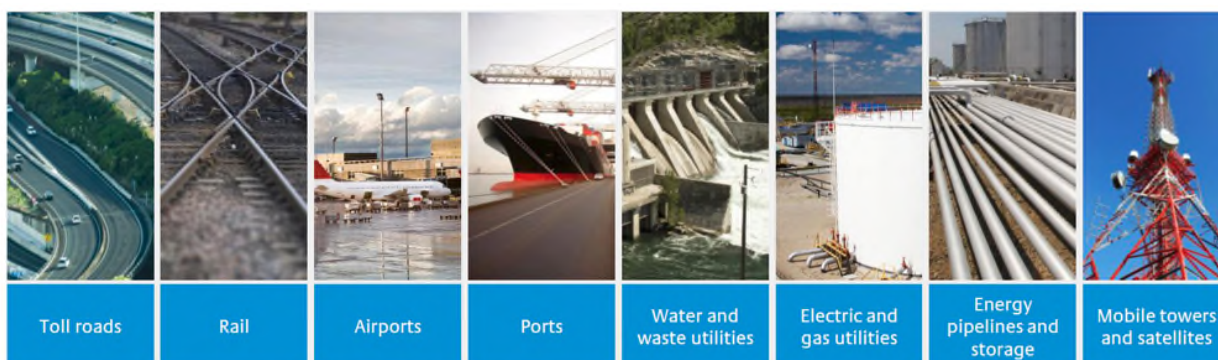
Strong employment growth, high costs of home ownership and a rise in millennial renters support strong demand for apartments, with record and growing immigration levels expected to drive demand even higher. Coupled with insufficient and constrained rental supply, housing challenges are expected to only intensify, particularly in Canada's gateway markets. This set of circumstances has created strong opportunities for real estate investment and asset managers willing and able to be innovative in creating new supply and for those investors supporting them.

Future investments in direct real estate by the Trust are not limited to the Starlight Fund or Starlight Investments.

## Listed Global Infrastructure

Infrastructure assets are large, long-term assets that support essential services enabling communities to function and economies to grow. Infrastructure assets are often irreplaceable and a critical component of government operating budgets. As a result, many assets are monopolies or near-monopolies underpinned by a regulatory framework, resulting in stable returns and reduced volatility. These assets often have limited competition and high barriers to entry due to the capital-

intensive nature of their respective industries and government oversight and regulation. According to Bloomberg, the US\$2 trillion global listed infrastructure universe is primarily composed of companies that own and operate these assets, spanning a broad set of sectors:



Infrastructure assets are the backbone of any economy. In an era of strained government budgets, many infrastructure spending plans will rely on the private sector to finance, own and operate infrastructure assets, which the Manager and Investment Manager believe provides a compelling opportunity for investors.

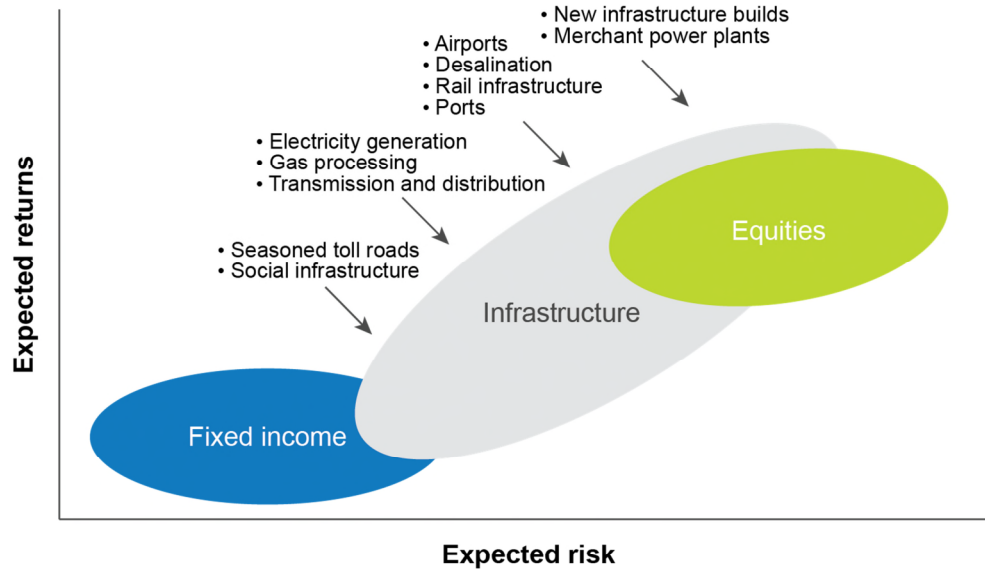
### *Characteristics of Infrastructure*

The Manager and Investment Manager believe infrastructure assets have several compelling business characteristics:

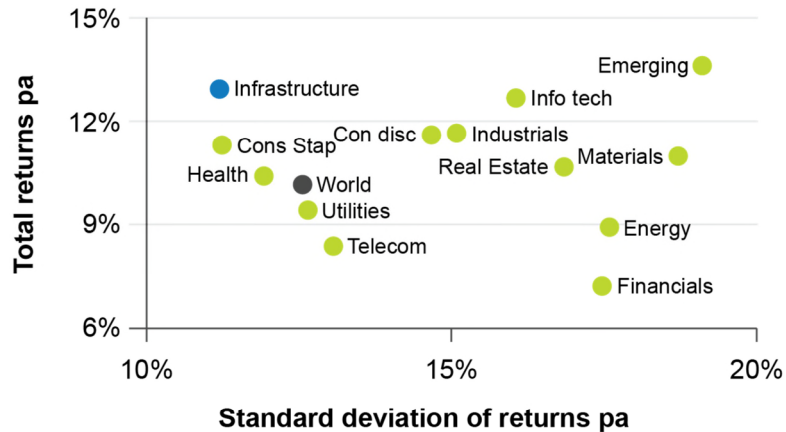
- Long lived real assets
  - The useful lives of infrastructure assets are often greater than 20 years and in some instances have been as long as 99 years.
- High barriers to entry
  - Capital requirements for new infrastructure assets are typically in the billions of dollars with a multi-year construction period, resulting in a long replacement cost cycle. Existing assets are often protected by zoning restrictions and exclusivity rights making it difficult or prohibitive for competitors to enter the market.
- Stable cash flows
  - Given many infrastructure assets are regulated and have defined return profiles, cash flows are easier to forecast and have lower volatility. These cash flows also reduce the overall duration of the investment and the level of interest rate sensitivity.
- Inelastic demand
  - Infrastructure assets provide services that are essential for the economy to function, resulting in stable demand and resilience during economic downturns.

These unique characteristics result in a total return profile that resembles equities, but with downside protection and volatility similar to a fixed income investment.

## Characteristics of infrastructure



Source: Credit Suisse Asset Management



FTSE Global Core Infrastructure 50/50 Net TR Index GBP from Dec-05 previously Macquarie.  
 MSCI World Net TR GBP. Monthly date for 15 years to Dec-17.  
 Source: Bloomberg and First State Investments.

### Benefits of Listed Infrastructure

#### Diversification

Listed infrastructure assets have low correlation with stocks and bonds which adds to portfolio efficiency. There are also diversification benefits at the security level, as most listed infrastructure companies have dozens of assets across multiple subsectors and geographies, limiting single asset risk.

*Income*

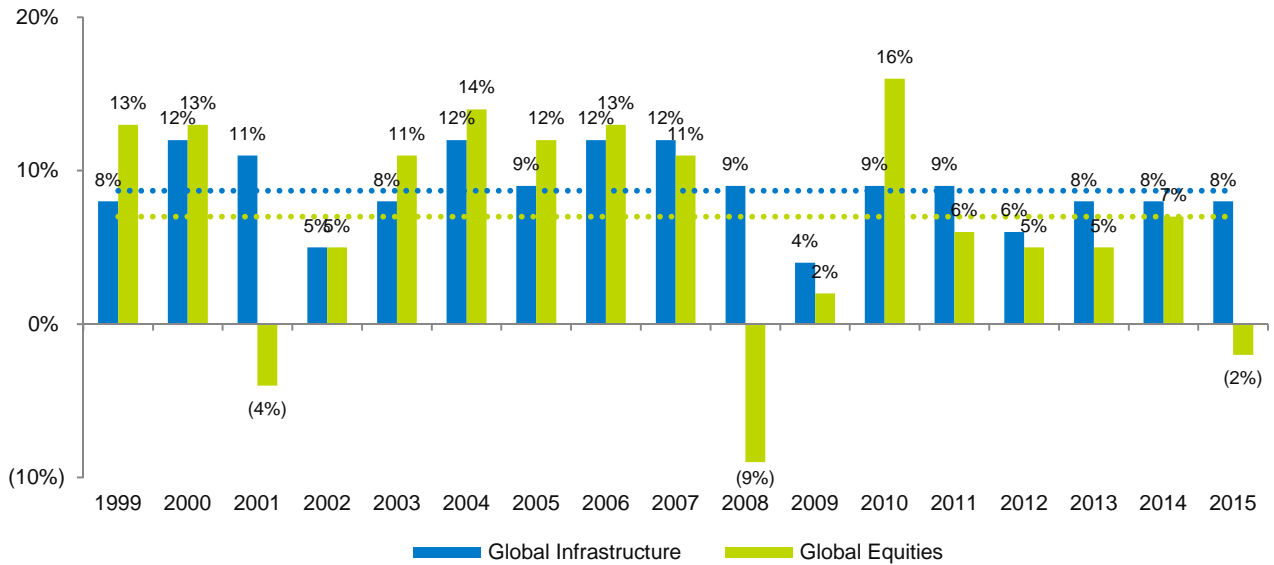
Listed infrastructure assets are typically high-yielding due to the strong demand profile and stability of cash flows. Mature assets with limited expansion needs generate strong free cash flow and sustainable dividend growth as asset utilization climbs and capital expenditures remain low.

*Inflation protection*

Many infrastructure assets have inflation adjustment mechanisms built into their regulatory framework which allows returns to increase in line with inflation.

*Growth drivers*

Infrastructure investment is driven by several secular trends, including urbanization, population growth and government spending. As infrastructure assets mature and utilization increases, the Investment Manager believes investment in infrastructure assets will be critical for decades to come, resulting in a strong, long-term growth profile.

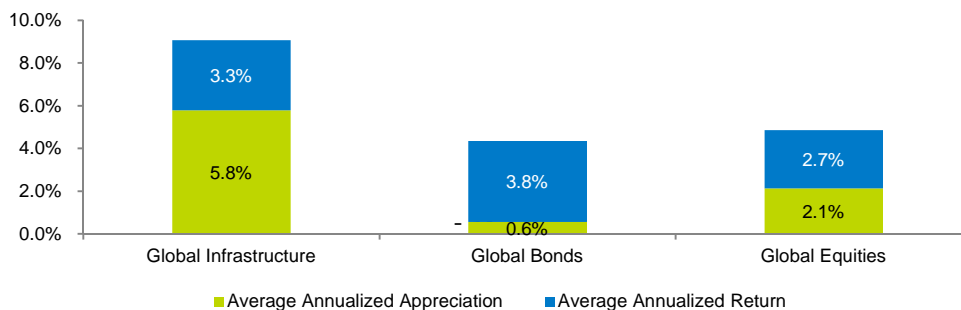


Source: Brookfield Investment Management research and estimates; FactSet; S&P Dow Jones Indexes; Merrill Lynch Global Quantitative Strategy; MSCI; IBES; Worldscope; data as of December 31, 2015 and reflect median EBITDA growth in each respective time period. Global Infrastructure represented by the Dow Jones Brookfield Global Infrastructure Composite Index and not the performance of a Brookfield composite. Brookfield has no direct role in the management of the Index. Global equities represented by the MSCI World Index.

*Performance*

Listed global infrastructure equities have historically delivered superior long-term returns compared to global equities and bonds. Consistent and growing dividends have compounded infrastructure capital and returns, resulting in strong performance throughout economic cycles.

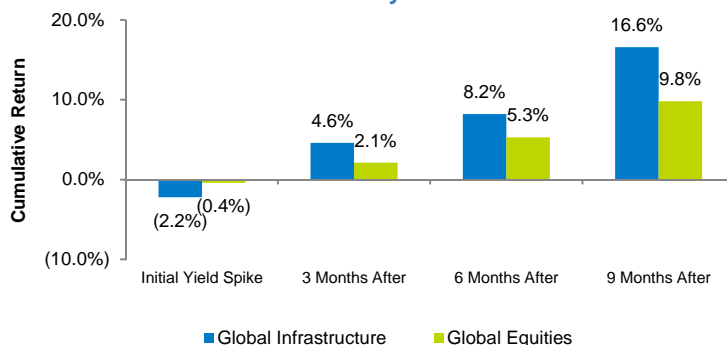
**10-Year Income Returns and Capital Appreciation: Global Listed Infrastructure vs. Equities & Bonds**



Source: Bloomberg as of March 31, 2016. Global Infrastructure represented by the Dow Jones Brookfield Global Infrastructure Index; Global Bonds represented by the Barclays Aggregate Global Corporate Bond Index; Global Equities

Infrastructure companies perform well during a period of economic expansion and growth, as many assets have a high degree of operational leverage and benefit from increasing asset utilization without the need for a material increase in fixed cost investment. Historically, infrastructure securities returns have proven to be resilient over the course of the interest rate cycle. As can be seen below, after the initial negative reaction to an interest rate hike, listed infrastructure equities produce strong returns while materially outperforming global equities.

**Average Returns Following the Largest Increases in the 10-Year Treasury Yield**

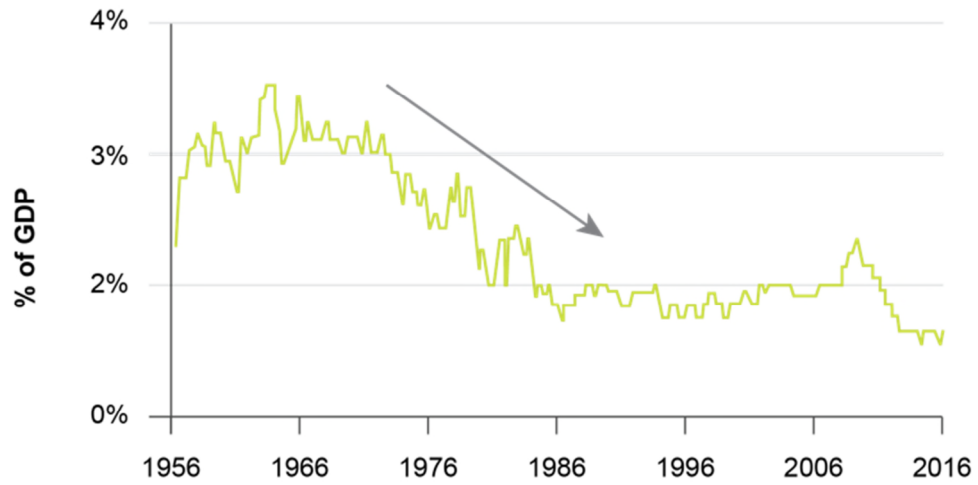


As December 31, 2017. Source: Cohen & Steers, Morningstar. Data quoted represents past performance, which is no guarantee of future results. There is no guarantee that any historical trend illustrated herein will be repeated in the future, and there is no way to predict precisely when such a trend will begin. (a) Time periods determined by ranking 30-day increases in the 10-year U.S. Treasury yield since 2000 (discarding overlapping periods of lesser yield increases), measuring average index returns in those 30-day periods and the ensuing 3-, 6- and 12-month periods thereafter.

***Global Infrastructure Needs***

The need for infrastructure investments spans the entire globe, across both developed and emerging markets. In developed markets, investment in infrastructure has steadily declined over the past fifty years, while utilization has climbed, resulting in deteriorating asset quality in dire need of maintenance, repair, and in some cases, replacement.

**U.S. Government Investment in Infrastructure  
Infrastructure Spending as a Percentage of Gross Domestic Product**



At March 31, 2017 (most recently published data). Source: Thomson Reuters, Credit Suisse Research

There is no guarantee that historical trend illustrated herein will be repeated in the future, and there is no way to predict precisely such a trend will begin.

In emerging markets, the rapidly increasing middle class demands more infrastructure to support higher living standards and increased urbanization. By 2030, nine of the world's 10 largest cities will be in emerging markets.

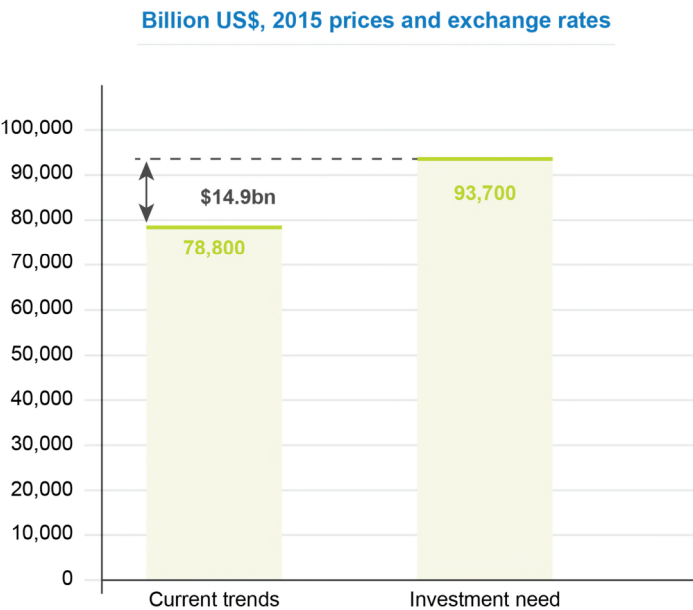
**10 Largest Cities in the World by 2030 Population  
(thousands of people)**

	1990	2010	2025	2030
1 Tokyo	38,001	38,323	37,876	37,190
2 Delhi	25,703	29,348	32,727	36,060
3 Shanghai	23,741	27,137	29,442	30,751
4 Mumbai (Bombay)	21,043	22,838	25,207	27,797
5 Beijing	20,384	24,201	26,494	27,706
6 Dhaka	17,598	20,989	24,331	27,374
7 Karachi	16,618	19,230	22,009	24,838
8 Al-Qahirah (Cairo)	18,772	20,568	22,432	24,502
9 Lagos	13,123	16,168	20,030	24,239
10 Ciudad de México (Mexico City)	20,999	21,868	22,916	23,865

Source: United Nations Urbanization Project: 2014 update.



According to Oxford Economics, based on current trends, more than US\$79 trillion will be invested in infrastructure through 2040 across the globe. However, analysis shows this is a conservative estimate based on government budgets and forecasts, and the actual need will be close to US\$94 trillion through 2040.



Source: Oxford Economics

**Direct Infrastructure**

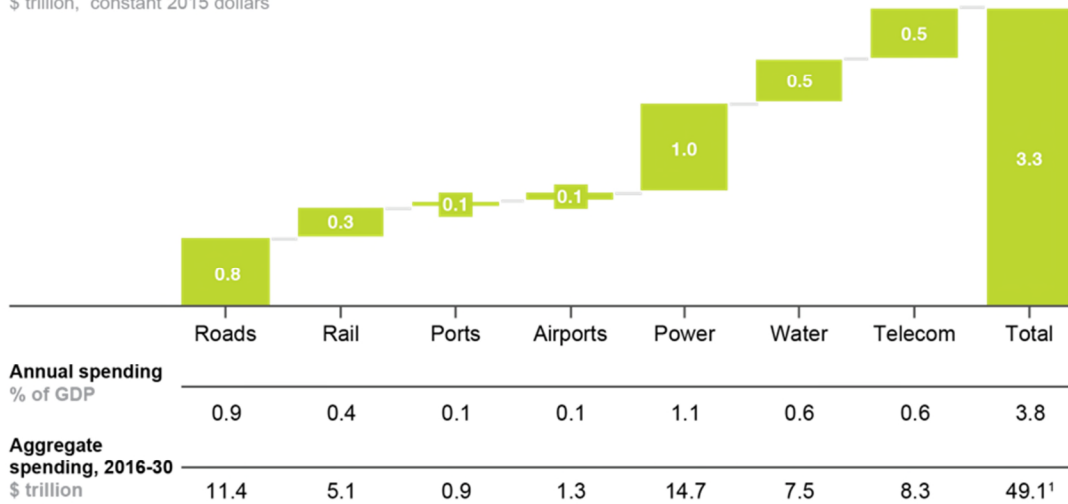
Infrastructure assets serve as the backbone of global economic activity and underpin sustained economic growth. Infrastructure assets typically provide essential public goods or services to a broad range of users and are capital-intensive. They can be categorized as being in heavily-regulated industries (power, transportation) or under long-term concessions with public sector entities through Public-Private Partnerships (“PPPs”) in sectors such as social, transportation and environmental. Historically, many infrastructure facilities and services have been financed by governments or government agencies, however, the disparity between the government funding required to address global infrastructure deficits and constrained government finances has led many governments to evaluate how the private sector can contribute to the delivery of infrastructure.

Current estimates suggest a global investment of US\$3.3 trillion is required annually from 2016 through 2030 to support current economic growth forecasts, a significant increase from current global annual spending of US\$2.5 trillion with the largest increase required in the power sector.<sup>1</sup> While a significant portion of this investment is required in emerging economies, investment needs in Canada and the U.S. are expected to grow in line with global requirements through to 2030.

<sup>1</sup> McKinsey Global Institute, Bridging Global Infrastructure Gaps, June 2016

## The world needs to invest \$3.3 trillion in economic infrastructure annually through 2030 to keep pace with projected growth

Average annual need, 2016-30  
\$ trillion, constant 2015 dollars



<sup>1</sup>The estimate of total demand is lower than the \$57 trillion projection in previous MGI research. It has been adjusted for the following reasons: this projection covers a 15-year period (2016-30) rather than an 18-year period (2013-30); lower water capex due to changes in the exact category definitions applied and updates to estimates by Global Water intelligence; base year prices have been revised from 2010 to 2015; and GDP growth forecasts have been revised downward by HIS.

NOTE: Numbers may not sum due to rounding.

Source: IHS Global Insight; ITF; GWI; National Statistics; McKinsey Global Institute analysis

### *Growing North American Infrastructure Requirements*

Both Canada and the U.S. have increasing requirements for infrastructure to support local economics and competitiveness in an increasingly global market. In the U.S., the American Society of Civil Engineers has estimated the total infrastructure needs from 2016 to 2025 at US\$3.3 trillion, with a funding gap close to US\$1.4 trillion<sup>2</sup>, yet the total required spending increases to US\$10.8 trillion in the period 2016 to 2040 with a funding gap of US\$5.2 trillion.

<sup>2</sup> American Society of Civil Engineers (2016), Failure to Act

**Estimated changes in U.S. infrastructure sector  
Investment gaps and aggregate investment gap**

	Cumulative gap estimate in 2016 failure to act analysis (Billions 2015\$)		Cumulative gap estimate calculated for 2011-12 failure to act analysis (Adjusted from billions 2010\$ to billions 2015\$)	
	2016 - 2025	2016 - 2040	2016 - 2025	2016 - 2040
<b>Surface transportation</b>	\$1,101	\$4,334	\$908	\$3,931
<b>Water &amp; wastewater</b>	\$105	\$152	\$113	\$163
<b>Electricity</b>	\$177	\$565	\$212	\$743
<b>Aviation</b>	\$42	\$88	\$46	\$82
<b>Ports &amp; inland waterways</b>	\$15	\$43	\$18	\$42
<b>Total</b>	<b>\$1,440</b>	<b>\$5,182</b>	<b>\$1,297</b>	<b>\$4,961</b>

Source: American Society of Civil Engineers (2016), Failure to Act

NOTE: All figures in USD. Numbers may not sum due to rounding.

Since 1998, investment needs have continued to grow due to delayed maintenance and underinvestment across most infrastructure sectors. In Canada, one-third of municipal infrastructure (approximately 60% of assets nationally) is in fair, poor or very poor condition.<sup>3</sup> The most recent Canadian Infrastructure Report Card has highlighted increasing pressures and demands on local governments for infrastructure, including population growth, climate change and environmental legislation that create new needs and make upgrades to older systems necessary.

<sup>3</sup> Canadian Construction Association et al. (2016), Canadian Infrastructure Report Card

Infrastructure	Extrapolated replacement value of all assets	Assets in very poor and poor condition	Assets in fair physical condition	Anticipated condition based on reported reinvestment levels (improving, stable, declining)
		Replacement value	Replacement Value	
Potable water	\$207 billion	\$25 billion (12%)	\$35 billion (17%)	Declining
Wastewater	\$234 billion	\$26 billion (11%)	\$56 billion (24%)	Declining
Stormwater	\$134 billion	\$10 billion (7%)	\$21 billion (16%)	Declining
Roads	\$330 billion	\$48 billion (15%)	\$75 billion (23%)	Declining
Bridges	\$50 billion	\$2 billion (4%)	\$11 billion (22%)	Declining
Buildings	\$70 billion	\$12 billion (17%)	\$20 billion (28%)	Declining
Sport and recreation facilities	\$51 billion	\$9 billion (18%)	\$14 billion (27%)	Declining
Transit	\$57 billion	\$9 billion (16%)	\$15 billion (27%)	Unavailable
<b>Total</b>	<b>\$1.1 trillion</b>	<b>\$141 billion (12%)</b>	<b>\$247 billion (22%)</b>	
<b>Replacement value per household</b>	<b>\$80,000</b>	<b>\$10,000</b>	<b>\$18,000</b>	

NOTE: All figures in USD.

Source: Canadian Construction Association et al. (2016), Canadian Infrastructure Report Card

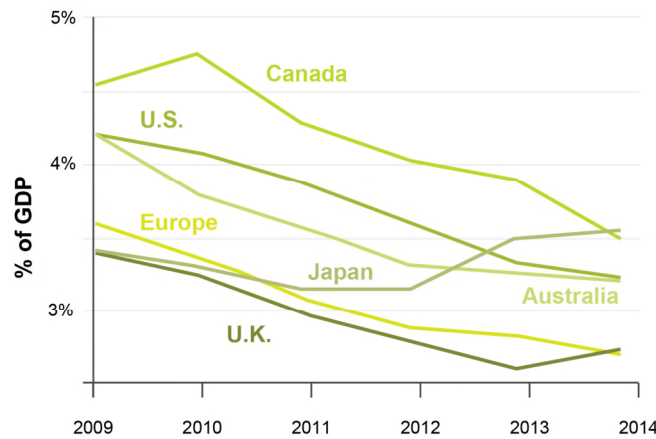
North American infrastructure requirements are a function of the following circumstances:

*Shifting trend in government spending*

In general, government spending on gross fixed-capital formation has declined as governments have refocused spending on program delivery such as social services, healthcare and security. In both Canada and the U.S., government investment in infrastructure has been declining since the global financial crisis, with estimated declines between 20 to 25% as a share of GDP in each country.<sup>4</sup> Consequently, U.S. President Trump has announced plans to leverage public-private partnerships to spur US\$1 trillion in infrastructure spending over the next decade.

<sup>4</sup> McKinsey Global Institute, Bridging Global Infrastructure Gaps, June 2016

### General government gross fixed capital formation



Source: McKinsey Global Institute, Bridging Global Infrastructure Gaps, June 2016

#### *Increasing demand for infrastructure assets*

The demands for infrastructure assets continue to increase in North America, supported by sustained economic growth and systemic underinvestment in the sector. It is expected that infrastructure investment needs in Canada and the U.S. will increase to US\$10.8 trillion from 2016 to 2030, while historical infrastructure spending was only US\$6.9 trillion from 2000 to 2015.<sup>5</sup>

#### *Aging infrastructure*

Trends in North America have been consistent with many other countries in the Organization for Economic Co-operation and Development (“OECD”), which demonstrates that the average age of infrastructure assets is increasing, and the condition of infrastructure is deteriorating. For example, the average age of government fixed assets in the U.S. has increased from 14.9 years in 1950 to 24.0 years in 2015.<sup>6</sup>

After a historic high of Greenfield PPP volume in 2015, there was a marked slowdown in the Canadian market in 2016, but the Government’s 2016 Long-Term Infrastructure Plan calls for a significant increase in Federal infrastructure spending totaling more than C\$180 billion over the next ten years<sup>7</sup> and some estimate there are more than C\$50 billion of Greenfield PPP project opportunities over the 2017 to 2019 period. This increased spending is expected to focus on transportation and social infrastructure projects primarily in the Provinces of Ontario and British Columbia, which represented in aggregate 51% of Canada’s GDP in 2015.<sup>8</sup> Likewise, Greenfield PPP activity in the U.S. hit a record high in 2016 after several years of declines, and it is possible there are more than US\$35 billion of PPP projects planned for the next three years with the States of California, Colorado and Florida and the Great Lakes Region leading the way.

#### ***Fiera Infrastructure***

Fiera Capital is a leading independent asset management firm with approximately C\$139.4 billion in assets under management as of June 30, 2018. The Firm offers to institutional, private wealth and retail clients full-service, integrated portfolio-management solutions that span a broad array of traditional and alternative asset classes. Clients stand to benefit from Fiera Capital’s depth of expertise, diversified offerings, and performance-driven entrepreneurial culture. Headquartered in Montreal, Fiera Capital also has offices in Toronto, Calgary, Vancouver, and Halifax, as well as New York, Boston, Los Angeles and Dayton (Ohio) in the United States, London and the Isle of Man in the United Kingdom and Frankfurt,

<sup>5</sup> McKinsey Global Institute, Bridging Global Infrastructure Gaps, June 2016

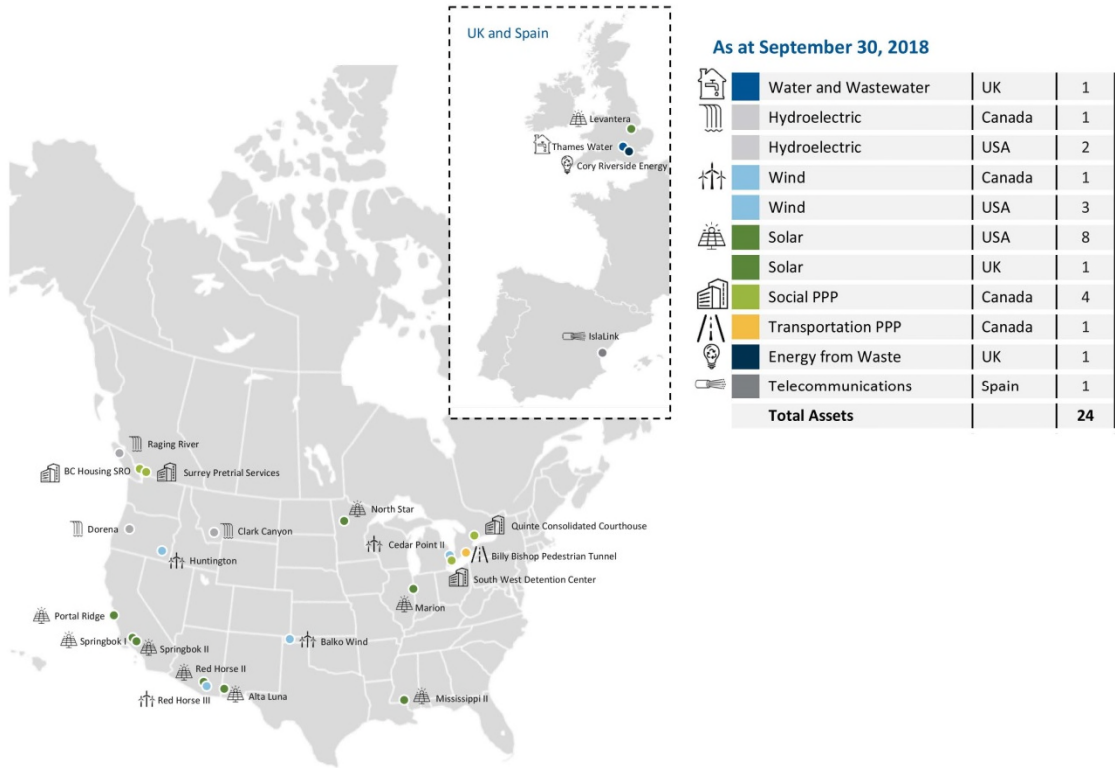
<sup>6</sup> US Department of Commerce (2012), US Bureau of Economic Analysis

<sup>7</sup> Government of Canada (2016), Investing in the New Economy – Long-term Infrastructure Plan

<sup>8</sup> Statistics Canada (2016), CANSIM, table 384-0038

Germany. The firm has more than 750 employees, including some 175 investment professionals, dedicated to meeting the needs of a diverse clientele that includes pension funds, endowments, foundations, religious and charitable organizations, family offices, high-net-worth individuals, financial institutions, retail investors, mutual funds and managed-asset platforms. Fiera Capital trades under the ticker FSZ on the Toronto Stock Exchange.

Fiera Infrastructure Inc. (“Fiera Infrastructure”) was established in 2016 by Fiera Capital and Aquila Infrastructure Management Inc., an independent investment manager established in 2011 and focused solely on infrastructure investing. Fiera Infrastructure is a leading global mid-market infrastructure investor across all subsectors of the infrastructure asset class. Led by a team of highly experienced and specialized professionals, the firm leverages strong global relationships and a rigorous approach to investment and asset management. Fiera Infrastructure has more than C\$1bn in assets under management and seeks to invest in high quality mid-market core and core-plus Infrastructure Assets located in North America and selected Western European and other countries that are members of the Organization for Economic Co-Operation and Development (“OECD”). Fiera Infrastructure aims to assemble a portfolio of high quality assets that generate stable and predictable cash flows over the long term and are diversified across geographies, type of project and infrastructure sub-sector.



**EagleCrest Infrastructure Canada LP Overview**

Fiera Infrastructure manages EICLP, which was established in 2015 and has investments in 24 assets across the U.S., Canada, the U.K. and Spain. EICLP’s mandate is to generate attractive risk-adjusted returns, primarily through direct or indirect investments in infrastructure assets. EICLP targets a gross portfolio return of CPI +6-8% before deducting fees and expenses, with a predictable cash yield from current income generated by portfolio investments. It is anticipated that capital will be drawn down from the Public Portfolio and deployed into investments in EICLP over a 12 month time period. EICLP is an open-end fund with annual liquidity provisions that include an eight year declining redemption discount.

Target assets include projects or agreements to build, operate, manage or maintain assets, which deliver services that are essential in nature to local communities or national populations, are expected to generate relatively stable and predictable cash flows over the long term and exhibit one or more of the following key infrastructure characteristics:

- they generate revenue that is underpinned by long-term contracts;

- they generate revenues regulated by a Government Authority;
- they operate under long-term concession; or
- they have monopolistic characteristics.

They include but are not limited to energy-related infrastructure assets, including without limitation power generation, transmission and distribution systems, pipelines and gas collection and distribution systems; social infrastructure assets, including without limitation hospitals and other medical care facilities, schools, courthouses and other institutional facilities; and transportation assets, including without limitation roads, tunnels, bridges, air and sea.

### ***Fiera Infrastructure Investment Approach***

Fiera Infrastructure’s investment strategy is designed to provide investors with stable and attractive risk-adjusted returns through diversified exposure to the infrastructure asset class. The key tenets of their strategy include:

#### *Core and Core-Plus Segments*

Fiera Infrastructure focuses on core and core-plus infrastructure assets, including regulated entities, assets under long-term contract and public-private partnerships.

#### Focus on investments in core and core-plus infrastructure assets

- ▶ **Core infrastructure assets** have historically stable and predictable cash flows and exhibit some of the following characteristics:
  - Provide an essential service with limited demand or usage risk, or a well-established usage pattern
  - Significant barriers to entry or limited potential for competition
  - Regulated /substantially contracted revenue stream
  - Inflation correlation (linkage)
- ▶ **Core-plus infrastructure assets** exhibit many of the characteristics of core infrastructure, but are exposed to higher risk or are new types of infrastructure.

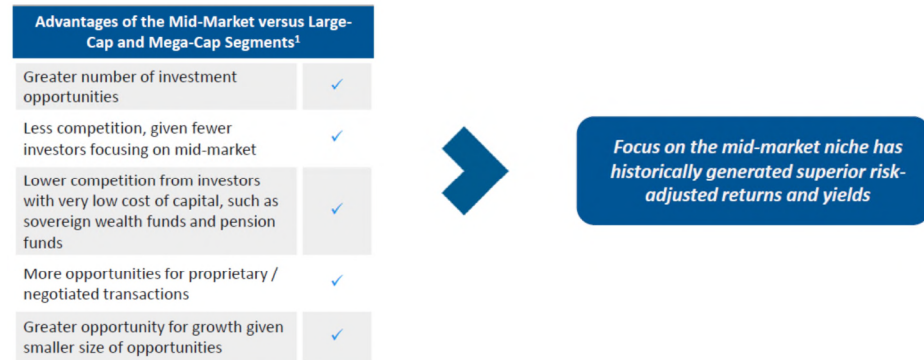
Core-Plus Infrastructure
Examples include the following: <ul style="list-style-type: none"> <li>• Energy storage</li> <li>• Long-term leases (e.g. real estate)</li> <li>• Volume-based assets</li> <li>• Telecom infrastructure</li> <li>• Biofuel facilities</li> <li>• Waste management and recycling</li> <li>• Other transportation</li> </ul>



#### *Mid-Market Focus*

Fiera Infrastructure believes the mid-market focus offers a broad range of investment opportunities across geographic regions and subsectors, while remaining below the size threshold of the largest market players.

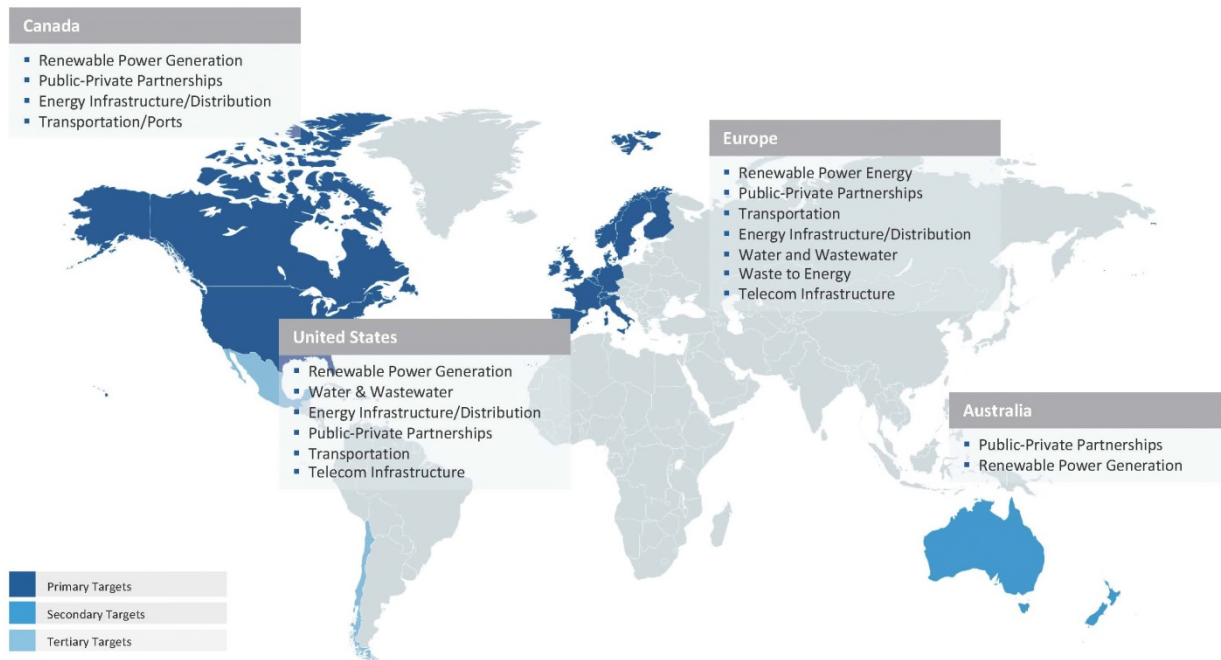
The strategy targets transactions with an equity contribution of up to \$200 million and/or a total enterprise value of approximately \$1 billion.



### Global Mandate

Infrastructure is a global asset class, and Fiera Infrastructure believes its OECD mandate allows it to pursue investment opportunities across subsectors in jurisdictions that offer the most compelling opportunities and highest risk-adjusted returns.

### Project examples by Geography



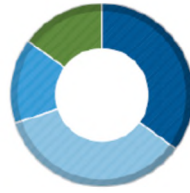
### Diversification

Fiera Infrastructure invests throughout the infrastructure asset class, providing diversification across geographic regions, subsectors and stages of development.



## TARGETED DIVERSIFICATION

### Asset Class



Asset Class	Range	Target
Regulated	Up to 75%	35%
Long-Term Contracted	Up to 75%	35%
GDP Related	Up to 25%	15%
Core-Plus Infrastructure	Up to 25%	15%
<b>Total</b>		<b>100%</b>

### Geographic Location



Location	Range	Target
North America	Up to 75%	55%
Western Europe	Up to 55%	40%
Other Target Countries	Up to 15%	5%
<b>Total</b>		<b>100%</b>

### *Long-Term Horizon*

Fiera Infrastructure seeks to provide investors with long-term, stable returns by investing in high quality and long-lived assets and projects.

### *Relationship Based Approach*

## Leverages strong relationships for partnerships and potential counterparties

- › Over 20 years and in several billions invested, our team has built deep relationship and a carefully fostered reputation as a fair, long-term and ethical partner.
- › Fiera Infrastructure has developed strong relationships through its investments in Portfolio Investments held by the Funds and in other funds managed by Fiera Infrastructure
  - Leading infrastructure project developers, contractors and operators
  - Key selection criteria: experience, relationships, track record, and financial stability
- › Provides access to an ongoing pipeline of proprietary investment opportunities for the Funds
- › We have worked with these parties in the past. Note however that these parties are not all involved in the Funds's Portfolio Investments, and they do not represent actual investment opportunities that the Funds will have

Future investments in direct infrastructure by the Trust are not limited to EICLP or Fiera Infrastructure.

## DESCRIPTION OF THE ACTIVITIES OF THE TRUST

The Trust will invest the net proceeds from the Offering to purchase global securities of public and private issuers for the Portfolio in accordance with the Trust's investment objectives, investment strategy and investment restrictions. See "Use of Proceeds".

### Investment Restrictions

The Trust is subject to the investment restrictions set out below that, among other things, limit the securities that the Trust may acquire for the Portfolio. The Trust's investment restrictions may not be changed without the approval of the Unitholders at a meeting called for such purpose. See "Description of the Activities of the Trust — Unitholder Matters". The Trust's investment restrictions provide that the Trust may not:

- (i) purchase securities, other than securities of public and private issuers operating in, or that derive a significant portion of their revenue or earnings from, the global residential and commercial real estate sectors and the global infrastructure sector;
- (ii) invest more than 40% (at the time of investment) of its total assets in securities of private issuers (other than securities of the Public Portfolio LP or other wholly-owned subsidiaries);
- (iii) invest more than 20% (at the time of investment) of its total assets in securities of any single issuer other than (i) securities issued or guaranteed by the government of Canada or a province or territory thereof or securities issued or guaranteed by the U.S. government or its agencies and instrumentalities, (ii) the Public Portfolio LP, or (iii) wholly-owned subsidiaries;
- (iv) make any investment or conduct any activity that would result in the Trust failing to qualify as a "mutual fund trust" within the meaning of the Tax Act, or that would result in that Trust acquiring or holding "non-portfolio property" or otherwise becoming a "SIFT trust" within the meaning of the Tax Act;
- (v) borrow money or employ any other forms of leverage in the Public Portfolio greater than 15% of the Net Asset Value of the Public Portfolio LP; obtain leverage in the Private Portfolio of greater than 75% of the fair market value (at the time of investment) of any direct real estate held in the Private Portfolio either directly or indirectly through an investment vehicle or greater than 90% of the fair market value (at the time of investment) of any direct infrastructure held in the Private Portfolio either directly or indirectly through an investment vehicle;
- (vi) issue Preferred Units until the later of (i) January 1, 2021 and (ii) the date at which the Net Asset Value of the Trust reaches \$500,000,000. The number of Preferred Units that the Trust may issue is limited to such number of Preferred Units with an aggregate Preferred Unit redemption price equal to 25% of the Net Asset Value of the Trust, after giving effect to the offering of such Preferred Units, and shall not constitute leverage for the purposes of (v) above;
- (vii) have short exposure, other than for purposes of hedging, in excess of 20% of the total assets of the Trust as determined on a daily marked-to-market basis;
- (viii) hold or acquire an interest as a member of a partnership unless the liability of the Fund as a member of such partnership is limited by operation of applicable law within the meaning of subsection 253.1(1) of the Tax Act;
- (ix) invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Trust (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust (or a partnership which holds such an interest) which would require the Trust (or the partnership) to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (iii) any interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act; and

- (x) enter into any arrangement (including the acquisition of securities for the Portfolio) where the result is a “dividend rental arrangement” for the purposes of the Tax Act, or engage in securities lending that does not constitute a “securities lending arrangement” for purposes of the Tax Act.

If a percentage restriction on investment or use of assets set forth above is adhered to at the time of the transaction, later changes to the market value of the investment or the total assets of the Trust will not be considered a violation of the restriction (except for the restrictions in paragraphs (iv), (ix) or (x)). If the Trust receives from an issuer, subscription rights to purchase securities of that issuer, and if the Trust exercises such subscription rights at a time when the Trust’s Portfolio holdings of securities of that issuer would otherwise exceed the limits set forth above, it will not constitute a violation if, prior to receipt of securities upon exercise of such rights, the Trust has sold at least as many securities of the same class and value as would result in the restriction being complied with.

The operations of Public Portfolio LP will be subject to the terms of its constating documents, which will provide, among other things that Public Portfolio LP will operate in a manner consistent with the investment restrictions set out above (except for the restriction in paragraph (viii)).

## **Unitholder Matters**

### ***Meeting of Unitholders***

The Manager may call a special meeting of the Unitholders at any time by providing notice of the date, time and place of the meeting to each Unitholder entitled to vote at the meeting, each Trustee and the auditor as well as details on the business to be transacted at such meeting.

Quorum for a meeting of Unitholders shall be the holders of at least 10% of the Units entitled to vote at a meeting of Unitholders, whether present in person or represented by proxy. Unless a Unitholder entitled to vote at a meeting of Unitholders demands a vote to be taken by ballot, each question at a meeting of Unitholders shall be decided by a show of hands. Upon a show of hands every voting person who is present shall have one vote. The only persons entitled to attend a meeting of Unitholders shall be those entitled to vote at the meeting, the Trustees and auditor of the Trust as well as any other person who is invited by the Chair of the meeting or with the consent of the meeting. Each Unit will have one vote at such a meeting.

### ***Acts Requiring Unitholder Approval***

The Trust has agreed with the Manager that the following matters require the approval by a simple majority of the holders of Units at a meeting called and held for such purpose:

- (i) a change in the fundamental investment objectives of the Trust as described under “Investment Objectives”; and
- (ii) a change in the investment restrictions of the Trust as described under “Description of the Activities of the Trust — Investment Restrictions” unless such change is necessary to ensure compliance with all applicable laws, regulations or other requirements by the applicable regulatory authorities from time to time.

The Trust has agreed with the Manager that the following matters require the approval by a two-thirds majority of the holders of Units at a meeting called and held for such purpose:

- (i) the amendment of the Declaration of Trust or changes to the Trust, other than amendments that do not require approval of Unitholders or require approval by a simple majority of Unitholders as set out in the Declaration of Trust;
- (ii) any change in the basis of calculating the Management Fee or Public Portfolio Performance Fee charged to the Trust which could result in an increase in charges to the Trust other than a fee or expense charged by a person or company that is at arm’s length to the Trust;

- (iii) except as described herein, a change in the Manager of the Trust, other than a change resulting in an affiliate of such person assuming such position;
- (iv) a reduction in the amount payable on any outstanding Units upon liquidation of the Trust;
- (v) an increase in the liability of any Unitholders;
- (vi) an amendment, modification or variation in the provisions or rights attaching to the Units which materially adversely affects the holders of Units; and
- (vii) the alteration or elimination of any voting rights pertaining to any outstanding Units.

### USE OF PROCEEDS

The following table shows the intended use of the gross proceeds from the issuance of Units assuming the Maximum Offering is completed.

Sources of Funds	Assuming Minimum Offering <sup>(1)(2)</sup>	Assuming Maximum Offering <sup>(1)</sup>
Gross Proceeds from issuance of Units	\$20,000,000	\$100,000,000
Agents' Fee	\$675,000	\$4,275,000
Estimated expenses of this Offering (i.e. legal, accounting and audit, tax advice, printing, travel, securities filings, etc.)	\$300,000	\$975,000
<b>Total Net Proceeds</b>	<b>\$19,025,000</b>	<b>\$94,750,000</b>

Notes:

(1) Assuming only the Starlight Commitment and Series A Units are sold.

(2) The Agents' Fee and Offering expenses will be paid by the Trust from the proceeds of a margin facility.

The net proceeds of the Offering will be used to purchase securities for the Portfolio following the Closing Date in accordance with the Trust's investment objectives and investment strategy and for general operating purposes. As the Portfolio will be actively managed, the Trust may hold cash and cash equivalents from time to time depending on the Manager's and the Investment Manager's assessment of market conditions. Unallocated funds will be held in the Custodian's account. The Investment Manager will be responsible for the investment of unallocated funds.

### SELECTED FINANCIAL INFORMATION

The audited financial statements of the Trust as at November 28, 2018 are included in this Prospectus. The Trust is newly organized and capitalized with nominal capital. As the Trust has not carried on any business to date, it has no material assets, or cash flow from financing or from operations.

### DESCRIPTION OF THE SECURITIES

The Trust is offering up to a maximum of \$100,000,000 of Series A Units and/or Series C Units and/or Series F Units, at a purchase price of \$10.00 per Unit.

**The rights and obligations of the Unitholders are governed by the Declaration of Trust. The following is a summary of certain material provisions of the Declaration of Trust. This summary does not purport to be complete**

**and reference should be made to the Declaration of Trust itself, a copy of which is available from the Trust during the period of distribution of the Units and will be available following the Closing Date at [www.sedar.com](http://www.sedar.com).**

Capitalized terms in this summary which are not defined in this Prospectus are defined in the Declaration of Trust.

## **Units**

The capital of the Trust is divided into an unlimited number of Units of each series, initially consisting of Series A Units, Series C Units and Series F Units. The Trust may offer additional classes or series of units, including Preferred Units, at the discretion of the Manager, subject to any necessary regulatory approval.

Except as described below, each Unit entitles the holder to the same rights and obligations and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to (i) the proportionate entitlement of each holder of Series A Units, Series C Units and Series F Units to receive proceeds upon termination of the Trust, based on such holder's share of the Proportionate Series A Interest, Proportionate Series C Interest, and Proportionate Series F Interest, respectively (subject in each case to adjustment to reflect the Unit Series Expenses allocable to each respective series) and (ii) a proportionate allocation of income or loss of the Trust in accordance with the terms of the Declaration of Trust.

On termination or liquidation of the Trust, each Unitholder of record is entitled to receive on a proportionate basis based on such holder's share of the Proportionate Series A Interest and/or Proportionate Series C Interest and/of Proportionate Series F Interest, respectively, (subject in each case to adjustment to reflect the Unit Series Expenses allocable to each respective series) all of the assets of the Trust remaining after payment of or provisions made for all debts, liabilities and liquidation expenses of the Trust.

Units shall not be issued for net proceeds per Unit less than the most recent Net Asset Value per Unit of the applicable series, calculated prior to the pricing of such issuance.

### ***Series A Units***

The Series A Units are designed for all investors and pay an Agents' Fee of \$0.45 per Series A Unit (4.5%). The Series A Units may be redesignated into Series C Units in accordance with the Declaration of Trust. See "– Redesignation of Units" below.

The Exchange has conditionally approved the listing of the Series A Units. Listing of the Series A Units is subject to the Trust fulfilling all of the requirements of the Exchange.

### ***Series C Units***

The Series C Units are designed for the principal of the Manager and certain other investors known to the Manager, and differ from the Series A Units in that the Series C Units (i) are not required to pay the Agents' Fee or any selling concession, (ii) will not be listed on the Exchange, (iii) may not be sold, transferred or redesignated for a period of four months after the Closing Date (the "**Series C Hold Period**"), in accordance with the Declaration of Trust, and (iv) may be redesignated into Series A Units in accordance with the Declaration of Trust. See "– Redesignation of Units" below.

The investment in Series C Units by the principal of the Manager and promoter, Daniel Drimmer, will further align the interests of the Manager and its principal with those of Unitholders. The principal of the promoter intends to retain not less than 80% of his aggregate beneficial interest in such Series C Units acquired and/or Series A Units received upon the redesignation of any such Series C Units for a three year period following closing of the Offering. However, during such time period, the principal of the promoter may, in his discretion, sell 20% of such aggregate beneficial Unit interest in such manner as permitted by the Declaration of Trust and applicable securities laws.

### ***Series F Units***

The Series F Units are designed for all investors, and differ from the Series A Units in that the Series F Units (i) pay a reduced Agents' Fee of \$0.19 per Series F Unit (1.9%), (ii) subject to the Manager's discretion, are subject to a minimum

initial investment of \$1,000,000 (100,000 Series F Units); (iii) will not be listed on the Exchange, and (iv) will be redesignated into Series A Units or, at the option of the holder, into Series C Units, on the first Redesignation Date following issuance in accordance with the Declaration of Trust. See “–Redesignation of Units” below.

### ***Preferred Units***

The Trust may issue Preferred Units, from time to time after the later of (i) January 1, 2021 and (ii) the date at which the Net Asset Value of the Trust reaches \$500,000,000. The number of Preferred Units that the Trust may issue is limited to such number of Preferred Units with an aggregate Preferred Unit redemption price equal to 25% of the Net Asset Value of the Trust, after giving effect to the offering of such Preferred Units. The Trust does not intend to issue Preferred Units without first having obtained a favourable income tax ruling from the CRA.

### ***Redesignation of Units***

Series C Units may be redesignated into Series A Units on the last Business Day of each fiscal quarter (each a “**Redesignation Date**”) at the option of the holder in accordance with the Declaration of Trust. A redesignation will not be permitted unless a minimum of 25,000 Series C Units are redesignated. The Manager may waive such minimum at its discretion. Series C Units may only be redesignated after the end of the four month Series C Hold Period. Each Series C Unit so redesignated will be redesignated into that number of Series A Units having a Net Asset Value equal to the Net Asset Value of the Series C Unit. Any fractional amounts will be rounded down to the nearest whole number of Series A Units.

As at the Closing Date, based on the Minimum Offering and an assumed Net Asset Value per Series C Unit of \$9.90 (\$10.00, less the estimated pro rata expenses of the Offering of \$0.10) and an assumed Net Asset Value per Series A Unit of \$9.45 (\$10.00, less \$0.45 selling commission and the estimated pro rata expenses of the Offering of \$0.10), the exchange ratio would be 1.048 Series A Units received for each Series C Unit redesignated.

Series F Units will be redesignated into Series A Units or, at the option of the holder, into Series C Units, on the first Redesignation Date following issuance in accordance with the Trust’s Declaration of Trust. For the initial issuance of Series F Units, the Redesignation Date will be March 29, 2019. Each Series F Unit so redesignated will be redesignated into that number of Series A Units or Series C Units, as applicable, having a Net Asset Value equal to the Net Asset Value of the Series F Unit. Any fractional amounts will be rounded down to the nearest whole number of Series A Units or Series C Units, as applicable.

As at the Closing Date, based on the Minimum Offering and an assumed Net Asset Value per Series F Unit of \$9.71 (\$10.00, less \$0.19 selling commission and the estimated pro rata expenses of the Offering of \$0.10), an assumed Net Asset Value per Series A Unit of \$9.45 (\$10.00, less \$0.45 selling commission and the estimated *pro rata* expenses of the Offering of \$.10) and an assumed Net Asset Value per Series C Unit of \$9.90 (\$10.00, less the estimated *pro rata* expenses of the Offering of \$0.10), the applicable exchange ratios would be 1.028 Series A Units received for each Series F Unit redesignated into Series A Units and 0.981 Series C Units received for each Series F Unit redesignated into Series C Units.

At the discretion of the Manager, Series A Units may be redesignated into Series C Units quarterly at the option of the holder in accordance with the Declaration of Trust. A redesignation will not be permitted unless a minimum of 25,000 Series A Units are redesignated. The Manager may waive such minimum at its discretion. Each Series A Unit so redesignated will be redesignated into that number of Series C Units having a Net Asset Value equal to the Net Asset Value of the Series A Unit. Any fractional amounts will be rounded down to the nearest whole number of Series C Units.

As at the Closing Date, based on the Minimum Offering and an assumed Net Asset Value per Series A Unit of \$9.45 (\$10.00, less \$0.45 selling commission and the estimated *pro rata* expenses of the Offering of \$0.10) and an assumed Net Asset Value per Series C Unit of \$9.90 (\$10.00, less the estimated *pro rata* expenses of the Offering of \$0.10), the exchange ratio would be 0.955 Series C Units received for each Series A Unit redesignated.

Notwithstanding the above, a redesignation of Series A Units into Series C Units shall not be permitted if such redesignation would result in the number of Series A Units issued and outstanding being equal to or less than the greater of: (i) the minimum public float required to satisfy the minimum listing requirements of the Exchange; or (ii) 25% of the total

Units issued and outstanding. In addition, a redesignation of any series of Units shall not be permitted if such redesignation would cause the Trust to cease to qualify as a mutual fund trust for purposes of the Tax Act.

Unitholders resident in Canada should consult their own tax advisors regarding the consequences of redesignating their Units into another series of Units, including whether or not such a redesignation will constitute a taxable disposition of such Units for purposes of the Tax Act.

### ***Redemptions***

#### ***Monthly Redemption Right***

Unitholders may redeem Series A Units monthly with a prescribed number of days' notice at 96% of the 5-day volume-weighted average trading price of such Units on the Exchange, less any expenses incurred by the Trust in order to fund such redemption payment and, if applicable, any accrued performance fees (the "**Monthly Redemption Amount**").

Unitholders may redeem Series C Units with a prescribed number of days' notice at an amount equal to the product of (i) the Monthly Redemption Amount; and (ii) a fraction, the numerator of which is the most recently calculated Net Asset Value per Series C Unit and the denominator of which is the most recently calculated Net Asset Value per Series A Unit.

Unitholders may redeem Series F Units with a prescribed number of days' notice at an amount equal to the product of (i) the Monthly Redemption Amount; and (ii) a fraction, the numerator of which is the most recently calculated Net Asset Value per Series F Unit and the denominator of which is the most recently calculated Net Asset Value per Series A Unit.

Redeeming Unitholders will generally be entitled to receive cash on the redemption of Units subject to the limitation that the total amount of cash payable by the Trust in respect of all Units surrendered for redemption in a calendar month shall not exceed \$50,000.

If, as a result of the foregoing limitation, a redeeming Unitholder is not entitled to receive cash redemption proceeds, then the Units tendered for redemption may be redeemed by way of a distribution *in specie* of assets of the Trust or through the issuance of a promissory note, at the Manager's discretion.

#### ***Annual Redemption Right***

Additionally, commencing approximately 18 months following the Closing Date (expected to be on the second last Business Day of June 2020), up to 5% of the aggregate outstanding Units may be surrendered for redemption on a date determined by the Trust in each calendar year (the "**Annual Redemption Right**"). The Annual Redemption Right may be exercised by the Unitholder giving written notice of redemption to the Manager.

Redeeming Unitholders exercising the Annual Redemption Right shall be entitled to receive a cash redemption price per Unit equal to 100% of the Net Asset Value per applicable Unit (calculated in accordance with the Declaration of Trust), less any costs and expenses incurred by the Trust in order to fund such redemption payment.

If the Manager has received requests to redeem more than 5% of the Units outstanding on the redemption date, the number of Units to be redeemed shall be determined on a *pro rata* basis (based upon the number of Units tendered for redemption) from the holdings of each redeeming Unitholder. In no event, however, shall any redeeming Unitholder be left with a fraction of a Unit.

#### ***Allocation of Capital Gains and Income to Redeeming Unitholders***

The Trust may distribute, allocate and designate as payable to redeeming Unitholders capital gains or income realized by the Trust in connection with the disposition of securities or other property required in order to fund a redemption. In addition, the Trust may distribute, allocate and designate any capital gains or income of the Trust to a Unitholder who has redeemed Units during a year in an amount equal to the Unitholder's share, at the time of redemption, of the Trust's capital gains or income for the year. Any such distributions, allocations and designations will reduce the redeeming Unitholder's proceeds of disposition realized on the redemption.

## ***Distributions***

The Trust will target \$0.50 gross distributions per Unit per annum (5.0% per Unit) at the discretion of the Trustees paid on a monthly basis.

Such distributions will be payable to Unitholders of record on the last Business Day of each month or such other date as the Trustees may set from time to time and will be paid on or before the last Business Day of the first month following each such month.

The initial distribution is expected to be declared payable to Unitholders of record on February 28, 2019 and to be paid on or before the last Business Day of the following month.

Assuming (i) the gross proceeds of the Offering are \$100 million of Series A Units, (ii) the net proceeds are initially invested 100% into the Public Portfolio LP, (iii) the fees and expenses are as described herein, (iv) leverage of 15.0% of the Net Asset Value of the Public Portfolio is employed, which is the Trust's initial intention, and (v) no change in exchange rates between the Canadian dollar and foreign currencies, the Portfolio is expected to generate dividend and distribution income (net of applicable withholding tax), of approximately 5.0% per annum. The Portfolio would be required to generate an additional return of approximately 1.38% per annum (net of applicable withholding tax), including from dividend growth and realized capital appreciation, in order for the Trust to maintain its distribution level and a stable NAV per Unit. If the return on the Portfolio (including net realized capital gains from the sale of Portfolio securities) is less than the amount necessary to fund the monthly distribution and all expenses of the Trust, and if the Trust pays the monthly distributions at such amount, this will result in a portion of the capital of the Trust being returned to Unitholders and, accordingly, the NAV per Unit would be reduced.

If, in any taxation year, after payment of ordinary distributions, if any, there would remain in the Trust additional net income or net realized capital gains, the Trust will, prior to the end of the taxation year, pay or make payable such net income and net realized capital gains as one or more special year-end distributions to Unitholders as is necessary to ensure, to the extent permitted by the Tax Act, that the Trust will not be liable for non-refundable income tax under Part I the Tax Act for such taxation year. Such special year-end distribution may be paid in cash or Units, at the discretion of the Trustees.

## ***Distribution on Termination of the Trust***

On the termination of the Trust, the proceeds shall be distributed in the following order:

(a) to pay any costs involved in the sale of the assets of the Trust and to pay all amounts required to discharge any mortgages or encumbrances registered against the assets, to pay all unpaid expenses which are required to be paid under the Declaration of Trust and all expenses incurred in the winding-up of the Trust, to pay all of the liabilities of the Trust and to establish reserves as the Trustees consider necessary for the contingent liabilities of the Trust; and

(b) to Unitholders on a proportionate basis based upon the Proportionate Series A Interest, Proportionate Series C Interest and Proportionate Series F Interest, respectively, and within each series *pro rata* based upon the number of Units held, subject to adjustments to reflect the impact of any applicable remaining unallocated Unit Series Expenses.

Such distribution may be made in cash or in kind or partly in each, all as the Manager in its sole discretion may determine.

## ***Transfer of Units***

The Manager shall use all reasonable efforts to obtain and maintain a listing for the Series A Units on one or more stock exchanges in Canada. Units are fully transferable in accordance with applicable laws at the expense of the transferee and, except as set forth in the Declaration of Trust, the Manager shall not impose any restriction on the transfer of Units by any Unitholder except with the consent of such Unitholder. A Unit is not, however, transferable in part. A Unitholder may transfer all or part of his or her Units by delivering to the Manager a form of transfer, acceptable to the Manager, duly executed by the Unitholder, as transferor.



Transfers of beneficial ownership of Units represented by a global certificate will be effected through the records maintained by CDS for such global certificate or its nominee (with respect to interests of participants) and on the records of the participants (with respect to interests of persons other than participants). Beneficial owners who are not participants in CDS's book-based system, but who desire to purchase, sell or otherwise transfer ownership of or other interests in a global certificate, may do so only through participants in CDS's book-based system.

The ability of a beneficial owner of an interest in a Unit represented by a global certificate to pledge the Unit or otherwise take action with respect to such holder's interest in a Unit represented by a global certificate (other than through a participant) may be limited due to the lack of a physical certificate.

### ***Market Purchases***

The Declaration of Trust provides that, subject to applicable law, the Trust may, in its sole discretion, from time-to-time, purchase (in the open market or by invitation for tenders) Units for cancellation up to a maximum in any twelve month period of 10% of the number of Units outstanding at the end of the prior year at a price per Unit not exceeding the Net Asset Value per applicable Unit on the Valuation Date immediately prior to the date of any such purchase of Units. It is expected that such purchases, if made, will be made as normal course issuer bids through the facilities and under the rules of the exchange or market on which the Units are listed, if applicable, as provided in the Declaration of Trust or as otherwise permitted by applicable securities laws.

### ***Limitation on Non-Resident Ownership***

In order for the Trust to maintain its status as a "mutual fund trust" for purposes of the Tax Act, the Trust must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of a majority of the Units (on either a number of Units or fair market value basis) and the Manager shall inform the registrar and transfer agent of this restriction. The Manager may require declarations as to whether a beneficial owner of Units is Non-Resident. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units then outstanding (on either a number of Units or fair market value basis) are, or may be, Non-Residents, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Units (on either a number of Units or fair market value basis) are beneficially held by Non-Residents, the Manager may send a notice to such Non-Residents, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not Non-Residents within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Fund as a mutual fund trust for purposes of the Tax Act.

## CAPITALIZATION

The following table summarizes information about the outstanding securities of the Trust:

Description of Security	Number Authorized to be Issued	Number Outstanding as at November 28, 2018	Number Outstanding after Offering			
			Assuming Minimum Offering	Assuming Maximum Offering	Assuming Minimum Offering (after giving effect to the Over-Allotment Option)	Assuming Maximum Offering (after giving effect to the Over-Allotment Option)
Series A Units	Unlimited	Nil	1,500,000	9,500,000	1,725,000	10,925,000
Series C Units	Unlimited	Nil	500,000	500,000	500,000	500,000
Series F Units	Unlimited	Nil	Nil	Nil	Nil	Nil
Debt	N/A	Nil	Nil	Nil	Nil	Nil

## PRINCIPAL SECURITYHOLDERS

As at the date of this Prospectus, except as described below, to the knowledge of the Trustees, following the Closing Date, no person will beneficially own, directly or indirectly, or exercise control or direction over, Series A Units, Series F Units and/or securities convertible into Series A Units or Series F Units carrying 10% or more of the voting rights attaching to all issued and outstanding Series A Units, Series F Units and/or securities convertible into Series A Units or Series F Units.

Assuming the principal of Starlight Property Holdings Group Inc. subscribes for the Starlight Commitment, less the amount of any subscriptions for Series C Units received from other investors known to the Manager, which is estimated to be nil, the principal of the Manager is expected to own, directly or indirectly, or exercise control or direction over approximately 25% of the Units, assuming the Minimum Offering is achieved, or approximately 5% of the Units, assuming the Maximum Offering is achieved.

**TRUSTEES AND EXECUTIVE OFFICERS**

**Name, Address, Occupation and Security Holdings**

The following are the names, ages and city, province or state and country of residence of each of the individuals who are the Trustees and executive officers of the Trust and their principal occupations during the last five years.

Name, Province or State and Country of Residence	Position/Title <sup>(1)</sup>	Principal Occupations During the Last Five Years
Daniel Drimmer <sup>(2)</sup> Toronto, Ontario	Trustee	<p>Director, Starlight Investments Capital GP Inc.</p> <p>Chief Executive Officer and President, Starlight Group Property Holdings Inc.</p> <p>Chairman of the Board, President and Chief Executive Officer, True North Commercial Real Estate Investment Trust.</p> <p>Director and Chief Executive Officer, Starlight U.S. Multi-Family (No.5) Core Fund and Starlight U.S. Multi-Family (No. 1) Value-Add Fund.</p> <p>Former Chief Executive Officer, Starlight U.S. Multi-Family Core Fund, Starlight U.S. Multi-Family (No. 2) Core Fund, Starlight U.S. Multi-Family (No. 3) Core Fund and Starlight U.S. Multi-Family (No. 4) Core Fund.</p>

Name, Province or State and Country of Residence	Position/Title <sup>(1)</sup>	Principal Occupations During the Last Five Years
Denim Smith <sup>(2)</sup> Toronto, Ontario	Trustee	Consultant. Interim Chief Financial Officer, The Nationwide Group of Companies. Head of real estate investment banking practice, Blackmont Capital
Harry Rosenbaum <sup>(2)</sup> Toronto, Ontario	Trustee	Principal, The Great Gulf Group of Companies
Dennis Mitchell Toronto, Ontario	Director of the Manager and Chief Executive Officer and Chief Investment Officer of the Trust	Director, Starlight Investments Capital GP Inc.  Chief Executive Officer and Chief Investment Officer, Starlight Investments Capital LP.  Senior Portfolio Manager and Senior Vice-President, Sprott Asset Management LP.  Executive Vice-President and Chief Investment Officer, Sentry Investments.
Graeme Llewellyn Toronto, Ontario	Director of the Manager and Chief Financial Officer and Chief Operating Officer of the Trust	Director, Starlight Investments Capital GP Inc.  Chief Financial Officer and Chief Operating Officer, Starlight Investments Capital LP.  Vice President, Chief Operating Officer, Sentry Investments.  Vice-President, Operations and Chief Information Officer, Sentry Investments March 2014 to March 2017.  Vice-President, Finance and Information Officer, Sentry Investments.

Notes:

- (1) The individuals acting in the capacity of the Trust's executive officers are not employed by the Trust or any of its subsidiaries, but rather are employees of the Manager and provide services to the Trust, on behalf of the Manager, pursuant to the Management Agreement.
- (2) Member of the Audit Committee.

## *Personal Profiles*

Set out below is a biography of each of the Trustees and executive officers of the Trust.

### *Daniel Drimmer*

Daniel Drimmer is the founder, Chief Executive Officer and President of Starlight Group Property Holdings Inc. In addition to founding TransGlobe Investment Management Ltd., TransGlobe Property Management Services Ltd. and TransGlobe Apartment REIT (TSX: TGA.UN), where he served as President and Chairman until August 2011, Daniel founded True North Apartment REIT (TSX: TN.UN) and True North Commercial REIT (TSX: TNT.UN) in 2012, and Starlight U.S. Multi-Family in 2013. In addition to being the Chief Executive Officer, President and Chairman of the Board of True North Commercial REIT, Daniel is a member of the Board of Directors and the Chief Executive Officer of Starlight U.S. Multi-Family (No.5) Core Fund (TSXV: STUS.A / STUS.U) and Starlight U.S. Multi-Family (No. 1) Value-Add Fund (TSX.V: SUVA.A / SUVA.U). Daniel is also a member of the Board of Trustees of Northview Apartment REIT (TSX: NVU.UN).

Since Starlight Investments' inception, Daniel has completed more than \$16 billion worth of acquisition and financing transactions in residential and commercial real estate. Daniel obtained a Bachelor of Arts degree from the University of Western Ontario, and both a Master of Business Administration and a Master's degree in Contemporary European Policy Making from European University in Geneva, Switzerland. He is the third generation in the Drimmer family to be actively involved in commercial real estate.

### *Denim Smith*

Denim Smith was most recently the interim Chief Financial Officer at The Nationwide Group of Companies, responsible for the overall accounting, finance and HR departments for an international conglomerate with over 120 employees across 5 operating companies in over 18 countries, as well as strategic investments and special initiatives.

Previously Denim led the real estate investment banking practice at Blackmont Capital which completed over \$300 million of capital markets transactions and over \$3 billion of advisory and valuation mandates.

Prior to that, Denim was a founding member of KeyBanc Capital Markets Real Estate Group in Boston which was responsible for over US\$3.5 billion of capital markets transactions and US\$600 million of successful sell-side advisory mandates; after starting his career at RBC Capital Markets in Canada and joining the inaugural US Real Estate Group.

Denim was also a Trustee on the Board of TSX-listed True North Apartment REIT from its formation to its merger with Northern Properties REIT to become Canada's 3rd largest apartment REIT with >\$1B market cap; Denim also served as a Trustee for TSXV-listed GT Canada Medical Properties REIT which was acquired by Northwest Healthcare REIT. Denim is a graduate of the University of Western Ontario and has completed the CFA Level 2.

### *Harry Rosenbaum*

Harry Rosenbaum is a founding principal of the Great Gulf Group of Companies, one of North America's premier real estate conglomerates. He has been instrumental in manifesting such iconic projects as One Bloor East, Toronto, Ontario. Mr. Rosenbaum is a principal of Ashton Woods Homes, one of the largest private homebuilders in the U.S. and is currently a director and a member of the audit committee of the general partner of TSX-V listed Starlight U.S. Multi-Family (No. 5) Core Fund and Starlight U.S. Multi-Family (No. 1) Value-Add Fund. Prior to the creation of Great Gulf Group in 1983, Mr. Rosenbaum practiced commercial and real estate law at a Toronto law firm. Mr. Rosenbaum is active as a board member of various charitable organizations including the ACL (Advocates for Civil Liberties) and Sunnybrook Hospital Foundation. Mr. Rosenbaum attended Osgoode Hall Law School, graduating in 1974. He also holds a degree in Economics from York University, completed in 1971.

### *Dennis Mitchell*

Dennis Mitchell joined Starlight in March 2018 as Chief Executive Officer and Chief Investment Officer. Dennis has over 15 years of experience in the investment industry and has held executive positions with Sprott Asset Management,

serving as Senior Vice-President and Senior Portfolio Manager, and Sentry Investments, serving as Executive Vice-President and Chief Investment Officer.

Dennis received the Brendan Wood International Canadian TopGun Award in 2009, 2010, and 2011 and the Brendan Wood International 2012 Canadian TopGun Team Leader Award. He holds the Chartered Financial Analyst and Chartered Business Valuator designations and earned a Master of Business Administration from the Schulich School of Business at York University in 2002 and an Honors Bachelor of Business Administration degree from Wilfrid Laurier University in 1998. Dennis sits on the Board of the Toronto Foundation and is a member of the Investment Committee.

#### *Graeme Llewellyn*

Graeme Llewellyn joined Starlight Capital in March 2018 as Chief Financial Officer and Chief Operating Officer. Graeme has more than 15 years of experience focused on asset management and the creation, operation and financial reporting for investment funds. Mr. Llewellyn has held executive positions with Sentry Investments, where he served as Vice-President and Chief Operating Officer, and Deloitte & Touche LLP.

Mr. Llewellyn has a broad range of experience across the business with extensive experience in the creation, operation and financial reporting for mutual funds, closed-end funds and hedge funds. He was an integral part in the growth of Sentry Investments and is a Chartered Professional Accountant and has a Bachelor of Commerce degree from the Rotman Commerce Program at the University of Toronto.

#### ***Securityholdings of Trustees and Executive Officers***

Following completion of the Offering, the Trustees and executive officers of the Trust, as a group, will not beneficially own, control or direct, directly or indirectly, any of the Trust's issued and outstanding Series A Units or Series F Units.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

##### ***Cease Trade Orders***

At the date of this Prospectus, no Trustee or executive officer of the Trust or promoter of the Trust is, or was within 10 years prior to the date of this Prospectus, a director, chief executive officer or chief financial officer of any company that:

- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director, executive officer or promoter was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or
- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director, executive officer or promoter ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

##### ***Penalties or Sanctions***

At the date of this Prospectus, no Trustee or executive officer of the Trust or promoter of the Trust or any unitholder holding a sufficient number of securities to affect materially the control of the Trust, is or had been, within 10 years prior to the date of this Prospectus, subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

## ***Bankruptcies***

No Trustee or executive officer of the Trust or promoter of the Trust, or a unitholder holding a sufficient number of securities to affect materially the control of the Trust:

- (i) is, at the date of this Prospectus, or has been within 10 years prior to the date of this Prospectus, a director or executive officer of any company (including the Trust) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets; or
- (ii) has, within 10 years prior to the date of this Prospectus become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer, promoter or unitholder.

## **ORGANIZATION AND MANAGEMENT DETAILS OF THE TRUST**

### **The Manager**

Starlight Investments Capital GP Inc., the general partner of the Investment Manager and a wholly-owned subsidiary of Starlight Group Property Holdings Inc., is the manager of the Trust. The registered and head office of the Manager is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario, Canada, M8X 2X3. The Manager shall at all times be a resident of Canada for purposes of the Tax Act and carry out its functions of managing the Trust in Canada.

Since 2013 the principal of Manager has raised over \$340 million from retail investors in six fund offerings that are similar to the Trust. Starlight Group Property Holdings Inc. has a 23 year track record of managing multi-family real estate assets and has transacted \$16B in multi-family assets, representing 85,000 apartment units. Starlight Group Property Holdings Inc. has a current multi-family portfolio of 36,000 apartment units in over 450 properties representing \$7.3 billion in value.

### **The Management Agreement**

The Trust's management services are provided by the Manager through the Management Agreement. Pursuant to the Management Agreement, and subject to various terms and conditions thereof, the Manager will provide the following management services to the Trust:

- (i) managing the business of the Trust, including making all decisions regarding the business of the Trust that are advisable or consistent with accomplishing the business of the Trust, with all rights, power and authority conferred by the Management Agreement;
- (ii) transacting the business of the Trust and dealing with and in the assets of the Trust for the use and benefit of the Trust, including the power and authority to cause the Trust to enter into contracts;
- (iii) providing the services of up four appropriately qualified individuals acceptable to the Trustees to serve as trustees of the Trust, which nominees may have a material relationship with the Trust and may not be "independent" within the meaning of National Instrument 52-110 – *Audit Committees*;
- (iv) providing the services of at least two appropriately qualified individuals to serve as senior officers of the Trust, including individuals who will serve as the Chief Executive Officer & Chief Investment Officer and Chief Financial Officer & Chief Operating Officer, or other positions that serve a substantially similar function, as well as providing recommendations for certain appropriately qualified individuals to serve as the remaining officers of the Trust, if any;
- (v) managing, directing, advising and otherwise carrying out any of the Trust's activities;

- (vi) advising the Trust with respect to all investments that are required or recommended to be implemented with respect to any of the assets of the Trust;
- (vii) operating the head office of the Trust;
- (viii) borrowing money (on a secured or unsecured basis) on behalf of the Trust, including pursuant to a loan facility, the issue of debt securities or by purchasing securities on margin, subject to and in accordance with the investment policy and credit policy, if any, of the Trust;
- (ix) authorizing payment on behalf of the Trust of expenses incurred on behalf of the Trust and the negotiation of contracts with third party providers of services (including, without limitation, prime brokers, registrars and transfer agents, legal counsel, auditors, insurance agents and printers);
- (x) preparing or overseeing the preparation of annual budgets and monitoring the Trust's financial performance;
- (xi) providing or causing to be provided any records, financial or legal documentation or any other documentation reasonably required by the Chief Financial Officer of the Trust in the performance of the internal accounting, auditing and legal obligations of the Chief Financial Officer;
- (xii) advising the Trustees on strategic matters relating to the business of the Trust including the Private Portfolio and any investment opportunities to enhance the value of the Units;
- (xiii) identifying, structuring and negotiating acquisition, disposition, financing and other transactions and managing due diligence in connection therewith;
- (xiv) conducting day-to-day relations on behalf of the Trust with third parties, including the management teams for each asset, suppliers, joint venturers, lenders, brokers, consultants, advisors, accountants, lawyers, insurers and appraisers;
- (xv) managing the investor relations activities of the Trust;
- (xvi) managing the Trust's regulatory compliance, including ensuring all required filings are made; and
- (xvii) annually or as otherwise reasonably requested by the Trustees, making reports to the Trustees and/or the Unitholders of the performance of the Trust and the Trustees.

In addition to the Management Fee, under the Management Agreement, the Trust is obligated to reimburse the Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Manager in connection with the performance of the services described in the Management Agreement, including certain specified expenses ancillary to the operations of the Manager, including travel on behalf of the Trust and office space and services. Notwithstanding the foregoing, the cost of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and/or Chief Investment Officer, as applicable, will be paid by the Manager. Under the Management Agreement, the Manager is entitled to the fees for its asset management services as described under “— Management and Performance Fee”.

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances until the winding-up or dissolution of the Trust. The Management Agreement may be terminated early in certain circumstances, including (i) upon the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Manager; and (ii) material breach by the Manager of the Management Agreement and, if capable of being cured, any such breach has not been cured within 30 days' written notice of such breach to the Manager. The Manager has the right, at any time, upon 180 days' written notice, to terminate the Management Agreement for any reason. In the event that the Management Agreement is terminated, the Manager is entitled to all accrued and unpaid management and performance fees. The Manager may not be removed other than by a meeting of the Unitholders, as described under the heading “Unitholder Matters” and only if the Manager is in material breach or default of the provisions of the Management Agreement and, if capable of being cured, any such breach or default has not been cured within 30 days' notice of such breach or default to the Manager. Similarly, the Management Fee payable under the Management Agreement may not be modified other than by a meeting of the Unitholders, as described



under the heading “Unitholder Matters” and only if such modification results in an increase in the Management Fee payable to the Manager.

### **The Investment Manager**

The Investment Manager, Starlight Investments Capital LP, is a limited partnership formed under the *Limited Partnership Act* (Ontario) and a wholly-owned subsidiary of Starlight Group Property Holdings Inc. The Investment Manager is registered as an exempt market dealer and portfolio manager in each of the provinces of Canada and as an investment fund manager in Ontario, Quebec and Newfoundland and Labrador.

Dennis Mitchell, the Trust’s Chief Executive Officer and Chief Investment Officer, is also the portfolio manager of the Investment Manager and leads the investment team of the Investment Manager. Dennis has managed global real estate securities since 2007 and global infrastructure equities since 2010. Dennis has managed over \$2 billion in global real estate and infrastructure equities and has previously invested in private real estate and private infrastructure assets in mutual funds under his oversight. Dennis has over 15 years of experience in the investment industry and has held executive positions with Sprott Asset Management, serving as Senior Vice-President and Senior Portfolio Manager, and Sentry Investments, serving as Executive Vice-President and Chief Investment Officer. Dennis is a Chartered Financial Analyst and a Chartered Business Valuator. Dennis also holds a Masters in Business Administration from the Schulich School of Business at York University and an Honours Bachelor of Business Administration from Wilfrid Laurier University.

Graeme Llewellyn, the Trust’s Chief Financial Officer and Chief Operating Officer, is also an officer of the Investment Manager. Graeme has more than 15 years of experience focused on asset management and the creation, operation and financial reporting for investment funds. Graeme has held executive positions with Sentry Investments, where he served as Vice-President and Chief Operating Officer, and Deloitte & Touche LLP. Graeme is a Chartered Professional Accountant and holds a Bachelor of Commerce degree from the Rotman Commerce Program at the University of Toronto.

Varun Anand is a member of the investment department of the Investment Manager, focusing on global infrastructure securities. Varun has over 8 years of experience in the investment industry and was an Associate Portfolio Manager with CI Signature, contributing to the management of over \$5 billion of infrastructure securities. Varun also worked as a Senior Research Analyst with Sentry Investments for over four years, where he contributed to the management of over \$600 million of infrastructure securities. Varun is a Chartered Financial Analyst and holds a Bachelor of Mathematics and Business Administration with honours from the University of Waterloo.

Michelle Wearing is a member of the investment department of the Investment Manager, focusing on global real estate securities. Michelle has over 9 years of experience in the investment industry and was an Associate in the equity research department of TD Securities, covering Canadian REITs and REOCs. Prior to that, Michelle held various positions at KPMG LLP in consumer markets and valuations. Michelle is a Chartered Professional Accountant and a Chartered Business Valuator and she holds a Bachelor of Commerce from Queens University.

### ***Investment Philosophy of the Investment Manager***

For over a decade, Dennis Mitchell, Chief Investment Officer of the Investment Manager, has employed an investment philosophy he refers to as Focused Business Investing. The Investment Manager attempts to purchase stakes in high quality businesses when they offer sufficient return for the level of risk incurred. This investment philosophy should result in the Investment Manager building portfolios with approximately 25 to 35 individual positions and managing the portfolios to low turnover and high active share. The Investment Manager believes that high quality businesses have strong recurring free cash flow generated from a portfolio of irreplaceable assets, capitalized with relatively low amounts of leverage and managed by a quality management team. The Investment Manager believes that these high quality businesses will often adopt dividend or distribution growth models. However, the Investment Manager also understands that some of these high quality businesses may generate sufficiently high returns on capital that they do not pay dividends or distributions at all. The Investment Manager does not believe in thematic investing and considers the risk level of the investment prior to committing capital to the investment.

### ***Investment Management Agreement***

Pursuant to the Investment Management Agreement, the Investment Manager is responsible for all investment decisions with respect to the Public Portfolio. Decisions regarding the purchase and sale of securities and the execution of transactions for the Public Portfolio LP will be made by the Investment Manager, in accordance with and subject to the terms of the Investment Management Agreement. Subject to the terms of the Investment Management Agreement, the Investment Manager will implement the investment strategies of the Public Portfolio LP on an ongoing basis.

Under the Investment Management Agreement, the Investment Manager will covenant to act at all times on a basis which is fair and reasonable to the Public Portfolio LP, to act honestly and in good faith with a view to the best interests of the Public Portfolio LP and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Investment Management Agreement will provide that the Investment Manager will not be liable in any way under the Investment Management Agreement for any default, failure or defect in any of the securities comprising the Public Portfolio if it satisfied the standard of care, diligence and skill set forth above. The Investment Management Agreement will further provide that the Investment Manager will not be liable for any losses if it has satisfied the standard of care, diligence and skill set forth above. Pursuant to the Investment Management Agreement, the Investment Manager and its officers, directors and employees shall be indemnified by the Public Portfolio LP against all losses (other than loss of profits), expenses, costs, claims, actions, damages or liabilities (including legal costs on a solicitor-and-client basis) which they may suffer or incur as a result of the wilful misconduct, fraud, negligence, breach or reckless disregard of the duties of the Public Portfolio LP, its general partner, and their respective directors, officers or employees under the Investment Management Agreement or a material breach of the Public Portfolio LP's obligations under the Investment Management Agreement. The Public Portfolio LP, its general partner, and their respective directors, officers and employees shall not be liable in any manner to the Investment Manager, its directors, officers or employees with respect to any claims resulting from an act or omission of the Investment Manager involving wilful misconduct, fraud, negligence, breach or reckless disregard of the duties and standard of care of the Investment Manager or a breach of the Investment Manager's obligations under the Investment Management Agreement.

The term of the Investment Management Agreement will continue, subject to earlier termination in certain circumstances, until the winding-up or dissolution of the Public Portfolio LP or the Trust. In addition, the Investment Manager may terminate the Investment Management Agreement immediately, without payment of any penalty: (i) in the event that the Public Portfolio LP is in material breach of the Investment Management Agreement and the material breach has not been cured within 30 Business Days' notice thereof to the Public Portfolio LP, or where a material breach cannot be cured within 30 Business Days' notice, but the Public Portfolio LP has commenced the cure within the 30 Business Day period, within 45 Business Days of such notice; (ii) if there is a material change in the investment strategies, objectives or restrictions of the Public Portfolio LP to which the Investment Manager has not previously agreed; (iii) if the Public Portfolio LP becomes bankrupt or insolvent or makes a general assignment for the benefit of its creditors or a receiver is appointed in respect of the Public Portfolio LP or a substantial portion of its respective assets; and (iv) if the assets of the Public Portfolio LP become subject to seizure or confiscation by any public or governmental organization. Furthermore, the Public Portfolio LP may terminate the Investment Management Agreement immediately, without payment of any penalty: (i) in the event that the Investment Manager is in material breach of the Investment Management Agreement and the material breach has not been cured within 30 Business Days' notice thereof to the Investment Manager, or where a material breach cannot be cured within 30 Business Days' notice, but the Investment Manager has commenced the cure within the 30 Business Day period, within 45 Business Days of such notice; (ii) if the Investment Manager becomes bankrupt or insolvent or makes a general assignment for the benefit of the creditors or a receiver is appointed in respect of the Investment Manager or a substantial portion of the assets of the Investment Manager; (iii) if the assets of the Investment Manager become subject to seizure or confiscation by any public or governmental organization; (iv) if the Investment Manager has lost any required registration, license or other authorization or is otherwise deemed legally unable to perform its obligations under the Investment Management Agreement; or (v) if the Investment Manager has breached its standard of care or acted with wilful misconduct, fraud or negligence.

In the event that the Investment Management Agreement is terminated as provided above, the Public Portfolio LP shall promptly appoint one or more successor investment advisors to carry out the activities of the portfolio manager to the Public Portfolio LP.

In consideration for the duties performed by the Investment Manager pursuant to the terms of the Investment Management Agreement, the Public Portfolio LP shall pay the Investment Manager the Public Portfolio Performance Fee.

## **Potential Conflicts of Interest**

The management services to be provided or caused to be provided by the Manager under the Management Agreement are not exclusive to the Trust and nothing in the Management Agreement prevents the Manager or any of its affiliates from providing similar services to other clients (whether or not their activities are similar to those of the Trust) or from engaging in other activities. The Manager or its affiliates may act as the manager to other funds which may invest primarily in the same securities as the Trust from time to time invests and which may be considered competitors of the Trust. In addition, the directors and officers of the Manager or its affiliates may be directors, officers, shareholders or unitholders of one or more issuers in which the Trust may acquire securities or of corporations which act as the manager of other funds that invest primarily in the same securities as the Trust from time to time invests and which may be considered competitors of the Trust. The Manager or its affiliates may be managers or portfolio managers of one or more issuers in which the Trust may acquire securities and may be managers or portfolio managers of investment funds that invest in the same securities as the Trust. A decision to invest in such issuers will be made with the approval of the independent Trustees and without consideration of the relationship of the Manager or its affiliates with such issuers.

The Investment Manager is engaged in a wide range of investment management, investment advisory and other business activities. The services of the Investment Manager under the Investment Management Agreement are not exclusive and nothing in the Investment Management Agreement prevents the Investment Manager or any of its affiliates from providing similar services to other clients (whether or not their investment objectives or strategies are similar to those of the Public Portfolio LP or the Trust) or from engaging in other activities. The Investment Manager's investment advice regarding the Public Portfolio and decisions with respect to the composition of the Public Portfolio will be made independently of those made for its other clients and independently of its own investments. The Investment Manager may recommend the same investment opportunity to the Public Portfolio LP and one or more of its other clients. On such occasions, where the Public Portfolio LP and one or more of the other clients of the Investment Manager are engaged in the purchase or sale of the same security, such transactions will be effected on a *pro rata* basis. The Investment Manager or its affiliates may be managers or portfolio managers of one or more issuers in which the Public Portfolio LP may acquire securities and may be managers or portfolio managers of investment funds that invest in the same securities as the Public Portfolio LP. A decision to invest in such issuers will be made with the approval of the independent Trustees and without consideration of the relationship of the Investment Manager or its affiliates with such issuers.

See also "Risk Factors — Conflicts of Interest".

## **PROXY VOTING FOR PORTFOLIO SECURITIES HELD**

The proxies associated with securities held directly or indirectly by the Trust will be voted in accordance with the best interests of the Trust determined at the time the vote is cast.

## **EXECUTIVE COMPENSATION**

### **Executive Officer and Trustee Compensation**

The Trust is newly established and has not yet had a fiscal year end. The Trust will not pay any fees or compensation to its officers or Trustees other than to the independent Trustees of the Trust who will be paid an annual fee of \$15,000. Any payments to the officers and Trustees of the Trust (other than the independent Trustees) will be made by the Manager and will be paid out of the Management Fee. The Manager has not yet determined what proportion of the compensation or fees it pays to the individuals performing the functions of executive officers for the Trust will be attributable to the services provided by such individuals to the Trust.

### **Long Term Incentive Plan and Stock Appreciation Rights**

The Trust does not and will not have a long-term incentive plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any Trustee or executive officer. The Trust does not and will not have any stock appreciation rights or incentive plans.

## **Pension Plan Benefits**

The Trust does not have and will not implement a pension plan for its Trustees or executive officers.

## **Termination of Employment, Change in Responsibilities and Employment Contracts**

The Trust has not entered into and will not enter into any employment contracts or arrangements with its Trustees or executive officers.

## **Compensation Committee**

The Trust does not have a compensation committee.

## **INDEBTEDNESS OF TRUSTEES AND EXECUTIVE OFFICERS**

There is not, and there has not been within 30 days before the date of this Prospectus, any indebtedness owing to the Trust from any of the Trustees or executive officers of the Trust or its former Trustees or executive officers or any of its subsidiaries or any associate of such person, including indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Trust or any of its subsidiaries.

## **AUDIT COMMITTEE AND CORPORATE GOVERNANCE**

### **Audit Committee**

The audit committee of the Trust is comprised of Daniel Drimmer, Denim Smith and Harry Rosenbaum, the majority of whom are “independent” within the meaning of National Instrument 52-110 — *Audit Committees*. Set out below is a brief excerpt from the biographies of Daniel Drimmer, Denim Smith and Harry Rosenbaum, highlighting the basis for the determination that each of the members of the audit committee is financially literate within the meaning of applicable securities laws. See the biographies set out above under “Trustees and Executive Officers” for a full description of the experience of each member of the audit committee.

#### *Daniel Drimmer*

Daniel Drimmer is the founder, Chief Executive Officer and President of Starlight Group Property Holdings Inc. In addition to founding TransGlobe Investment Management Ltd., TransGlobe Property Management Services Ltd. and TransGlobe Apartment REIT (TSX: TGA.UN), where he served as President and Chairman until August 2011, Daniel founded True North Apartment REIT (TSX: TN.UN) and True North Commercial REIT (TSX: TNT.UN) in 2012, and Starlight U.S. Multi-Family in 2013. In addition to being the Chief Executive Officer, President and Chairman of the Board of True North Commercial REIT, Daniel is a member of the Board of Directors and the Chief Executive Officer of Starlight U.S. Multi-Family (No.5) Core Fund (TSXV: STUS.A / STUS.U) and Starlight U.S. Multi-Family (No. 1) Value-Add Fund (TSX.V: SUVA.A / SUVA.U). Daniel is also a member of the Board of Trustees of Northview Apartment REIT (TSX: NVU.UN).

#### *Denim Smith*

Denim Smith was most recently the interim Chief Financial Officer at The Nationwide Group of Companies, responsible for the overall accounting, finance and HR departments for an international conglomerate with over 120 employees across 5 operating companies in over 18 countries, as well as strategic investments and special initiatives. Previously Denim led the real estate investment banking practice at Blackmont Capital which completed over \$300 million of capital markets transactions and over \$3 billion of advisory and valuation mandates.

Denim was also a Trustee on the Board of TSX-listed True North Apartment REIT from its formation to its merger with Northern Properties REIT to become Canada’s 3rd largest apartment REIT with >\$1B market cap; Denim also served as a Trustee for TSXV-listed GT Canada Medical Properties REIT which was acquired by Northwest Healthcare REIT. Denim is a graduate of the University of Western Ontario and has completed the CFA Level 2.

## *Harry Rosenbaum*

Harry Rosenbaum is a founding principal of the Great Gulf Group of Companies, one of North America's premier real estate conglomerates. He has been instrumental in manifesting such iconic projects as One Bloor East, Toronto, Ontario. Mr. Rosenbaum is a principal of Ashton Woods Homes, one of the largest private homebuilders in the U.S. and is currently a director and a member of the audit committee of the general partner of TSX-V listed Starlight U.S. Multi-Family (No. 5) Core Fund and Starlight U.S. Multi-Family (No. 1) Value-Add Fund. Mr. Rosenbaum attended Osgoode Hall Law School, graduating in 1974. He also holds a degree in Economics from York University, completed in 1971.

The audit committee will assist the Trust in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements. In addition, the audit committee will be responsible for directing the auditors' examination of specific areas, for the selection of the Trusts' independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

The Trustees have adopted a written charter for the audit committee which sets out the audit committee's responsibility in reviewing the financial statements of the Trust and public disclosure documents containing financial information and reporting on such review to the Trustees, review of the Trust's public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing the internal control procedures that are implemented and maintained by management. The written charter of the audit committee is set out in Schedule "A" to this Prospectus.

The Trust is newly established and has not yet had a fiscal year end. As a result, there have been no fees billed to the Trust by its auditors, Deloitte LLP, in respect of the Trust's last two fiscal years.

## **Corporate Governance**

Daniel Drimmer, Denim Smith and Harry Rosenbaum are the Trustees of the Trust. Denim Smith and Harry Rosenbaum are independent. Daniel Drimmer is non-independent, as Mr. Drimmer is the principal of Starlight Property Holdings Group Inc., the parent of the Manager and the Investment Manager. The majority of the Trustees are independent within the meaning of applicable securities laws. See "Organization and Management Details of the Trust — Potential Conflicts of Interest" and "Risk Factors — Conflicts of Interest".

The Trustees facilitate their exercise of independent judgment in carrying out their responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Trustees require the Manager to provide complete and accurate information with respect to the Trust's activities and to provide relevant information concerning the industry in which the Trust operates in order to identify and manage risks.

A majority of the Trustees must at all times (i) be resident in Canada for purposes of the Tax Act, and (ii) exercise the main powers and discretions of the trustee of the Trust in Canada.

At each of the regularly scheduled meetings of the Trustees, there will be an in-camera meeting at which any non-independent Trustees and management are not present. The Trustees have not held any meetings since the formation of the Trust other than to approve the Prospectus, this Offering and related matters thereto.

The mandate of the Trustees will be one of stewardship and oversight of the Trust and its business. In fulfilling its mandate, the Trustees will adopt a written charter setting out its responsibility, among other things, for (i) supervising the activities and managing the investments and affairs of the Trust; (ii) approving major decisions regarding the Trust; (iii) overseeing the Manager and the fulfilment of its responsibilities under the Management Agreement; (iv) identifying and managing risk exposure; (v) ensuring the integrity and adequacy of the Trust's internal controls and management information systems; (vi) succession planning; (vii) maintaining records and providing reports to Unitholders; (viii) ensuring effective and adequate communication with Unitholders, other stakeholders and the public; and (ix) determining the amount and timing of distributions to Unitholders, if any.

The Trustees have not developed written position descriptions for any committee chairs. The Trustees will delineate the roles and responsibilities of any chair of the Trustees or of committee chairs by consensus among the Trustees from time to time.

New Trustees participate in an orientation program regarding the role of the board of Trustees, the audit committee, and the nature and operations of the Trust's business. Trustees are encouraged to communicate with the Manager, Investment Manager, external legal counsel and auditors, and other external consultants to educate themselves about the Trust's investments, the industry, and applicable legal and regulatory developments.

The Trust will adopt a written code of conduct (the "**Code of Conduct**") that applies to all Trustees, officers, and the Manager and its employees. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Trust and its subsidiaries. The Code of Conduct addresses conflicts of interest, protecting the Trust's assets, confidentiality, fair dealing with security holders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Trust's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Trustees will have the ultimate responsibility for the stewardship of the Code of Conduct. The Trustees shall monitor compliance with the Code of Conduct by receiving reports from the Manager as to any actual or alleged violations, as appropriate. Unitholders may obtain a copy of the Code of Conduct by contacting the Trust.

The Trustees are subject to standard of care imposed on directors of a corporation governed by the *Canada Business Corporations Act*. Accordingly, each Trustee will be required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent director would exercise in comparable circumstances.

Following the completion of this Offering, the Trust will enter into indemnification agreements with each of its Trustees and officers. The indemnification agreements will generally require that the Trust indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Trust as Trustees and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in, or not opposed to, the Trust's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Trust. Statutory indemnification rights also apply.

The Trustees do not have a nominating committee. The Trustees are ultimately responsible for screening nominees to the board of Trustees and will annually assess their skills and qualifications, in addition to those of nominees, as applicable, to ensure the members of the board of Trustees have the skills and qualifications appropriate to the current needs of the Trust.

The Trustees do not have a compensation committee. See "Executive Compensation" for details respecting compensation matters.

The Trustees have no committees other than the audit committee. The Trustees will be regularly assessed with respect to their effectiveness and contribution. The Trust will adopt a formal procedure for assessing and evaluating the effectiveness of the Trustees as a whole and of individual Trustees, both as Trustees and as committee members. This function will be carried out annually and is expected to include reviewing Trustees against written criteria. The criteria may include independence, ownership of Units, attendance at Trustee and committee meetings, continuing education and general participation and contributions to the Trustees' function of reviewing the affairs of the Trust.

The Trustees have not adopted term limits or other mechanisms of board renewal given the Trust is a newly formed entity and is in its early stages. The Trustees may consider adopting such mechanisms in the future.

The Trust intends to adopt a Diversity Policy prior to Closing of the Offering. The Trust recognizes the benefits of having a diverse board of Trustees. The Trust does not currently maintain quotas or targets regarding gender representation on the board of Trustees or in executive officer positions. All Trustee appointments will be made based on merit, in the

context of the skills, experience, independence, knowledge and other qualities which the Trustees as a whole require to be effective, with due regard for the benefits of diversity (including the level of gender representation among the Trustees).

The Trustees encourage a diversity of background, skills and experience and personal characteristics among themselves. Neither a written policy nor targets relating to the identification and nomination of female trustees have been adopted to date, given the Trust is a newly formed entity and is in its early stages. The emphasis in filling any future vacancies will be on finding the best qualified candidates given the needs and circumstances of the Trustees, and a nominee's diversity will be considered favourably in the identification and selection process.

The Trustees have not adopted any policies that specifically address the appointment of women to executive officer's positions given that the Trust is externally managed and executive officers are provided by the Manager. Due to the small size of the Trust's executive leadership, the representation of women in executive officer positions has not been considered by the Manager when making executive officer appointments. The Trust has not adopted targets regarding the representation of women in executive officer positions for the reasons stated above.

### **CALCULATION OF NET ASSET VALUE**

The Trust currently intends to be categorized as an investment entity under IFRS 10 — Consolidated Financial Statements (“**IFRS 10**”) and will report the Trust's investments in its financial statements on that basis. An entity is required to consider all facts and circumstances when assessing whether it is an investment entity, including its purpose and design. IFRS 10 provides that an investment entity should have the following typical characteristics:

- it has more than one investment;
- it has more than one investor;
- it has investors that are not related parties of the entity; and
- it has ownership interests in the form of equity or similar interests.

The Trust will meet all of the above considerations and hence will qualify as an investment entity. As such, all investments including those that the Trust has or may have control or significant influence over will be valued at fair value in accordance with the valuation policies described below.

In addition, to the extent that the Trust is required to file a business acquisition report in accordance with Part 8 of NI 51-102, in respect of any acquisition of by the Trust, it will so comply unless the Trust receives exemptive relief from the applicable securities regulatory authorities.

The Net Asset Value of the Trust is valued at the Valuation Time on each Valuation Date by determining the total value of the Trust's assets and subtracting the Trust's liabilities. A separate Net Asset Value is calculated for each series of Units by determining the total value of the Trust's assets attributable to each series and subtracting the Trust's liabilities attributable to each such series. The value of a Unit of a series is established by dividing the applicable Net Asset Value of the series by the number of Units of the series (including fractional securities) owned by Unitholders on that Valuation Date.

The value of the assets held by the Trust is determined as follows:

- (i) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses (where such expenses are paid by the Trust), cash dividends received (or to be received and declared to Unitholders of record on a date before the date as of which the Net Asset Value of the Trust is being determined), and interest accrued and not yet received, shall be deemed to be the full amount thereof unless the Manager shall have determined that any such asset is not worth the full amount thereof, in which event, the value thereof shall be deemed to be such value as the Manager shall determine to be the fair value thereof;
- (ii) the value of any security which is listed or dealt in upon a stock exchange shall be determined by: (a) in the case of a security which was traded on the day as of which the Net Asset Value is being determined, the closing sale price; (b) in the case of a security which was not traded on the day as of which the Net Asset Value is being determined, a price which is the average of the closing recorded bid and ask prices; or (c) if no bid or ask quotation is available, the price last determined for such security for the purpose of

- calculating the Net Asset Value of the Trust. The value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Manager; provided however that if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Trust upon the disposal of shares or securities necessary to effect any redemptions of securities, the Manager may place such value upon such shares or securities as appears to the Manager to most closely reflect the fair value of such shares or securities;
- (iii) the value of an underlying fund shall be the net asset value per security held by the Trust as of the end of the business day;
  - (iv) the value of any security, the resale of which is restricted or limited by reason of a representation, undertaking or agreement by the Trust or by the predecessor in title of the Trust, shall be the lesser of: (i) the value based on a reported quotation in common use; and (ii) that percentage of the market value of securities of the same class, the resale of which is not restricted or limited by reasons of any representation, undertaking or agreement, equal to the percentage that the acquisition cost of the Trust was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made when the date on which the restrictions will be lifted is known;
  - (v) the value of all assets of the Trust valued in terms of a currency other than Canadian currency and liabilities payable in a currency other than Canadian currency shall be translated to Canadian currency using the applicable rate of exchange as quoted by customary banking sources on the date of valuation;
  - (vi) upon writing any covered clearing corporation option, option on futures or over-the-counter option, the premium received by the Trust shall be reflected as a deferred credit that shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized loss or gain on investment. The deferred credit will be deducted in calculating the Net Asset Value of the Trust. Any securities that are the subject of a written option shall be valued at their current market value;
  - (vii) a long position in an option or a debt like security shall be valued at the current market value of the position;
  - (viii) the value of a forward contract or swap shall be the gain or loss on the contract that would be realized if, on the date that valuation is made, the position in the forward contract or swap were to be closed out;
  - (ix) the value of a standardized future shall be, if daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on the date that valuation is made, the position in the standardized future were to be closed out; or if daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized future;
  - (x) margin paid or deposited in respect of standardized futures or forward contracts shall be reflected as an account receivable and, if not in the form of cash, shall be noted as held for margin;
  - (xi) each transaction of purchase or sale of portfolio securities effected by the Trust or series shall be reflected in the computation of the Net Asset Value of the Trust or series, as applicable, not later than the first computation of the Net Asset Value of the Trust or series made after the date on which the transaction becomes binding;
  - (xii) the issue or redemption of Units of the Trust or series shall be reflected in the computation of the Net Asset Value of the Trust or series not later than the next computation of the Net Asset Value of the Trust or series made after the time as at which the Net Asset Value per Unit of series is determined for the purpose of the issue or redemption of the units of the Trust or series;



- (xiii) the value of any security which is traded on an over-the-counter market will be the closing sale price on the valuation date, or if there is no such sale price, the average of the bid and the ask prices at that time, all as reported in the financial press;
- (xiv) fixed-income securities listed on a public securities exchange shall be valued at their closing price or last sale price before the valuation time on that trading day, or if there is no closing price and if no sale is reported to have taken place before the valuation time on that trading day, at the average of the last bid and ask prices before that time on that trading day;
- (xv) the value of any security or other asset for which a market quotation is not readily available will be its fair market value on the Valuation Date on which the Net Asset Value of the Trust is being determined as determined by the Manager (generally the Manager will value such security or other asset at cost until there is a clear indication of an increase or decrease in value); and
- (xvi) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation on such basis as it considers fair and reasonable.

The liabilities of the Trust include:

- (i) all bills and accounts payable;
- (ii) all operating expenses payable and/or accrued;
- (iii) all obligations for the payment of money or property, including the amount of any declared but unpaid distributions;
- (iv) all allowances authorized or approved by the Manager for taxes or contingencies; and
- (v) all other liabilities of the Trust of whatever kind and nature, except liabilities represented by outstanding Units of the Trust and the balance of any undistributed income or capital gains.

The liabilities of each series include the proportionate share of all common Trust liabilities and the liabilities incurred exclusively by that series.

The Net Asset Value of the Public Portfolio LP will also be valued at the Valuation Time on each Valuation Date subject to the terms of its constating documents, which will provide, among other things, that the Public Portfolio LP will value the assets held by the Public Portfolio LP in a manner consistent with the valuation policies of the Trust set out above.

## **PLAN OF DISTRIBUTION**

### **Maximum and Minimum Offering**

The Trust will co-ordinate through the Agents, by this Prospectus, the offer to sell to the public in each of the provinces of Canada, up to a maximum of \$100,000,000 of Series A Units and/or Series C Units and/or Series F Units at a price of \$10.00 per Unit. Purchasers are required to acquire a minimum of 100 Series A Units or a minimum of 100,000 Series C Units or a minimum of 100,000 Series F Units, in the discretion of the Manager.

There will be no closing unless a minimum of \$20,000,000 of Units are sold pursuant to this Offering and, if applicable, any concurrent private placement. Assuming the Minimum Offering is achieved, it is expected that the Closing Date will be on or about December 13, 2018.

The Trust has received commitments (the “**Starlight Commitment**”) from the principal of Starlight Group Property Holdings Inc. to subscribe for \$5,000,000 of Series C Units pursuant to this Prospectus or, at the discretion of the Trust, by way of private placement (which Starlight Commitment may be reduced by the amount of any subscriptions for Series C Units received from other investors known to the Manager).

The Exchange has conditionally approved the listing of the Series A Units. Listing of the Series A Units is subject to the Trust fulfilling all of the requirements of the Exchange.

There is currently no market through which the Series A Units may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the Series A Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Series A Units, and the extent of issuer regulation.

### **Agency Agreement**

Pursuant to an agency agreement made as of November 28, 2018 among the Trust, the Manager, the Investment Manager and the Agents (the “**Agency Agreement**”), the Agents have agreed to offer the Series A Units and Series F Units for sale on a “best efforts” basis, in consideration of the Agents’ Fee equal to 4.5% per Series A Unit and 1.9% per Series F Unit sold under the Offering.

The Trust has granted to the Agents the Over-Allotment Option, which is exercisable for a period of 30 days from the Closing Date to purchase up to 15% of the aggregate number of Series A Units issued on the Closing Date on the same terms as set out above solely to cover over-allocations, if any. To the extent the Over-Allotment Option is exercised in full under the Maximum Offering and assuming only the Starlight Commitment and Series A Units are sold, the total price to the public under the Offering will be \$100,000,000, the Agents’ Fee will be \$4,275,000 and the net proceeds to the Trust, before expenses of the Offering, will be \$95,725,000. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Series A Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Series A Units forming part of the Agents’ over-allocation position acquires such Series A Units under this Prospectus, regardless of whether the Agents’ over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The obligations of the Agents under the Agency Agreement may be terminated at any time at the Agents’ discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time on the occurrence of certain stated events.

Currently, the Agents do not beneficially own, directly or indirectly, any securities of the Trust. Other than as disclosed in this section, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder, or any other person or company in connection with this Offering.

The price to the public of the Units was determined by negotiation between the Agents and the Manager, on behalf of the Trust.

Registration and transfers of the Units will be effected only through the book entry only system administered by CDS. Book entry only certificates representing the Units will be issued in registered form only to CDS or its nominee, and will be deposited with CDS on the closing of the Offering. A purchaser of Units will receive only customer confirmation from the registered dealer which is a CDS Participant and from or through which Units are purchased. Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership of such securities.

Registration and transfers of the Units will be effected by TSX Trust Company as transfer agent.

## **FEES AND EXPENSES**

### **Fees Payable to the Agents**

The Agents’ Fee will be \$0.45 per Series A Unit (4.5%) and \$0.19 per Series F Units (1.9%). No fee will be payable to the Agents in respect of (i) the Series C Units or (ii) the Starlight Commitment. See “Plan of Distribution”.

### **Expenses of the Offering**

The expenses of the Offering, which are estimated to be \$300,000 in the case of the Minimum Offering and \$975,000 in the case of the Maximum Offering (including the costs of establishing and organizing the Trust, the costs of printing and preparing this prospectus, legal expenses, marketing expenses and other out-of-pocket expenses incurred by the

Agents and certain other expenses), to a maximum of 1.5% of the gross proceeds of the Offering, will, together with the Agents' fee, be paid from the proceeds of a margin facility. Any amounts paid in connection with the organization of the Trust or the Offering prior to Closing will be paid by the Manager and reimbursed by the Trust following Closing from the proceeds of the Offering.

### **Management and Performance Fee**

The Manager is entitled to an annual management fee of 1.25% of the market capitalization of the Trust based on the Net Asset Value of the Trust plus the aggregate redemption price of any Preferred Units calculated and accrued daily and paid by the Trust to the Manager monthly in arrears. Any fees payable to the Investment Manager on delegation of responsibilities of the Manager to the Investment Manager will reduce the Manager's fee entitlement and will not result in additional fees to the Trust. The Manager will waive the Management Fee until the Net Asset Value of the series is greater than the initial offering price of the Units (i.e. \$10.00).

Any management fees charged by an underlying investment vehicle will reduce the amount of the Management Fee paid to the Manager at the Trust level attributable to the portion of the Portfolio allocated to the respective underlying investment vehicle. In addition, (i) the Starlight Fund will charge its limited partners, including the Trust, fees typical for private real estate funds, including an acquisition fee and a performance fee once returns of 8% are realized by the Starlight Fund; and (ii) EICLP will charge its limited partners, including the Trust, fees typical for private infrastructure funds, including an acquisition fee and a performance fee once returns of CPI + 5% are realized by EICLP.

The Management Fee will be payable in cash, or at the option of the Manager, in Series A Units. If the Manager elects to have the Management Fee paid in Series A Units, such election must be made no later than the 15<sup>th</sup> of each month. The number of Series A Units to be issued will be calculated based on the Net Asset Value of the Series A Units on the last Valuation Date in respect of which the Management Fee is to be paid, regardless of the actual date of issuance thereof.

The Public Portfolio LP will pay a performance fee to the Investment Manager on the Public Portfolio LP assets (the "**Public Portfolio Performance Fee**") which will be calculated and accrued monthly and paid for the period from the Closing Date to December 31, 2018 and for each fiscal year thereafter.

The Public Portfolio Performance Fee will be equal to the product of:

- (a) the weighted average number of Public Portfolio LP units outstanding on the calculation date for such year, and
- (b) 10% of (A) the amount by which the sum of:
  - (i) the Net Asset Value of the Public Portfolio per Public Portfolio LP unit at the end of such fiscal year (calculated before taking into account the Public Portfolio Performance Fee payable for the fiscal year), plus
  - (ii) the total amount of distributions paid by the Public Portfolio LP to the Trust during such fiscal year, if any, divided by the weighted average number of Public Portfolio LP units outstanding during such fiscal year,exceeds (B) the greater of:
  - (iii) the High Water Mark, and
  - (iv) the Hurdle Amount.

Other than the Public Portfolio Performance Fee, the Manager and Investment Manager will not charge a performance fee but the Trust may invest in other investment vehicles, including those issued by the Manager, the Investment Manager and/or affiliates of the Manager and/or the Investment Manager, that charge performance fees.

In the future, the Trust may invest in other vehicles that invest in direct real estate or infrastructure and that have different fee structures, provided such fee structures are in line with market practice and, in the case of related party vehicles, are approved by the independent Trustees.

## *Operating Expenses*

The Trust will reimburse the Manager for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Manager in connection with the performance of the services described in the Management Agreement, as well as certain specified expenses ancillary to the operations of the Manager, including travel on behalf of the Trust.

The Public Portfolio LP will reimburse the Investment Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Investment Manager in connection with the performance of the services described in the Investment Management Agreement, as well as certain specified expenses ancillary to the operations of the Investment Manager.

Each series of Units is responsible for the expenses specifically related to that series and a proportionate share of expenses that are common to all series.

## **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Trust, and McCarthy Tétrault LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Prospectus. This summary is applicable to a Unitholder who is an individual (other than certain trusts) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with the Trust, the Manager and the Agents, and is not affiliated with the Trust, the Manager or any Agent and holds Units as capital property.

Generally, the Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold the Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Since the Trust is expected to qualify as a "mutual fund trust" at all times for purposes of the Tax Act, certain Unitholders who might not otherwise be considered to hold Units as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Unitholders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available or advisable in their circumstances. This summary does not apply to a Unitholder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units.

This summary is based on the facts set out in this Prospectus, certificates of the Manager and the Agents regarding certain factual matters, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced and not withdrawn by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and counsel's understanding of the current administrative policies and assessing practices of the CRA made publicly available in writing prior to the date hereof.

This summary assumes that the Tax Proposals will be enacted as currently proposed although no assurance can be given that the Tax Proposals will be enacted in the form publicly announced or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law or administrative policy or assessing practice, whether by way of legislative, governmental or judicial decision or action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations.

This summary is based on the assumptions that (i) each of the Trust and the Public Portfolio LP will comply with its investment restrictions at all times, (ii) none of the issuers of the securities comprising the Portfolio will at any time be (or be deemed to be for purposes of any provision of the Tax Act) a foreign affiliate of any Unitholder, and (iii) none of the securities comprising the Portfolio will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act. This summary also assumes that at least 50% (by fair market value) of the interests in any partnership in which the Trust invests (whether directly or through one or more subsidiary partnerships) are held at all relevant times by persons or partnerships that are not "financial institutions" as defined in the Tax Act. However, there can be no assurances in this regard.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the investor's particular circumstances including the province(s) in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any particular investor. Prospective investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units based on their particular circumstances and consider the information under "Risk Factors – Risk Factors Relating to Canadian Tax".**

### *Status of the Trust*

This summary is based on the assumptions that the Trust will qualify or be deemed to qualify at all times as a "unit trust" and a "mutual fund trust" within the meaning of the Tax Act and that the Trust will validly elect under the Tax Act to be a mutual fund trust from the date it was established.

To qualify as a mutual fund trust (i) the Trust must be a Canadian resident "unit trust" for purposes of the Tax Act, which generally requires that the Units have conditions attached to them requiring the Trust to accept, at the demand of the holders thereof and at prices determined and payable in accordance with the conditions, the surrender of the Units that are fully paid, (ii) the only undertaking of the Trust must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Trust, or (c) any combination of the activities described in (a) and (b), (iii) the Trust must comply with certain minimum requirements respecting the ownership and dispersal of a particular series of Units (the "**minimum distribution requirements**"), and (iv) the Trust must not be established or, at any time, maintained primarily for the benefit of Non-Residents. The Declaration of Trust provides that at no time may a majority of Units (on a number of Units or fair market value basis) be held by or on behalf of Non-Residents, and the Manager has advised counsel that it otherwise intends to ensure that the Trust will meet the requirements necessary for it to qualify as a mutual fund trust no later than the Closing Date and at all times thereafter and to file the necessary election so that the Trust will qualify as a mutual fund trust since its inception.

If the Trust were not to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different.

The investment restrictions of each of the Trust and Public Portfolio LP prohibit the acquisition and holding of property that would be "non-portfolio property" for purposes of the Tax Act such that the Trust will at no time be a "SIFT trust" and the Public Portfolio LP will at no time be a "SIFT partnership", each, as defined in the rules applicable to SIFT trusts and SIFT partnerships in the Tax Act (the "**SIFT Rules**"). The SIFT Rules effectively tax certain income of a publicly traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable Canadian corporation and distributed by way of dividend to its shareholders.

For the remainder of this summary, it is assumed that neither the Trust nor the Public Portfolio LP will own any "non-portfolio property" and, accordingly, that the Trust will not be a SIFT trust and that the Public Portfolio LP will not be a SIFT partnership. If the Trust or the Public Portfolio LP were to become subject to the SIFT Rules, certain of the income tax considerations described below would, in some respects, be materially and adversely different.

### *Taxation of the Trust*

The Trust will be subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year, (including in respect of any recaptured capital cost allowance) and net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Unitholders in such taxation year. An amount will be considered to be payable to a Unitholder in a taxation year if the Unitholder is entitled in that year to enforce payment of the amount. The Trust generally intends to deduct, in computing its income in each taxation year, the full amount available for deduction in each year. Therefore, provided the Trust makes distributions in each taxation year of its net income for tax purposes and net realized taxable capital gains as described under "Description of the Securities - Distributions" and "Description of the Securities – Allocation of Capital Gains and Income to Redeeming Unitholders", it will generally not be liable in such year for non-refundable income tax under Part I of the Tax Act. The Trust will be entitled for each taxation year

throughout which it is a mutual fund trust to reduce (or receive a refund of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units during the year (the “**Capital Gains Refund**”). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of the Trust for such taxation year which may arise upon the sale or other disposition of securities or other properties in connection with the redemption of Units.

The Trust is entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by the Trust and not reimbursed will be deductible by the Trust ratably over a five-year period subject to reduction in any taxation year of less than 365 days. In computing its income under the Tax Act, the Trust may deduct reasonable administrative and other expenses incurred to earn income.

Any loss of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Unitholder.

#### *Investments in Limited Partnerships Including the Public Portfolio LP*

The Trust’s income or loss for a taxation year will include its share of the income or, subject to the at-risk rules described below, its share of the loss of the Public Portfolio LP or any other limited partnership of which the Trust is a partner (each a “**Trust Partnership**”), as determined in accordance with the applicable Trust Partnership’s partnership agreement, for the fiscal period of the Trust Partnership ending in that taxation year, whether or not the Trust has received or will receive a distribution from the Trust Partnership. The source and character of amounts included in (or deducted from) the income of the Trust on account of income (or loss) of a Trust Partnership from a particular source generally will be determined by reference to the source and character of such amounts when earned by such Trust Partnership (or by another partnership that allocates such income or loss to the applicable Trust Partnership).

Upon an actual or deemed disposition of an interest in a Trust Partnership, provided the Trust holds such property as capital property, the Trust will generally realize a capital gain (or capital loss) to the extent the proceeds of disposition and any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such interest. The adjusted cost base of the Trust’s interest in a Trust Partnership at any time will be the cost of such interest reduced by the Trust’s share of any losses of the Trust Partnership allocated to it for fiscal periods ending before that time (in each case after taking into account the “at-risk” rules and taking into account the full amount of any capital losses) and by amounts distributed by the Trust Partnership before such time. The adjusted cost base of the Trust’s interest in a Trust Partnership at any time will be increased by any income of the Trust Partnership allocated to the Trust, including the full amount of any capital gains realized by the Trust Partnership, for fiscal periods ending before that time. If the adjusted cost base to the Trust of its interest in a Trust Partnership were negative at the end of a taxation year, the amount by which it is negative would be deemed to be a capital gain realized by the Trust in that taxation year and the adjusted cost base of the interest would be increased by the amount of the deemed gain.

The Tax Act contains rules (the “**at-risk rules**”) which, in general, limit the ability of a limited partner of a partnership to deduct in a taxation year its share of any loss of the partnership (other than a capital loss) for a fiscal period to its “at-risk amount” in respect of such partnership at the end of that fiscal period. Special rules apply for purposes of determining the at-risk amount of an investor of interests in a limited partnership that were not purchased from such limited partnership. In certain circumstances, the at-risk rules could prevent the Trust or a Trust Partnership from deducting losses allocated by a partnership in which it is a member.

#### *Investments in Other Securities by the Trust or by a Trust Partnership*

In computing its income for a taxation year, the Trust or a Trust Partnership will be required to include the amount of all dividends received (or deemed to have been received) in the year in respect of securities held by it.

Upon the actual or deemed disposition of a security, the Trust or Trust Partnership, as the case may be, will generally realize a capital gain (or capital loss) to the extent the proceeds of disposition net of any portion thereof included in income as interest on the disposition of the security and any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Trust or Trust Partnership, as the case may be (i) were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or (ii) has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised

counsel that the Trust and the Public Portfolio LP will purchase securities with the objective of receiving interest, distributions and income thereon and each will take the position that gains and losses realized on the disposition thereof are capital gains and capital losses. In addition, the Manager has advised counsel that the Trust will make an election under subsection 39(4) of the Tax Act so that gains and losses realized on securities held by the Trust that are “Canadian securities” (as defined in the Tax Act), gains and losses realized on Canadian securities by a Trust Partnership and allocated to the Trust, and gains and losses realized in connection with a short sale of Canadian securities will be treated as capital gains or capital losses.

To the extent that the Trust or a Trust Partnership acquires an interest in a foreign corporation that is a “controlled foreign affiliate”, as defined in the Tax Act (a “CFA”) of the Trust or the Trust Partnership, as the case may be, it will be required to include in computing its income for its taxation year in which the taxation year of the CFA ends, its allocable share of any income of such CFA for such taxation year that is characterized as “foreign accrual property income” (“FAPI”) for purposes of the Tax Act, whether or not the Trust or Trust Partnership, as the case may be, actually receives a distribution of that FAPI. In such circumstances, an amount may be deductible in respect of any “foreign accrual tax” (“FAT”) as defined in the Tax Act applicable to such FAPI. Generally speaking, the FAPI of a CFA of the Trust or Trust Partnership will include the foreign corporation’s income from property (such as dividends on shares and interest on debt investments) and certain other income.

Any amount of FAPI included in the income of the Trust or a Trust Partnership (net of any applicable FAT deduction) will increase the adjusted cost base of its shares in the applicable CFA in respect of which such FAPI was included. At such time as the Trust or such Trust Partnership, as the case may be, receives a dividend from the CFA, the Trust or Trust Partnership will be entitled to deduct a calculated amount in computing income under the Tax Act which is intended to relieve against double taxation of FAPI and there will be a corresponding reduction in the adjusted cost base of its shares of the CFA.

With respect to debt securities or other indebtedness, the Trust or a Trust Partnership is required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in the year) or that has become receivable or is received by the Trust or Trust Partnership before the end of that year, including on a conversion, redemption or repayment on maturity, except to the extent that such interest was included in computing income for a preceding year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Trust or Trust Partnership.

With respect to units of a trust resident in Canada held by the Trust or a Trust Partnership as capital property for the purposes of the Tax Act that is not subject in a taxation year to the SIFT Rules, the Trust or Trust Partnership is required to include in its income for a taxation year such portion of the net income and the taxable portion of net realized capital gains of such trust as is paid or becomes payable to the Trust or Trust Partnership by such trust in that taxation year, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by the trust, any net taxable capital gains realized by, foreign source income of and taxable dividends received by the trust from taxable Canadian corporations that are paid or become payable to the Trust or the Trust Partnership will effectively retain their character as such in the hands of the Trust or the Trust Partnership. The Trust or Trust Partnership is generally required to reduce the adjusted cost base of its units of a trust to the extent that all amounts paid or payable in a year by the trust to it exceed the sum of the amounts included in its income for the year and its share of the non-taxable portion of capital gains of the trust for the year, the taxable portion of which was designated to it. To the extent that the adjusted cost base to the Trust or a Trust Partnership of its units of a trust would otherwise be less than zero, the negative amount is deemed to be a capital gain realized by it and its adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

The Trust or a Trust Partnership may acquire securities of an issuer that is a “SIFT trust” or “SIFT partnership” as defined under the SIFT Rules (which may include trusts, other than certain real estate investment trusts, and certain partnerships, the units of which are listed or traded on a stock exchange or other public market). Under the SIFT Rules, such an issuer is subject to a special tax in respect of (i) income from businesses carried on in Canada, and (ii) certain income (other than taxable dividends) from, and capital gains in respect of, dispositions of “non-portfolio properties” (collectively, “**Non-Portfolio Earnings**”). The SIFT Rules provide that Non-Portfolio Earnings that are distributed by a SIFT trust to its unitholders or earned by a SIFT partnership will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. The SIFT Rules provide that any Non-Portfolio Earnings that become payable by a SIFT trust or are allocated by a SIFT partnership will generally be taxed as though they were a taxable dividend

from a taxable Canadian corporation and will be deemed to be an “eligible dividend” eligible for the enhanced gross-up and dividend tax credit rules under the Tax Act.

The Manager expects that most of the real estate investment trusts and partnerships included in the Portfolio will not be subject to tax under the SIFT Rules.

#### *Derivative Transactions*

In general, gains and losses realized by the Trust or a Trust Partnership from derivative transactions will be on income account except where such derivatives are used to hedge securities or other assets held on capital account provided there is sufficient linkage (subject to the DFA Rules discussed below), and will be recognized for tax purposes at the time they are realized by the Trust. Pursuant to the Tax Act, an election to realize income gains and losses on “eligible derivatives” (as defined in the Tax Act) on a mark-to-market basis is available. The Manager has advised that it currently intends that the Trust will make such election (both on its own behalf and in respect of the Public Portfolio LP) in which case any such gains and losses in respect of such eligible derivatives will also generally be recognized at the end of each year on a mark-to-market basis.

The DFA Rules target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of derivatives to be utilized by the Trust or a Trust Partnership, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

#### *Short Sales*

Any gain or loss on the short sale of securities by the Trust will be treated and reported for purposes of the Tax Act on income account unless the short sale is in respect of securities that are “Canadian securities” for purposes of the Tax Act and the Trust has validly made an election under subsection 39(4) of the Tax Act. Similarly, any gain or loss on the short sale of securities by a Trust Partnership is required to be treated and reported for purposes of the Tax Act on income account, except that if such gain or loss is in respect of securities that are “Canadian securities” for purposes of the Tax Act and the Trust has validly made an election under subsection 39(4) of the Tax Act, such gain or loss allocated to the Trust will be treated as a capital gain or loss of the Trust.

#### *Foreign Currency Transactions*

The Trust and the Trust Partnerships will enter into transactions denominated in currencies other than the Canadian dollar, including the acquisition of securities. The cost and proceeds of disposition of securities and all other amounts are determined for purposes of the Tax Act in Canadian dollars using appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. In addition, the Trust and the Trust Partnerships are generally required to compute their net income and net realized capital gains in Canadian dollars in accordance with the detailed rules in the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of the relevant foreign currency relative to the Canadian dollar. Gains or losses in respect of currency hedges entered into in respect of securities or other assets held on capital account will generally constitute capital gains and capital losses provided that there is sufficient linkage.

#### *Direct Investments in Real Estate and Infrastructure Assets*

The income of the Trust for each taxation year will include its net income from any real estate or infrastructure assets held directly by the Trust, calculated in accordance with the Tax Act. In computing its income from these sources the Trust will generally be entitled to claim capital cost allowance in respect of any depreciable properties, subject to the detailed rules and limitations set forth in the Tax Act.

On a disposition of any such assets, the Trust may realize recapture income (in respect of previously claimed capital cost allowance), terminal losses, capital gains or capital losses.



### *Capital Gains and Losses*

Generally, one-half of any capital gain (a “**taxable capital gain**”) realized by the Trust or a Trust Partnership in a taxation year will be included in computing income for the year, subject to the proviso that in certain circumstances, the portion of a capital gain realized on a disposition of an interest in a particular partnership by the Trust (including an interest in a Trust Partnership) or by a Trust Partnership that may not reasonably be regarded as attributable to increases in value of capital property (other than depreciable property) held directly or indirectly by such particular partnership may be fully included in computing the Trust’s income as a taxable capital gain. One-half of any capital loss (an “**allowable capital loss**”) realized in a taxation year must generally be deducted against taxable capital gains realized in the year in accordance with the provisions of the Tax Act. Allowable capital losses for a taxation year of the Trust (including the Trust’s allocated share of allowable capital losses of a Trust Partnership) in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

A loss realized by the Trust on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Trust, or a person affiliated with the Trust acquires a property (a “**Substituted Property**”) that is the same as or identical to the property disposed of, within 30 days before or 30 days after the disposition, and the Trust or a person affiliated with the Trust owns the Substituted Property 30 days after the original disposition. If a loss is suspended, the Trust cannot deduct the loss from capital gains until the Substituted Property is disposed of and is not reacquired by the Trust, or a person affiliated with the Trust, within 30 days before and after such disposition. The suspended loss rules may also apply to capital losses realized by a Trust Partnership.

### *Foreign Taxes*

The Trust may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that foreign taxes considered to be paid by the Trust on income from property, other than real or immovable property, exceeds 15% of such income, such excess may generally be deducted by the Trust in computing its income for the purposes of the Tax Act.

### *Taxation of Unitholders*

A Unitholder is generally required to include, in computing income for purposes of the Tax Act, the amount of the Trust’s net income for a taxation year, including net realized taxable capital gains, paid or payable to the Unitholder in the taxation year, whether such amount is reinvested in additional Units of the Trust or paid to the Unitholder in cash. The Trust intends to make designations so that the portion of any net realized taxable capital gains of the Trust distributed to Unitholders will be treated as taxable capital gains to Unitholders.

Under the Tax Act, the Trust is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the year, to the extent necessary to enable the Trust to use, in that taxation year, losses from prior years without affecting the ability of the Trust to distribute its income annually. Such amount distributed to a Unitholder but not deducted by the Trust will not be included in the Unitholder’s income. However, the adjusted cost base of the Unitholder’s Units will be reduced by such amount. The non-taxable portion of the Trust’s net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Unitholder for the year, that is paid or becomes payable to the Unitholder in the year will not be included in computing the Unitholder’s income for the year. Distributions by the Trust to a Unitholder in excess of the aggregate of (i) the Unitholder’s share of the Trust’s net income (including net realized taxable capital gains) for the year that is deducted by the Trust, and (ii) the non-taxable portion of the Trust’s net realized capital gains for the taxation year, the taxable portion of which was designated in respect of the Unitholder in the year, will not be included in computing the Unitholder’s income for the year, but will reduce the adjusted cost base of the Unitholder’s Units. To the extent that the adjusted cost base of a Unit would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Unitholder from the disposition of the Unit and the Unitholder’s adjusted cost base will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by the Trust, the taxable dividends received or deemed to be received by the Trust on shares of taxable Canadian corporations will effectively retain their character and be treated as such in the hands of the Unitholder for purposes of the Tax Act, and the foreign source income of the Trust as is paid or becomes payable to a Unitholder and the corresponding portion of the foreign “business income tax” and “non-business income tax” (each as defined in the Tax Act) considered to have been paid by the Trust in respect of such foreign source income, if any, will be deemed to be foreign source income of and foreign taxes paid by the Unitholder for purposes of the foreign tax credit rules in the Tax Act. Accordingly, a Unitholder (other than a Registered Plan) may be entitled to claim a foreign tax credit in respect of such foreign taxes in accordance with the detailed rules in the Tax Act.

To the extent that amounts received by a Unitholder are deemed to be a dividend from a taxable Canadian corporation, the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations will apply, including in the case of amounts deemed to be eligible dividends, the enhanced gross-up and dividend tax credit applicable thereto.

Upon the redemption or other disposition of a Unit, a Unitholder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the Unit (which will not include an amount payable by the Trust that is otherwise required to be included in the Unitholder’s income, such as any amounts that may be designated as payable by the Trust out of its capital gains or income), net of any reasonable costs of disposition, exceed (or are exceeded by) the Unitholder’s adjusted cost base of the Unit. For the purpose of determining the adjusted cost base of Units of a particular series to a Unitholder, when Units of that series are acquired, the cost of the newly-acquired Units of that series will be averaged with the adjusted cost base of all Units of the same series owned by the Unitholder as capital property immediately before that time. The cost of Units acquired as a distribution from the Trust will generally be equal to the amount of the distribution.

A consolidation of Units following a distribution paid in the form of additional Units will not be regarded as a disposition of Units and will not affect the aggregate adjusted cost base of Units to a Unitholder.

If, at any time, the Trust delivers Portfolio securities or other property to any Unitholder upon a redemption of such Unitholder’s Units (including on the termination of the Trust), the Unitholder’s proceeds of disposition of the Units will generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain or income realized by the Trust on the disposition of such distributed property that is designated as payable by the Trust to such Unitholder. The cost to the Unitholder of any property distributed by the Trust *in specie* will generally be equal to the fair market value of such property at the time of the distribution, less any amount that is deductible as interest accrued on such property to the date of distribution and not yet due. If the Trust delivers a promissory note of the Trust in payment of the redemption price of Units, the Unitholder’s proceeds of disposition of the Units will be equal to the fair market value of the promissory note. Property received by a Unitholder upon a redemption of Units may or may not be a qualified investment for Registered Plans, except that a promissory note issued by the Trust will be a qualified investment for Registered Plans provided that Units of the Trust continue to be listed on a designated stock exchange for purposes of the Tax Act (which currently includes the Exchange). If such property is not a qualified investment for Registered Plans, such Registered Plans (and, in the case of certain Registered Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences. Investors should consult their own tax advisors in this regard.

A taxable capital gain realized by a Unitholder on the disposition of Units or a taxable capital gain designated by the Trust in respect of a Unitholder in a taxation year of the Unitholder will be included in computing the income of the Unitholder for the year and an allowable capital loss realized by a Unitholder on the disposition of a Unit in a taxation year must be deducted from taxable capital gains for the year in accordance with the provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the detailed provisions of the Tax Act.

In general terms, net income of the Trust paid or payable to a Unitholder that is designated as taxable dividends from taxable Canadian corporations or as net realized taxable capital gains and taxable capital gains realized on the disposition of Units may increase the Unitholder’s liability, if any, for alternative minimum tax.

Unitholders should consult their own tax advisors regarding the consequences of redesignating their Units into another series of Units, including whether or not such a redesignation will constitute a taxable disposition of such Units for purposes of the Tax Act.

### ***Taxation of Registered Plans***

Registered Plans will generally not be subject to tax under Part I of the Tax Act on amounts of income and capital gains received from the Trust or on capital gains realized on the disposition of Units, provided that the Units are qualified investments for the Registered Plan. See “Eligibility for Investment” and “Income Tax Considerations – Status of the Trust”. Unitholders should consult their own advisors with respect to other tax considerations that are relevant to Registered Plans that invest in Units, including the taxation of amounts withdrawn from a Registered Plan.

### ***Tax Implications of the Trust’s Distribution Policy***

The NAV per Unit will reflect any income and gains of the Trust that have accrued or have been realized but have not been made payable at the time Units are acquired. A Unitholder who acquires Units may become taxable on the Unitholder’s share of such income and gains of the Trust notwithstanding that such amounts may have been reflected in the price paid by the Unitholder for the Units. The consequences of acquiring Units late in a calendar year will generally depend on the amount of distributions throughout the year, if any, and whether one or more year-end special distributions to Unitholders are necessary late in the calendar year to ensure, to the extent permitted under the Tax Act, that the Trust will not be liable to income tax on such amounts under Part I of the Tax Act.

## **INTERNATIONAL INFORMATION REPORTING**

The Tax Act includes provisions which implement the Organization for Economic Co-operation and Development Common Reporting Standard and the Canada-United States Enhanced Tax Information Exchange Agreement (the “**International Information Exchange Legislation**”). Pursuant to the International Information Exchange Legislation, certain “Canadian financial institutions” (as defined in the International Information Exchange Legislation) are required to have procedures in place, in general terms, to identify accounts held by residents of foreign countries or by certain entities organized in or the “controlling persons” of which are resident in a foreign country (or, in the case of the United States, of which the holder or any such controlling person is a citizen) and to report required information to the CRA. Such information is exchanged by the CRA on a reciprocal, bilateral basis with the countries in which the account holder or any such controlling person is resident (or of which such holder or person is a citizen, where applicable), where such countries (including the United States) have agreed to a bilateral information exchange with Canada to which the International Information Exchange Legislation applies. Under the International Information Exchange Legislation, holders of Units may be required to provide certain information regarding their tax status for the purpose of such information exchange, unless the investment is held within Registered Plans or certain other excluded accounts.

## **RISK FACTORS**

The purchase of Units involves a number of risk factors. The risks described below are not the only risks involved with an investment in the Units. If any of the following risks occur, or if others occur, the Trust’s business, operating results and financial condition could be seriously harmed and purchasers may lose all of their investment. In addition to the risk factors set forth elsewhere in this Prospectus, prospective purchasers should consider the following risks associated with a purchase of such Units:

### ***No Assurances on Achieving Investment Objectives***

There is no assurance that the Trust will be able to return to investors an amount equal to or in excess of the original issue price of the Units. There is no guarantee that an investment in the Trust will earn any positive return in the short or long term nor is there any guarantee that the investment objectives will be achieved. An investment in the Trust involves a degree of risk and is appropriate only for investors who have the capacity to absorb investment losses.

### ***Return on Investment is Not Guaranteed***

There can be no assurance regarding the amount of income to be generated by the Trust's investments. The Units are equity securities of the Trust and are not fixed income securities. Unlike fixed-income securities, there is no obligation of the Trust to distribute to Unitholders a fixed amount or to return the initial purchase price of a Unit on a date in the future. The market value of the Series A Units will deteriorate if the Company is unable to generate sufficient positive returns, and that deterioration may be significant.

### ***Risks Relating to the Portfolio Issuers***

As the Trust will invest globally in businesses in the residential and commercial real estate sectors and the global infrastructure sector, the Trust will be subject to certain risk factors to which the Portfolio issuers are subject and which could affect the business, prospects, financial position, financial condition or operating results of the Trust as a result of its investment in such issuer.

The value of the assets of the Trust will vary as the value of the securities in the Portfolio changes. The Trust has no control over the factors that affect the value of the securities in the Portfolio. Factors unique to each company included in the Portfolio, such as changes in its management, strategic direction, achievement of goals, mergers, acquisitions and divestitures, changes in distribution policies, changes in law and regulation and other events, may affect the value of the securities in the Portfolio. A substantial drop in equities markets could have a negative effect on the Trust and could lead to a significant decline in the value of the Portfolio and the value of the Units.

The value of the securities acquired by the Trust will be affected by business factors and risks that are beyond the control of the Manager or the Investment Manager, including:

- (a) operational risks related to specific business activities of the respective issuers;
- (b) quality of underlying assets;
- (c) financial performance of the respective issuers and their competitors;
- (d) sector risk;
- (e) fluctuations in exchange rates;
- (f) fluctuations in interest rates; and
- (g) changes in government regulations.

### ***Risks Relating to the Valuation of the Portfolio***

Fluctuations in the respective market values of the securities in the Portfolio may occur for a number of reasons beyond the control of the Trust, and may be both volatile and rapid with potentially large variations over a short period of time. Independent pricing information regarding certain of the Trust's securities and other investments may not be readily available at all times. Valuation determinations will be made in good faith by the Trust. The Trust may have some of its assets in investments which by their very nature may be extremely difficult to value accurately.

### ***Valuation Methodologies Involve Subjective Judgments***

For purposes of IFRS-compliant financial reporting, the Trust's assets and liabilities will be valued in accordance with IFRS. Accordingly, the Trust is required to follow a specific framework for measuring the fair value of its assets and liabilities and, in its audited financial statements, to provide certain disclosures regarding the use of fair value measurements.

The fair value measurement accounting guidance establishes a hierarchal disclosure framework that ranks the observability of market inputs used in measuring financing instruments at fair value. The observability of inputs depends on a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the

state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a high degree of market price observability and less judgment applied in determining fair value.

A portion of the Trust's portfolio investments will be in the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable. The Trust will value these securities at fair value as determined in good faith by the Trust and in accordance with the valuation policies and procedures described under "Calculation of Net Asset Value". However, the Trust may be required to value its securities at fair value as determined in good faith by the Manager to the extent necessary to reflect significant events affecting the value of its securities. The Trust may utilize the services of an independent valuation firm to aid it in determining the fair value of these securities. The types of factors that may be considered in fair value pricing of the Trust's investments include the nature and realizable value of any collateral, the portfolio business' ability to make payments and its earnings, the markets in which the portfolio investment does business, comparison to publicly traded companies, discounted cash flow and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, such valuations may fluctuate over short periods of time and may be based on estimates, and the Trust's determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. The value of the Trust's assets could be materially adversely affected if the Trust's determinations regarding the fair value of its investments were materially higher than the values that it ultimately realizes upon the disposition of such securities.

The value of the Trust's portfolio may also be affected by changes in accounting standards, policies or practices. From time to time, the Trust will be required to adopt new or revised accounting standards or guidance. It is possible that future accounting standards that the Trust is required to adopt could change the valuation of the Trust's assets and liabilities.

Due to a wide variety of market factors and the nature of certain securities to be held by the Trust, there is no guarantee that the value determined by the Trust or any third-party valuation agents will represent the value that will be realized by the Trust on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. Moreover, the valuations to be performed by the Trust or any third-party valuation agents are inherently different from the valuation of the Trust's securities that would be performed if the Trust were forced to liquidate all or a significant portion of its securities, which liquidation valuation could be materially lower.

#### ***Reliance on Key Personnel***

The loss of the services of any key personnel, particularly Dennis Mitchell, could have a material adverse effect on the Trust and materially adversely affect the Trust's financial condition and results of operations.

#### ***No Current Market for Units***

There is currently no market through which the Units may be sold and purchasers may not be able to resell such Units.

#### ***Recent and Future Global Financial Developments***

Global financial markets have experienced increased volatility in the last several years. This has been, in part, the result of the revaluation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as global governments have worked to restore much needed liquidity to the global economies, no assurance can be given that the combined impact of the significant revaluations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world. No assurance can be given that efforts to respond to the crisis will continue or that, if continued, they will be successful or these economies will not be adversely affected by the inflationary pressures resulting from such efforts or central banks' efforts to slow inflation. Further, continued market concerns about the developments in the Middle East, the Ukraine and North Korea, matters related to the United Kingdom's withdrawal from the EU, and matters related to the U.S. government debt limits, may adversely impact global equity markets. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and

further volatility or illiquidity in capital markets may also adversely affect the prospects of the Trust and the value of the Portfolio.

### ***Industry Concentration Risk***

In following its investment strategy, the Trust will invest globally in issuers in the residential and commercial real estate sectors and the global infrastructure sector. Accordingly, the Trust will face more risks than if it were diversified broadly over numerous industries or sectors and the stock price of the Series A Units and Net Asset Value per Unit of a series of the Trust may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time. This may have a negative impact on the value of the Units.

### ***Infrastructure Risk***

As the Trust invests in infrastructure entities, projects and assets, the Trust may be sensitive to adverse economic, regulatory, political or other developments. Infrastructure entities may be subject to a variety of events that adversely affect their business or operations, including service interruption due to environmental damage, operational issues, access to and the cost of obtaining capital, and regulation by various governmental authorities. There are substantial differences between regulatory practices and policies in various jurisdictions, and any given regulatory authority may take actions that affect the regulation of instruments or assets in which the Trust invests, or the issuers of such instruments, in ways that are unforeseeable. Infrastructure entities, projects and assets may be subject to changes in government regulation of rates charged to customers, government budgetary constraints, the imposition of tariffs and tax laws, and other regulatory policies. Additional factors that may affect the operations of infrastructure entities, projects and assets include innovations in technology that affect the way a company delivers a product or service, significant changes in the use or demand for infrastructure assets, terrorist acts or political actions, and general changes in market sentiment towards infrastructure assets. The Trust may invest in entities and assets that may share common characteristics, are often subject to similar business risks and regulatory burdens, and whose instruments may react similarly to various events that are unforeseeable.

### ***Real Estate Risk***

The assets, earnings and share values of companies involved in the real estate industry are influenced by general market conditions and a number of other factors, including but not limited to:

- economic cycles;
- interest rates;
- consumer confidence;
- the policies of various levels of government, including property tax levels and zoning laws;
- the economic well-being of various industries;
- overbuilding and increased competition;
- lack of availability of financing to refinance maturing debt;
- vacancies due to tenant bankruptcies;
- losses due to costs resulting from environmental contamination and its related clean up;
- casualty or condemnation losses;
- variations in rental income;
- changes in neighbourhood values; and
- functional obsolescence and appeal of properties to tenants.

In addition, underlying real estate investments may be difficult to buy or sell. This lack of liquidity can cause greater price volatility in the securities of companies like REITs, which own and manage real estate assets.

### ***Illiquid Securities and Private Securities***

There is no assurance that an adequate market will exist for the securities held in the Portfolio, including the Private Portfolio. The Trust cannot predict whether the securities held by it will trade at a discount to, a premium to, or at their fair value, if applicable. If the market for a specific security is particularly illiquid, the Trust may be unable to dispose of such

securities or may be unable to dispose of such securities at an acceptable price. Up to 40% of the Trust's total assets (at the time of investment) may be invested in the Private Portfolio. Over time, if the value of the Private Portfolio increases at a greater rate than the Public Portfolio, the Private Portfolio may comprise more than 40% of the Trust's total assets.

The Private Portfolio may be held in companies that are small in size, and are therefore subject to greater risk based on economic and regulatory changes. There is generally little or no publicly available information about such businesses, and the Trust must rely on the diligence of its employees and consultants to obtain the information necessary for its decision to invest in them. There can be no assurance that such diligence efforts will uncover all material information about these privately held businesses.

Investments in private companies may be riskier, more volatile and more vulnerable to economic, market and industry changes than investments in larger, more established companies. The valuation of securities of private companies is not based upon a liquid market, and valuations of these securities may be substantially higher or lower than the valuation of the securities when and if they are subsequently sold. Therefore, the value of the Private Portfolio, and the Trust as a whole, may change substantially when investments in such private issuers are subsequently sold.

There can be no assurance that the Trust will be able to realize a return of capital on the sale of investments in issuers in the Private Portfolio.

### ***Degree of Leverage***

The Trust's degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect the Trust's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general fund purposes, making the Trust more vulnerable to a downturn in business or the economy in general. The Trust may obtain leverage of up to 15% of the Net Asset Value of the Public Portfolio LP by way of a margin facility. In addition, the Private Portfolio will obtain leverage of up to 75% of the fair market value of any direct real estate held in the Private Portfolio either directly or indirectly through an investment vehicle. In addition, the Private Portfolio will obtain leverage of up to 90% of the fair market value of any direct infrastructure held in the Private Portfolio either directly or indirectly through an investment vehicle. The initial level of leverage is expected to be approximately 15.0% of the Net Asset Value of the Public Portfolio LP and the Trust.

### ***United States Anti-Money Laundering Laws and Regulations***

The Trust is subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the *Currency and Foreign Transactions Reporting Act of 1970* (commonly known as the *Bank Secrecy Act*), as amended by Title III of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (USA PATRIOT Act), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In the event that any of the Trust's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Trust to declare or pay distributions or subsequently repatriate such funds back to Canada. In the event that a determination was made that investments in the United States could reasonably be shown to constitute proceeds of crime, the Trust may decide or be required to suspend declaring or paying distributions without advance notice and for an indefinite period of time.

### ***Series Risk***

The units of the Trust are offered in several series. In addition to common fees and expenses, each series has its own fees and expenses, which are calculated separately. These expenses are deducted in the calculation of the NAV for each series of Unit and reduce its security value.

If the Trust cannot pay the expenses of one series using that series' share of the Trust's assets, it will pay those expenses out of the other series' proportionate share of the Trust's assets. This could lower the value of the other series of the Trust.

The Trust may issue additional series without notice to or approval of Unitholders. The creation of additional series could indirectly result in a mitigation of this risk by creating a larger pool of assets for the Trust to draw from. Initially, however, the small asset size of the additional series may increase this risk temporarily.

### ***Currency Exposure Risk***

As a portion of the Portfolio may be invested in securities traded in currencies other than the Canadian dollar ("**foreign currencies**"), the NAV of the Trust will, to the extent this has not been hedged against, be affected by changes in the value of the foreign currencies relative to the Canadian dollar. Accordingly, no assurance can be given that the Trust will not be adversely impacted by changes in foreign exchange rates or other factors.

### ***Currency Hedging Risk***

The use of hedges involves special risks, including the possible default by the other party to the transaction, illiquidity and, to the extent the Investment Manager's assessment of certain market movements is incorrect, the risk that the use of hedges could result in losses greater than if the hedging had not been used. Hedging arrangements may have the effect of limiting or reducing the total returns to the Trust if the Investment Manager's expectations concerning future events or market conditions prove to be incorrect. In addition, the costs associated with a hedging program may outweigh the benefits of the arrangements in such circumstances.

### ***Short Selling***

The Trust may use short sales for hedging purposes. Short selling allows the investor to profit from declines in market prices of the sold securities to the extent such decline exceeds the transaction costs and the costs of borrowing the securities.

A short sale is effected by selling a security which the Trust does not own. In order to make delivery to the buyer of a security sold short, the Trust must borrow the security. In so doing, it incurs the obligation to replace that security, whatever its price may be, at the time it is required to deliver it to the lender. The Trust must also pay to the lender of the security any dividends or interest payable on the security during the borrowing period and may have to pay a premium to borrow the security. This obligation must be collateralized by a deposit of cash or marketable securities with the lender. Short selling is subject to a theoretically unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed out. There can be no assurance that the securities necessary to cover the short position will be available for purchase by the Trust. In addition, purchasing securities to close out the short position can itself cause the price of the relevant securities to rise further, thereby increasing the loss incurred by the Trust. Furthermore, the Trust may prematurely be forced to close out a short position if a counterparty from which the Trust borrowed securities demands their return, resulting in a loss on what might otherwise have been ultimately a profitable position. In addition, the Trust's short selling strategies may limit its ability to benefit from increases in the relevant securities markets.

Market regulators in various jurisdictions have at times taken measures to impose restrictions on the ability of investors to enter into short sales, including the imposition of a complete prohibition on taking short positions in respect of certain issuers. Such restrictions may negatively affect the ability of the Trust to implement its strategies and/or they could cause the Trust to incur losses. It cannot be determined how future regulations may limit the Trust's ability to engage in short selling and how such limitations may impact the Trust's performance.

### ***Source of Funds for Investment in Private Portfolio***

Initially, 100% of the net capital raised will be invested in the Public Portfolio LP, with at least 15% of such capital to be set aside in permitted investments to be committed in the Private Portfolio within six months of Closing. However, it is the Trust's intention to commit up to 20% of the net capital raised to each of the Starlight Fund and EICLP. The balance of the capital intended to be committed in the Private Portfolio will be invested in liquid securities in the Public Portfolio LP



under the supervision of the Investment Manager pending deployment. Such liquid securities may be subject to price fluctuations beyond the Investment Manager's expectations or control.

### ***Sensitivity to Interest Rates***

The market price of the Units may be affected by the level of interest rates prevailing from time to time. A rise in interest rates may have a negative impact on the market price of the Units and increase the cost of borrowing to the Trust, if any. Unitholders who wish to sell their Units will therefore be exposed to the risk that the market prices of the Units may be negatively affected by interest rate fluctuations.

### ***Reliance on the Manager and Investment Manager***

The Manager is responsible for providing, or managing for the provision of, management services including investment and portfolio management services required by the Trust. Investors who are not willing to rely on the Manager should not invest in the Units.

The Investment Manager will manage the Public Portfolio in a manner consistent with the investment objectives, investment strategy and investment restrictions of the Trust. There is no certainty that the employees of the Investment Manager who will be primarily responsible for the management of the Public Portfolio will continue to be employees of the Investment Manager.

### ***Conflicts of Interest***

The Manager and the Investment Manager and their respective directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of any other fund or trust with similar investment objectives and/or similar investment strategies to those of the Trust. Although none of the directors or officers of the Manager or the Investment Manager devotes his or her full time to the business and affairs of the Trust or the Public Portfolio LP, as applicable, each devotes as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) the Trust and the Manager, and the Public Portfolio LP and the Investment Manager, respectively.

The Manager, the Investment Manager, or their affiliates may be managers or portfolio managers of one or more issuers in which the Trust or the Public Portfolio LP may acquire securities and may be managers or portfolio managers of investment funds that invest in the same securities as the Trust or the Public Portfolio LP. A decision to invest in such issuers will be made with the approval of the independent Trustees and without consideration of the relationship of the Manager, the Investment Manager or their affiliates with such issuers.

### ***Fluctuations in NAV and NAV for Each Series of Unit***

The NAV and series NAV for each series of Unit of the Trust will vary according to, among other things, the value of the investments held by the Trust. The Manager, the Investment Manager and the Trust have no control over the factors that affect the value of the investments held by the Trust, including factors that affect the equity and debt markets generally, such as general economic and political conditions, fluctuations in interest rates and factors unique to each issuer included in the Portfolio, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

### ***Limited Liquidity of Units***

There is no market through which the Units may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the Units in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. The Exchange has conditionally approved the listing of the Series A Units. As at the date of this Prospectus, the Trust does not have any of its securities listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or any other marketplace within or outside Canada and the listing of the Series A Units is subject to the Trust fulfilling all of the requirements of the Exchange. While the Declaration of Trust contains a redemption right, such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

### ***Limited Control***

Unitholders will have limited control over changes in the Trust's policies and operations, which increases the uncertainty and risks of an investment in the Trust. The Manager will determine major policies, including policies regarding financing, growth, debt capitalization and any future dividends to Unitholders. Generally, the Manager may amend or revise these and other policies without a vote of the Unitholders. Unitholders will only have a right to vote in the limited circumstances described elsewhere in this Prospectus. The Manager's broad discretion in setting policies and the limited ability of Unitholders to exert control over those policies increases the uncertainty and risks of an investment in the Trust.

### ***Loss of Investment***

There is no guarantee that an investment in the Units will earn any positive return in the short term or long term. A purchase under the Offering involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the Units is appropriate only for purchasers who have the capacity to absorb a loss of some or all of their investment.

### ***Effect of Fees***

The Trust will be required to pay the Management Fee and the performance fees on private investments, if any, to the Manager and the Public Portfolio LP will be required to pay the Public Portfolio Performance Fee to the Investment Manager. From time to time, the payment of such fees will reduce the actual returns to the Unitholders. A portion of these fees will be payable regardless of whether the Trust produces positive investment returns.

### ***Currency Exposure***

Foreign currency risk is the risk that the fair value or future cash flow of an exposure will fluctuate because of changes in foreign exchange rates. The Trust's exposure to the risk of changes in foreign exchange rates relates primarily to the fact that (i) the Portfolio will include securities denominated in foreign currencies, (ii) the Trust may invest in companies in foreign markets whose operations are exposed to foreign currencies and which companies' assets and liabilities are denominated in foreign currencies, and (iii) certain of the Trust's assets and liabilities, including any commitments made to foreign investees, may be denominated in foreign currencies.

### ***Foreign Market Exposure***

The Trust's investments may, at any time, include securities of issuers established in jurisdictions outside Canada and the United States. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. companies, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a Canadian or U.S. company. Investments in foreign markets carry the potential exposure to the risk of political upheaval, acts of terrorism and war, all of which could have an adverse impact on the value of such securities.

### ***Lack of Operating History***

The Trust is a newly organized investment trust with no previous operating history. There is currently no public market for the Series A Units and there can be no assurance that an active public market in respect of the Series A Units will develop or be sustained after completion of the Offering.

### ***Regulation***

The Trust is subject to various laws and regulations governing its operations, taxes and other matters. It is possible that future changes in applicable federal, provincial or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the Trust (including with retroactive effect). Any changes in the laws to which the Trust is subject could materially adversely affect the Trust or its investments. It is impossible to predict whether there will be any future changes in the regulatory regimes to which the Trust will be subject or the effect of any such change on its investments.

### ***Risk Factors Relating to Canadian Tax***

It is anticipated that the Trust will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act. If the Trust fails or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Certain Canadian Federal Income Tax Considerations” would be materially and adversely different in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Trust or Unitholders.

A trust or partnership that is subject to the SIFT Rules is subject to entity-level taxation at rates comparable to those that apply to corporations in respect of income earned from “non-portfolio property”. However, the Trust and the Public Portfolio LP will not be subject to the SIFT Rules provided that they do not at any time hold any “non-portfolio property”. The investment guidelines of the Trust and the Public Portfolio LP prohibit the acquisition or holding of properties that would be “non-portfolio properties” for purposes of the Tax Act and accordingly, neither the Trust nor the Public Portfolio LP is expected to become subject to the SIFT Rules.

If the SIFT Rules were to apply to the Trust or the Public Portfolio LP, the impact to a Unitholder would depend on the status of the holder and, in part, on the amount of income distributed which would not be deductible by the Trust in computing its income in a particular year and what portions of the Trust’s and the Public Portfolio LP’s distributions constitute “non-portfolio earnings”, other income and returns of capital. The likely effect of the SIFT Rules on the market for Units, and on the Trust’s ability to finance future acquisitions through the issue of Units or other securities is uncertain. If the SIFT Rules were to apply to the Trust or the Public Portfolio LP, they could adversely affect the marketability of the Units, the amount of cash available for distribution and the after-tax return to investors - particularly in the case of a Unitholder who is exempt from tax under the Tax Act or a non-resident of Canada.

Subject to the DFA Rules discussed below, in determining the Trust’s income for tax purposes, the Trust will generally treat gains or losses in respect of Portfolio securities as capital gains and losses. In general, gains and losses realized by the Trust from derivative transactions, including gains realized in connection with short sales, will be on income account except where such derivatives are used to hedge Portfolio securities or other assets held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below. Gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in the Portfolio will generally constitute capital gains or capital losses to the Trust if the Portfolio securities are capital property to the Trust and there is sufficient linkage. Similar considerations apply in relation to gains and losses realized by the Public Portfolio LP. Designations with respect to the Trust’s income and capital gains will be made and reported to Unitholders on this basis. CRA’s practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If any such dispositions or transactions are determined not to be on capital account, the net income of the Trust for tax purposes and the taxable component of distributions to Unitholders could increase. Any such redetermination by the CRA may result in the Trust being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of each series.

The Tax Act contains rules (the “**DFA Rules**”) regarding certain financial arrangements that seek to reduce tax by converting, through the use of derivative contracts, the return on an investment that would have the character of ordinary income to capital gains. The DFA Rules are broad in scope and could apply to other agreements or transactions. If the DFA Rules were to apply in respect of derivatives to be utilized by the Trust or the Public Portfolio LP, the gains realized in respect of the portfolio underlying such derivatives could be treated as ordinary income rather than capital gains.

The Trust intends to invest in foreign securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital (“**Tax Treaties**”) to impose tax on dividends and interest paid or credited to persons who are not resident in such countries. While the Trust intends to make its investments in such a manner as to mitigate the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in selected foreign securities may subject the Trust to foreign taxes on dividends and interest paid or credited to the Trust or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Trust will generally reduce the value of the Trust and amounts payable to Unitholders. To the extent that such foreign tax paid by the Trust exceeds 15% of the amount included in the Trust’s income from such investments, such excess may generally be deducted by the Trust in computing its net income for the purposes of the Tax Act. In addition, the Trust may

designate in respect of a Unitholder a portion of its foreign source income that can reasonably be considered to be part of the Trust's income distributed to such Unitholder and the corresponding portion of any foreign "business income tax" and "non-business income tax" (each as defined in the Tax Act) considered to have been paid by the Trust in respect of such income will be deemed to be foreign source income and foreign taxes paid by the Unitholder for purposes of the foreign tax credit rules in the Tax Act. However, although the foreign tax credit provisions in the Tax Act are designed to avoid double taxation, the availability of a foreign tax credit may be limited to the extent that a Unitholder does not have sufficient taxes payable under Part I of the Tax Act, or sufficient income from sources in the relevant foreign country (taking into account other income or losses from sources in that country) and is otherwise subject to the detailed rules in the Tax Act. Because of this, and because of timing differences in recognition of expenses and income and other factors, there is a risk of double taxation.

Pursuant to rules in the Tax Act, if the Trust experiences a "loss restriction event" (i) it will be deemed to have a year-end for tax purposes (which could result in an unscheduled distribution of the Trust's net income and net realized capital gains at such time to Unitholders so that the Trust is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the Trust will be subject to a loss restriction event if a Unitholder becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Trust, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications.

**For all of the above reasons and others set forth herein, the Units involve a certain degree of risk. Any person considering the purchase of Units should be aware of these and other factors set forth in this Prospectus and should consult with his or her legal, tax and financial advisors prior to making an investment in the Units. The Units should only be purchased by persons who can afford to lose all of their investment.**

#### **PROMOTER**

The Manager is considered to be the promoter of the Trust by reason of its initiative in organizing the business of the Trust and taking the steps necessary for the public distribution of the Series A Units. As at the date hereof, neither the Manager nor any of its directors, officers or shareholders beneficially owns, controls or directs, directly or indirectly, any Series A Units. In its role as manager, the Manager will receive payment from the Trust for services provided to the Trust in respect of the ongoing management of the Trust and the Portfolio securities.

#### **LEGAL PROCEEDINGS**

To the Trust's knowledge, there are no legal proceedings or regulatory actions material to the Trust to which it is a party, or to which it has been made a party since its formation and no such proceedings are known to the Trust to be contemplated. There have been no penalties or sanctions imposed against the Trust by a court relating to provincial securities legislation or by any securities regulatory authority, there have been no penalties or sanctions imposed by a court or regulatory body against the Trust and the Trust has not entered into any settlement agreements before a court relating to provincial securities legislation or with any securities regulatory authority since its formation.

#### **INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed herein, no Trustee or executive officer of the Trust or Unitholders that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Series A Units and/or securities convertible into Series A Units, or any of their respective associates or affiliates:

- (i) has any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Trust within the three years preceding the date of this Prospectus; or
- (ii) was or is to be an underwriter or is associates, affiliates or partners or a person or company that was or is to be an underwriter.

## **AUDITOR**

The auditor of the Trust is Deloitte LLP, of Toronto, Ontario.

## **VALUATION AGENT**

RBC Investor Services Trust will be appointed as the valuation agent of the Trust. The valuation agent will provide, among other things, valuation services to the Trust and will calculate the NAV in the manner described under the heading “Calculation of Net Asset Value”.

## **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent for the Units is TSX Trust Company, at its principal office in Toronto, Ontario.

The registration and transfers of Units will be effected only through the book-entry only system administered by CDS. A purchaser of Units will receive only customer confirmation from the registered dealer which is a CDS Participant and from or through which Units are purchased. See “Plan of Distribution”.

## **CUSTODIAN**

The custodian of the Trust is RBC Investor Services Trust of Toronto, Ontario, pursuant to a custodian contract to be dated on or about the Closing Date (the “**Custodian Contract**”). The custodian has physical custody of the portfolio securities of the Trust. The custodian may hold Canadian securities at its principal office in Toronto. Foreign securities are held by the custodian at its principal office, at its branch offices or at offices of sub-custodians appointed by the custodian, in those jurisdictions where the foreign securities are purchased. The Custodian engagement for the Trust may be terminated by either the Investment Manager or the custodian by an instrument in writing delivered or mailed, such termination to take effect at least 90 days after the date of such delivery, unless a different period is agreed to in writing by the parties.

## **SECURITIES LENDING AGENT**

The Trust does not currently engage in securities lending. In the event that the Trust engages in securities lending, the Investment Manager will appoint a securities lending agent. The securities lending agent will not be an affiliate of the Manager or the Investment Manager.

## **MATERIAL CONTRACTS**

Except for contracts entered into in the ordinary course of business, as of the Closing Date, the only material contracts which the Trust has entered into or will enter into are set out below. Copies of such agreements will be available under the Trust’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

- (i) Declaration of Trust;
- (ii) Management Agreement (see “Organization and Management Details of the Trust — The Management Agreement”);
- (iii) Investment Management Agreement (see “Organization and Management Details of the Trust — The Investment Manager — Investment Management Agreement”);
- (iv) Custodian Contract (see “Custodian”); and
- (v) Agency Agreement (see “Plan of Distribution — Agency Agreement”).

## **EXPERTS**

Certain Canadian legal matters in connection with this Offering will be passed upon by Blake, Cassels & Graydon LLP, on behalf of the Trust, and by McCarthy Tétrault LLP, on behalf of the Agents.

As at the date of this Prospectus, partners and associates of Blake, Cassels & Graydon LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Trust and its respective associates and affiliates. As at the date of this Prospectus, partners and associates of McCarthy Tétrault LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Trust and its respective associates and affiliates.

Deloitte LLP, the auditor of the Trust, has advised the Trust that it is independent within respect to the Trust within the meaning of the Rules of Professional Conduct of the Charter Professional Accountants of Ontario.

## **RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. The right may be exercised within two Business Days after receipt or deemed receipt of a Prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the Prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the Purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The Purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

## FINANCIAL STATEMENTS

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**Financial Statements**

**Starlight Hybrid Global Real Assets Trust**

**November 28, 2018**

**(Stated in Canadian Dollars)**

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## INDEPENDENT AUDITORS' REPORT

To the Trustees of  
Starlight Hybrid Global Real Assets Trust

We have audited the accompanying financial statement of Starlight Hybrid Global Real Assets Trust, which comprises the statement of financial position as at November 28, 2018, the statements of income, unitholder's equity and cash flow for the period from October 11, 2018 (date of formation) to November 28, 2018 and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of this financial statement that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of Starlight Hybrid Global Real Assets Trust as at November 28, 2018 and its financial performance and cash flow for the period, October 11, 2018 (date of formation) to November 28, 2018 in accordance with International Financial Reporting Standards.

(signed) "*Deloitte LLP*"  
Chartered Professional Accountants  
Licensed Public Accountants  
November 28, 2018

**STARLIGHT HYBRID GLOBAL REAL ASSETS TRUST**

**STATEMENT OF FINANCIAL POSITION**

**As at November 28, 2018**

**Assets**

Cash .....	\$ 10.00
	<u>\$ 10.00</u>

**Unitholder's Equity**

Unitholder's equity (Note 1).....	\$ 10.00
	<u>\$ 10.00</u>

The accompanying notes are an integral part of this financial statement.

**Approved by the Manager**

By: *"Dennis Mitchell"*

Director

By: *"Graeme Llewellyn"*

Director

**STARLIGHT HYBRID GLOBAL REAL ASSETS TRUST**  
**STATEMENT OF INCOME AND COMPREHENSIVE INCOME**  
For the period from October 11, 2018 (date of formation) to November 28, 2018  
Stated in Canadian Dollars

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<b>Revenue</b>	
Revenue	\$ -
<b>Expenses</b>	
Expenses	-
<b>Income before taxes</b>	-
<b>Withholding taxes on foreign income</b>	-
<b>Net income and comprehensive income for the period</b>	\$ -
<b>Earnings per Unit</b>	
Basic	\$ -
Diluted	\$ -

The accompanying notes are an integral part of this financial statement.

**STARLIGHT HYBRID GLOBAL REAL ASSETS TRUST**  
**STATEMENT OF CHANGES IN UNITHOLDER'S EQUITY**  
For the period from October 11, 2018 (date of formation) to November 28, 2018  
Stated in Canadian Dollars, except for number of units outstanding

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	<u>Unit Capital</u>	
	Number of Units	Amount
<b>Balance – beginning of period</b>	-	\$ <u>          -</u>
Issuance of units (Note 1)	1	<u>          10.00</u>
<b>Balance – end of period</b>	1	<u>          10.00</u>

The accompanying notes are an integral part of this financial statement.

**STARLIGHT HYBRID GLOBAL REAL ASSETS TRUST****STATEMENT OF CASH FLOW**

For the period from October 11, 2018 (date of formation) to November 28, 2018

Stated in Canadian Dollars

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<b>Operating Activities</b>	
Net income for the period	\$ <u>-</u>
Cash provided by operating activities	<u>-</u>
<b>Financing Activities</b>	
Issuance of units (Note 1)	<u>10.00</u>
Cash provided by financing activities	<u>10.00</u>
<b>Investing Activities</b>	
Cash provided by investing activities	<u>-</u>
<b>Change in cash during the period</b>	<u>10.00</u>
<b>Cash beginning of period</b>	<u>-</u>
<b>Cash – end of period</b>	<u>\$ 10.00</u>

The accompanying notes are an integral part of this financial statement.

## **STARLIGHT HYBRID GLOBAL REAL ASSETS TRUST**

### **NOTES TO STATEMENT OF FINANCIAL POSITION**

**November 28, 2018**

#### **1. FORMATION OF THE TRUST**

Starlight Hybrid Global Real Assets Trust (the “Trust”) is an investment trust established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust dated October 11, 2018. Starlight Global Real Assets LP (the “Public Portfolio LP”) is a limited partnership formed pursuant to a Limited Partnership Agreement dated November 28, 2018, governed by the laws of Ontario. The Trust will be the only limited partner of the Public Portfolio LP. The manager and investment manager of the Trust is Starlight Investments Capital GP Inc. (the “Manager”) and Starlight Investments Capital LP (the “Investment Manager”), respectively. Daniel Drimmer, Denim Smith and Harry Rosenbaum are the trustee’s for the Trust (the “Trustee”). In addition to the public portfolio the Trust also intends to invest in a private portfolio of global real estate properties and global infrastructure assets, primarily through investments in other investment vehicles. The Investment Manager will provide investment management advice, including advice in respect of the Trust asset mix and security selection for the public portfolio in the Public Portfolio LP, subject to the Trust’s investment restrictions. The Trust is authorized to issue an unlimited number of Series A, Series F and Series C units (the “Units”). On October 11, 2018, the Trust issued one Series C unit for \$10.00 cash. The Trust can also issue preferred units (“Preferred Units”) from time to time after the later of (i) January 1, 2021 and (ii) the net asset value of the Trust reaches \$500 million.

The Trust’s investment objective is to provide Unitholders with stable monthly cash distributions and long-term capital appreciation through exposure to institutional quality real assets in the global real estate and global infrastructure sectors.

The Trust has filed a prospectus (“Prospectus”) with securities regulatory authorities in each of the provinces and territories of Canada dated November 28, 2018 for the sale of Series A Units and/or Series C Units and/or Series F Units. The financial statement was authorized for issuance by the Manager on November 26, 2018. The statement of financial position has been prepared in accordance with International Financial Reporting Standards, issued and effective as of November 28, 2018.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted by the Trust for the preparation of these financial statements are set out below.

a) **Statement of Compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The following is a summary of significant accounting policies followed by the Trust in preparation of its financial statements.

b) **Basis of Presentation**

The Trust’s functional and presentation currency is Canadian dollars.

c) **Cash**

Cash includes deposits in trust with the board of trustees.

#### **3. MANAGEMENT FEES, PERFORMANCE FEES AND OTHER EXPENSES**

The Manager, as the manager of the Trust, is responsible for managing the business and day-to-day operations of the Trust and is entitled to a management fee at an annual rate of 1.25% of the net asset value of the Trust (“NAV”) plus

the principal amount of any outstanding Preferred Units, plus applicable taxes, calculated and accrued daily and payable monthly, in arrears. Any management fees charged by an underlying investment vehicle will reduce the amount of the Management Fee paid to the Manager at the Trust level attributable to the portion of the portfolio allocated to the respective underlying investment vehicle. The Manager will waive the Management Fee until the NAV per Unit of the applicable series is greater than the initial offering price (i.e. \$10.00).

The Public Portfolio LP is required to pay a performance fee to the Investment Manager on the Public Portfolio LP which will be calculated and accrued monthly and paid for the period from November 28, 2018 to December 31, 2018 and for each fiscal year thereafter. The performance fee will be 10% of the returns of the Public Portfolio LP above a hurdle rate, subject to a high water mark as more fully described in the prospectus.

The Trust will also be responsible for the Trust's operating costs, commissions and other costs of portfolio transactions, debt service and costs relating to any loan facility or prime brokerage facility, as applicable, entered into by the Trust and all liabilities and any extraordinary expenses which it may incur from time to time. Fees to the Investment Manager will be payable by the Manager, and not the Trust.

#### **4. LEVERAGE**

The Public Portfolio LP may obtain leverage of up to 15% of the fair market value of the Public Portfolio LP by way of a margin facility, or by other means. Initially, the Trust is expected to employ the leverage to pursue further investments in the Public Portfolio LP.

**SCHEDULE A  
AUDIT COMMITTEE CHARTER**

**Starlight Hybrid Global Real Assets Trust (the “Trust”)**

**1. PURPOSE**

- 1.1 The trustees of the Trust (the “**Trustees**”) shall appoint an audit committee (the “**Committee**”) to assist the Trustees in fulfilling their responsibilities. The overall purpose of the Committee of the Trust is to monitor the Trust’s system of internal financial controls, to evaluate and report on the integrity of the financial statements of the Trust, to enhance the independence of the Trust’s external auditors and to oversee the financial reporting process of the Trust.

**2. PRIMARY DUTIES AND RESPONSIBILITIES**

- 2.1 The Committee’s primary duties and responsibilities are to:
- (a) serve as an objective party to monitor the Trust’s financial reporting and internal control system and review the Trust’s financial statements;
  - (b) review the performance of the Trust’s external auditors; and
  - (c) provide an open avenue of communication among the Trust’s external auditors, the Trustees and senior management of Starlight Investments Capital GP Inc., in its capacity as manager of the Trust (the “**Manager**”).

**3. COMPOSITION, PROCEDURES AND ORGANIZATION**

- 3.1 The Committee shall be comprised of at least three Trustees, as determined by the Trustees, two of whom shall be free from any relationship that, in the opinion of the Trustees, would interfere with the exercise of his or her independent judgment as a member of the Committee.
- 3.2 At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Trust’s financial statements.
- 3.3 The Trustees shall appoint the members of the Committee. The Trustees may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a Trustee of the Trust shall cease to be a member of the Committee.
- 3.4 Unless a chair is elected by the Trustees, the members of the Committee shall elect a chair from among their number (the “**Chair**”). The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the Trustees.
- 3.5 The Committee, through its Chair, shall have access to such officers and employees of the Trust and the Manager and to the Trust’s external auditors and its legal counsel, and to such information respecting the Trust as it considers necessary or advisable in order to perform its duties.
- 3.6 Meetings of the Committee shall be conducted as follows:
- (a) the Committee shall meet four times annually, or more frequently as circumstances dictate, at such times and at such locations as the Chair shall determine;
  - (b) the external auditors or any member of the Committee may call a meeting of the Committee;



- (c) any Trustee of the Trust may request the Chair to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such Trustee, and may participate in such meeting to the extent permitted by the Chair; and
  - (d) the external auditors and the Manager shall, when required by the Committee, attend any meeting of the Committee.
- 3.7 The external auditors shall be entitled to communicate directly with the Chair and may meet separately with the Committee. The Committee, through the Chair, may contact directly any employee of the Manager as it deems necessary.
- 3.8 Compensation to members of the Committee shall be limited to Trustees' fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from the Trust.
- 3.9 The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Trust. The Committee has the power to engage and determine funding for outside and independent counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties and to set Committee members compensation. The Committee is further granted the authority to communicate directly with internal and external auditors.

#### **4. DUTIES**

- 4.1 The overall duties of the Committee shall be to:
- (a) assist the Trustees in the discharge of their duties relating to the Trust's accounting policies and practices, reporting practices and internal financial controls and the Trust's compliance with legal and regulatory requirements;
  - (b) establish and maintain a direct line of communication with the Trust's external auditors and assess their performance and oversee the co-ordination of the activities of the external auditors; and
  - (c) be aware of the risks of the business and ensure the Manager has adequate processes in place to assess, monitor, manage and mitigate these risks as they arise.
- 4.2 The Committee shall be directly responsible for overseeing the work of the external auditor, who shall report directly to the Committee, engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust, including the resolution of disagreements between the Manager and the external auditors and the overall scope and plans for the audit, and in carrying out such oversight, the Committee's duties shall include:
- (a) recommending to the Trustees the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Trust;
  - (b) reviewing, where there is to be a change of external auditors, all issues related to the change, including the information to be included in the notice of change of auditor called for under NI 51-102 or any successor legislation, and the planned steps for an orderly transition;
  - (c) reviewing all reportable events, including disagreements, unresolved issues and consultations, as defined in NI 51-102 or any successor legislation, on a routine basis, whether or not there is to be a change of external auditor;
  - (d) reviewing and pre-approving all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Trust's external auditors to the Trust or any subsidiary entities;

- (e) consulting with the external auditor, without the presence of the Manager about the quality of the Trust's accounting principles, internal financial controls and the completeness and accuracy of the Trust's financial statements;
- (f) reviewing annually the performance of the external auditors, who shall be ultimately accountable to the Trustees and the Committee as representatives of the unitholders of the Trust, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditors; and
- (g) reviewing and approving the nature of and fees for any non-audit services performed for the Trust by the external auditors and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

4.3 The duties of the Committee as they relate to document and reports reviews shall be to:

- (a) review the Trust's financial statements, management's discussion and analysis of financial results ("MD&A") and any financial press releases before the Trust publicly discloses this information; and
- (b) review and periodically assess the adequacy of procedures in place for the review of the Trust's public disclosure of financial information extracted or derived from the Trust's financial statements, other than the Trust's financial statements, MD&A and financial press releases.

4.4 The duties of the Committee as they relate to audits and financial reporting shall be to:

- (a) in consultation with the external auditor, review with the Manager the integrity of the Trust's financial reporting process, both internal and external;
- (b) review the audit plan with the external auditor and the Manager;
- (c) review with the external auditor and the Manager any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of the Manager that may in any such case be material to financial reporting;
- (d) review the contents of the audit report;
- (e) question the external auditor and the Manager regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- (f) review the scope and quality of the audit work performed;
- (g) review the co-operation received by the external auditor from the Manager's and the Trust's personnel during the audit, any problems encountered by the external auditors and any restrictions on the external auditor's work;
- (h) review the appointments of the chief financial officer and any key financial executives involved in the financial reporting process;
- (i) review and approve the Trust's annual audited financial statements and those of any subsidiaries in conjunction with the report of the external auditors thereon, and obtain an explanation from the Manager of all significant variances between comparative reporting periods before release to the public.

4.5 The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- (a) review changes to accounting principles of the Canadian Institute of Chartered Accountants which would have a significant impact on the Trust's financial reporting as reported to the Committee by the Manager and the external auditors;

- (b) review the appropriateness of the accounting policies used in the preparation of the Trust's financial statements and consider recommendations for any material change to such policies;
- (c) review the status of material contingent liabilities as reported to the Committee by the Manager or the external auditors;
- (d) review the status of income tax returns and potentially significant tax problems as reported to the Committee by the Manager;
- (e) review any errors or omissions in the current or prior year's financial statements;
- (f) review, and approve before their release, all public disclosure documents containing audited or unaudited financial information including all earnings, press releases, MD&A, prospectuses, annual reports to unitholders and annual information forms, as applicable.

4.6 The other duties of the Committee shall include:

- (a) reviewing any related-party transactions not in the ordinary course of business;
- (b) reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- (c) reviewing and reporting to the Trustees on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (d) inquiring of the Manager and the external auditors as to any activities that may be or may appear to be illegal or unethical;
- (e) ensuring procedures are in place for the receipt, retention and treatment of complaints and employee concerns received regarding accounting or auditing matters and the confidential, anonymous submission by employees of the Trust of concerns regarding such; and
- (f) reviewing any other questions or matters referred to it by the Trustees.

**CERTIFICATE OF THE TRUST AND PROMOTER**

Dated: November 28, 2018

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**STARLIGHT HYBRID GLOBAL REAL ASSETS TRUST**

By: (Signed) Dennis Mitchell  
Chief Executive Officer and Chief  
Investment Officer

By: (Signed) Graeme Llewellyn  
Chief Financial Officer and Chief Operating  
Officer

**ON BEHALF OF THE TRUSTEES**

By: (Signed) Daniel Drimmer  
Trustee

By: (Signed) Denim Smith  
Trustee

**PROMOTER**

**STARLIGHT INVESTMENTS CAPITAL GP INC.**  
as Promoter

By: (Signed) Daniel Drimmer  
Director

**CERTIFICATE OF THE AGENTS**

Dated: November 28, 2018

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**CIBC WORLD MARKETS INC.**

(Signed) Valerie Tan

**RBC DOMINION SECURITIES INC.**

(Signed) Christopher Bean

**NATIONAL BANK FINANCIAL INC.**

(Signed) Gavin Brancato

**SCOTIA CAPITAL INC.**

(Signed) Robert Hall

**BMO NESBITT BURNS INC.**

(Signed) Robin Tessier

**TD SECURITIES INC.**

(Signed) Adam Luchini

**CANACCORD GENUITY  
CORP.**

(Signed) Dan Sheremeto

**GMP SECURITIES L.P.**

(Signed) Paul Bissett

**RAYMOND JAMES  
LTD.**

(Signed) J. Graham Fell

**INDUSTRIAL  
ALLIANCE  
SECURITIES INC.**

(Signed) Richard  
Kassabian

**MANULIFE  
SECURITIES  
INCORPORATED**

(Signed) David  
MacLeod

**DESJARDINS  
SECURITIES  
INC.**

(Signed) Nikolas  
Javaheri

**MACKIE  
RESEARCH  
CAPITAL  
CORPORATION**

(Signed) David  
Keating

**ECHELON WEALTH  
PARTNERS INC.**

(Signed) Rob  
Sutherland