



Condensed Interim Financial Statements

For the three and nine months ended September 30, 2019
(unaudited)

Starlight Hybrid Global Real Assets Trust

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NOTICE OF NO AUDITOR REVIEW OF THE QUARTERLY FINANCIAL STATEMENTS

Starlight Investment Capital GP Inc., the Manager of Starlight Hybrid Global Real Assets Trust, appoints independent auditors to audit the Trust's Annual Financial Statements.

Starlight Hybrid Global Real Assets Trust's independent auditors have not performed a review of these Condensed Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

Starlight Hybrid Global Real Assets Trust

Statements of Financial Position

As at September 30, 2019 (unaudited) and December 31, 2018 (audited)

(In Canadian dollars)

	Notes	September 30, 2019 (unaudited)	December 31, 2018 (audited)
		\$	\$
Assets			
Current Assets			
Cash		104,825	516,514
Investments (Cost: September 30, 2019 - \$32,492,117, December 31, 2018 - \$27,800,000)		34,578,079	27,795,664
Other assets		7,843	-
		34,690,747	28,312,178
Liabilities			
Current Liabilities			
Distributions payable		140,673	-
Accounts payable and accrued liabilities		178,228	497,061
Total Liabilities (excluding net Assets attributable to unitholders of redeemable units)		318,901	497,061
Net assets attributable to holders of redeemable units per series			
Series A		21,835,673	19,085,354
Series C		12,536,173	7,370,787
Series F		-	1,358,976
		34,371,846	27,815,117
Number of redeemable units outstanding			
	4		
Series A		2,179,719	2,034,901
Series C		1,196,412	750,000
Series F		-	141,000
Net assets attributable to holders of redeemable units per unit			
Series A		\$ 10.02	\$ 9.38
Series C		\$ 10.48	\$ 9.83
Series F		\$ -	\$ 9.64

Approved on behalf of the Board of Trustees

Signed "Denim Smith"

Trustee

Signed "Harry Rosenbaum"

Trustee

The accompanying notes are an integral part of the condensed interim financial statements.

Starlight Hybrid Global Real Assets Trust

Statements of Comprehensive Income

For the three and nine months ended September 30, 2019 (unaudited) (see Note 1)

(In Canadian dollars)

	Three months	Nine months
	\$	\$
Investment gain		
Interest for distribution purposes	918	4,293
Distributions from partnership	300,275	1,008,201
Net realized gain on sale of investments	-	330,867
Net change in unrealized appreciation of investments	1,537,879	2,090,298
Total gain	1,839,072	3,433,659
Expenses		
Legal expenses	(33,093)	96,156
Management fees	40,776	78,921
Fund administration fees	10,365	34,861
Harmonized sales tax and other taxes	(551)	29,124
Trustee fees	7,726	22,438
Audit fees	6,438	18,698
Insurance fees	5,993	17,465
Filing fees	2,060	14,674
Other expenses	8,500	53,547
Total expenses	48,214	365,884
Net investment gain	1,790,858	3,067,775
Increase in net assets attributable to holders of redeemable units	1,790,858	3,067,775
Increase in net assets attributable to holders of redeemable units per series		
Series A	1,191,813	2,088,081
Series C	599,045	907,178
Series F	-	72,516
	1,790,858	3,067,775
Weighted average number of units for the period		
Series A	2,194,250	2,138,443
Series C	1,162,446	888,993
Series F	-	141,000
Increase in net assets attributable to holders of redeemable units per unit		
Series A	\$ 0.54	\$ 0.98
Series C	\$ 0.52	\$ 1.02
Series F	\$ -	\$ 0.51

The accompanying notes are an integral part of the condensed interim financial statements.

Starlight Hybrid Global Real Assets Trust

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the nine month period ended September 30, 2019 (unaudited) (see Note 1)

(In Canadian dollars)

	Notes	Series A \$	Series C \$	Series F \$	Total \$
Net assets attributable to holders of redeemable units at beginning of period		19,085,354	7,370,787	1,358,976	27,815,117
Increase in net assets attributable to holders of redeemable units per series		2,088,081	907,178	72,516	3,067,775
Distributions to holders from redeemable units					
Return of capital		(714,478)	(305,803)	(11,750)	(1,032,031)
		(714,478)	(305,803)	(11,750)	(1,032,031)
Redeemable unit transactions					
Redesignation of units	4	1,419,742	-	(1,419,742)	-
Proceeds from sale of units		-	4,589,115	-	4,589,115
Reinvestments		707	-	-	707
Cost of issuance of units		(43,733)	(25,104)	-	(68,837)
		1,376,716	4,564,011	(1,419,742)	4,520,985
Net increase (decrease) in net assets attributable to holders of redeemable units		2,750,319	5,165,386	(1,358,976)	6,556,729
Net assets attributable to holders of redeemable units at end of period		21,835,673	12,536,173	-	34,371,846

The accompanying notes are an integral part of the condensed interim financial statements.

Starlight Hybrid Global Real Assets Trust

Statements of Cash Flows

For the three and nine months ended September 30, 2019 (unaudited) (see Note 1)

(In Canadian dollars)

	Three months \$	Nine months \$
Operating activities		
Increase in net assets attributable to holders of redeemable units from operations	1,790,858	3,067,775
Adjustments:		
Purchase of investments	(4,375,000)	(12,095,497)
Proceeds from disposition of investments	-	7,734,247
Net realized gain from investment transactions	-	(330,867)
Net change in unrealized appreciation on investments	(1,537,879)	(2,090,298)
	(4,122,021)	(3,714,640)
Net change in non-cash working capital	82,736	(326,676)
	(4,039,285)	(4,041,316)
Financing activities		
Issuance of units	4,589,115	4,589,115
Distributions paid to holders of redeemable units	(402,929)	(890,651)
Cost of issuance	(68,837)	(68,837)
	4,117,349	3,629,627
Net increase/(decrease) in cash	78,064	(411,689)
Cash at beginning of period	26,761	516,514
Cash at end of period	104,825	104,825
Interest received	\$ 918	\$ 4,293
Distribution received from partnership	\$ 300,275	\$ 1,008,201

The accompanying notes are an integral part of the condensed interim financial statements.

Starlight Hybrid Global Real Assets Trust

Schedule of Investment Portfolio

As at September 30, 2019 (unaudited)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets %
	Fund(s)			
2,455,448	Starlight Global Real Assets LP	24,771,620	26,842,714	
		24,771,620	26,842,714	78.10
	Private Placements			
550	EagleCrest Infrastructure Canada LP	5,500,000	5,394,739	
22,205	Starlight Canadian Residential Growth Fund (Series C)	2,220,497	2,340,626	
		7,720,497	7,735,365	22.50
	Total Investments	32,492,117	34,578,079	
	Other assets less liabilities		(206,233)	
	Total Net Assets		34,371,846	100.00

Starlight Global Real Assets Limited Partnership

Schedule of Investment Portfolio of underlying partnership as at September 30, 2019 (unaudited)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets %
	Real Estate			
3,923	Alexandria Real Estate Equities Inc.	658,594	800,088	
13,718	Americold Realty Trust	562,407	673,286	
63,021	Aroundtown SA	711,504	682,606	
25,258	Brookfield Property Partners Limited Partnership	672,286	679,188	
4,997	Camden Property Trust	648,610	734,442	
14,502	Canadian Apartment Properties REIT	668,200	789,924	
19,576	Duke Realty Corporation	822,589	880,452	
193,398	European Residential Real Estate Investment Trust	827,058	903,169	
63,882	Goodman Group	869,467	808,893	
10,421	Granite Real Estate Investment Trust	618,136	668,507	
17,957	Hudson Pacific Properties Inc.	752,335	795,511	
7,731	Kilroy Realty Corporation	782,562	797,267	
35,234	Minto Apartment Real Estate Investment Trust	667,472	796,993	
29,824	New Residential Investment Corporation	625,982	619,153	
8,235	Prologis Inc.	749,382	929,162	
36,153	Segro PLC	448,466	478,257	
18,367	Starwood Property Trust Inc.	518,067	588,977	
10,815	Vonovia SE	698,298	726,672	
		12,301,415	13,352,547	49.75

The accompanying notes are an integral part of the condensed interim financial statements.

Starlight Hybrid Global Real Assets Trust

Schedule of Investment Portfolio

As at September 30, 2019 (unaudited)

(In Canadian dollars)

Starlight Global Real Assets Limited Partnership

Schedule of Investment Portfolio of underlying partnership as at September 30, 2019 (unaudited)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets %
Industrials				
7,662	Brookfield Business Partners Limited Partnership	392,456	397,658	
2,375	Canadian Pacific Railway Limited	618,295	699,248	
7,225	Cargojet Inc.	573,722	680,017	
5,100	CSX Corporation	455,032	467,737	
10,811	Deutsche Post AG	425,891	478,209	
3,973	Eiffage SA	495,304	545,485	
20,798	Ferrovial SA	618,079	795,836	
30,796	Transurban Group	350,283	403,973	
5,379	Vinci SA	645,769	767,253	
3,747	Waste Connections Inc.	387,201	456,047	
		4,962,032	5,691,463	21.20
Utilities				
41,948	Boralex Inc.	779,920	949,283	
13,773	Brookfield Infrastructure Partners Limited Partnership	719,443	903,509	
3,936	CMS Energy Corporation	269,232	333,259	
1,141	NextEra Energy Inc.	264,120	351,973	
24,940	Northland Power Inc.	573,068	633,975	
2,595	Sempra Energy	400,208	507,153	
		3,005,991	3,679,152	13.71
Energy				
15,414	Enbridge Inc.	716,643	716,751	
14,883	Pembina Pipeline Corporation	731,795	730,904	
		1,448,438	1,447,655	5.39
Financials				
8,983	Brookfield Asset Management Inc.	571,942	631,954	
		571,942	631,954	2.35
Communication Services				
13,175	Comcast Corporation	666,819	786,359	
		666,819	786,359	2.93
	Brokerage commissions	(29,022)	-	
	Total Investments	22,927,615	25,589,130	95.33
	Other assets less liabilities		1,253,584	4.67
	Total Net Assets		26,842,714	100.00

* Percentage of net assets shown relates to the amounts at fair value to the Partnership's net assets attributable to holders of redeemable securities.

Starlight Hybrid Global Real Assets Trust

Notes to the Financial Statements (unaudited)

Three and nine months ended September 30, 2019

(In Canadian dollars)

1. Establishment 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 amended and restated dated as of December 13, 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 the Province of Ontario. The Trust will be the only limited partner of the Public Portfolio LP. The Trust is authorized to issue an unlimited number of Series A, Series F and Series C units (the “Units”). 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 was inactive until, it issued a final prospectus dated November 28, 2018, whereby the Trust offered a minimum of 2,000,000 and a maximum of 10,000,000 Series A units and/or Series C units and/or Series F units to the public (the “Offering”). See Note 4 *Redeemable Units*.

Concurrent with the Offering, the original declaration of trust dated October 11, 2018 was amended and restated effective December 13, 2018.

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. The Investment Manager is responsible for providing 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 listed on NEO Exchange Inc. (the “Exchange”) under the symbol SCHG.UN. The Trust’s registered address is 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3. RBC Investor Services Trust acts as custodian and administrator of the Trust. The Trust is currently offered in Canadian-dollar-denominated units.

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.

Financial Reporting date

The information provided in these financial statements and notes thereto is as at September 30, 2019 or for the three and nine months ended September 30, 2019. The prior period information is as at December 31, 2018. The Trust commenced operations on December 13, 2018 (the closing date of the Offering).

The Financial Statements were authorized for issuance by the Board of Trustees on November 14, 2019.

2. Statement of compliance and basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard – Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Trust’s annual financial statements for the year ended December 31, 2018, prepared in accordance with IFRS. These condensed interim financial statements follow the same accounting policies and methods of application as the annual financial statements for the year ended December 31, 2018.

Starlight Hybrid Global Real Assets Trust

Notes to the Financial Statements (unaudited)

Three and nine months ended September 30, 2019

(In Canadian dollars)

3. Fair value disclosure

The Trust's financial assets measured at fair value have been categorized based upon a fair value hierarchy. The Trust has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are as follows.

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

There were no transfers between levels during the period ended September 30, 2019. The Trust's policy is to recognize transfers in and out and between Levels 1 and 2 as per the value at the end of the reporting period and for transfers in and out of Level 3 as per the value at the date of transfer.

	Level 1	Level 2	Level 3
	\$	\$	\$
Investments as at September 30, 2019	—	26,842,714	7,735,365
Investments as at December 31, 2018	—	27,795,664	—

All fair value measurements above are recurring. The carrying values of cash, dividends receivable approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The table below summarizes the movement in financial instruments classified as Level 3.

For the nine months ended September 30, 2019:

	Balance at December 31, 2018	Purchases	Sales	Net transfers	Realized gain (loss)	Unrealized gain (loss)	Balance at September 30, 2019
Equities	\$ —	\$ 7,720,497	\$ —	\$ —	\$ —	\$ 14,868	\$ 7,735,365
Total	—	7,720,497	—	—	—	14,868	7,735,365

For the three months ended September 30, 2019:

	Balance at June 30, 2019	Purchases	Sales	Net transfers	Realized gain (loss)	Unrealized gain (loss)	Balance at September 30, 2019
Equities	\$ 7,720,497	\$ —	\$ —	\$ —	\$ —	\$ 14,868	\$ 7,735,365
Total	7,720,497	—	—	—	—	14,868	7,735,365

Starlight Hybrid Global Real Assets Trust

Notes to the Financial Statements (unaudited)

Three and nine months ended September 30, 2019

(In Canadian dollars)

4. Redeemable units

The Trust's outstanding Units are classified as a financial liability since the Trust has a contractual obligation to repurchase or redeem its Units for cash or another financial asset and to distribute their income to minimize taxes such that they have no discretion to avoid cash distributions.

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.

In accordance with the objectives and the risk management policies outlined in the Financial Risk Management notes (Note 7), the Trust endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being managed by investing sufficient assets in investments that can be readily disposed.

Redeemable unit transactions

Series F Units were redesignated as Series A Units on March 29, 2019 at net assets value ("NAV"). Series F unitholders received 144,746 Series A Units with a NAV of \$9.81 in exchange for 141,000 Series F Units with a NAV of \$10.07.

On July 5, 2019, pursuant to a private placement 446,412 Series C Units were issued at a NAV of \$10.28 for gross proceeds of \$4,589,115.

Unit transactions of the Trust for the period ended September 30, 2019 and December 31, 2018 were as follows:

	September 30, 2019		
	Series A	Series C	Series F
Units outstanding, beginning of period	2,034,901	750,000	141,000
Units redesignated	144,746	—	(141,000)
Units issued	—	446,412	—
Dividends reinvested	72	—	—
Units outstanding, end of period	2,179,719	1,196,412	—
December 31, 2018			
	Series A	Series C	Series F
Units outstanding, beginning of period	—	—	—
Units issued	2,034,901	750,000	141,000
Units outstanding, end of period	2,034,901	750,000	141,000

5. Commitments

As at December 31, 2018, the Trust had no commitments. As at September 30, 2019, the Trust had \$3.3 million in commitments.

On March 4, 2019 the Trust entered into a subscription agreement for a \$5.5 million commitment in the Private Portfolio to invest in Starlight Canadian Residential Growth Fund ("Starlight Residential Fund"). The commitment is callable on demand on a pro-rata basis with other investors. As of September 30, 2019, \$2.2 million has been called.

6. Capital risk management

Units issued and outstanding are considered to be the capital of the Trust. The Manager manages the capital of the Trust in accordance with the Trust's investment objectives. The Trust does not have any specific externally imposed capital requirements.

Starlight Hybrid Global Real Assets Trust

Notes to the Financial Statements (unaudited)

Three and nine months ended September 30, 2019

(In Canadian dollars)

7. Financial risk management

The Trust's activities expose it to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The risks include market risk (including other price risk, currency risk, and interest rate risk), credit risk, liquidity risk and concentration risk. The Trust has established and maintains a governance structure that oversees the Trust's investment activities and monitors compliance with the Trust's stated investment objective and guidelines. These risks and related risk management practices employed by the Trust and the Public Portfolio LP are discussed below.

(a) Market risk

Market risk represents the potential loss that can be caused by a change in the fair value of a financial instrument. The investments of the Trust are subject to normal market fluctuations and the risks inherent in investments in the global markets. The Public Portfolio LP's investment portfolio is monitored on a daily basis by the Investment Manager.

(b) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. The investments of the Trust are subject to market fluctuations and the risks inherent in financial markets. The maximum risk resulting from financial instruments held by the Trust is determined by the fair value of the financial instruments. The Investment Manager moderates this risk through a careful selection of securities within specified limits and the Trust's other price risk is managed through diversification of the Trust's investments. The Investment Manager monitors the Trust's overall market positions on a daily basis. As at December 31, 2018 the Public Portfolio LP's overall market exposure was \$nil. As at September 30, 2019 the overall market exposures of the Trust, including that of the Public Portfolio LP, were as follows:

	September 30, 2019	
	Fair Value \$	% of Total Net Assets
Investments	33,324,495	96.95%
Total market exposure	33,324,495	96.95%

As at September 30, 2019, had the prices on the respective stock exchanges for the Trust's securities increased or decreased by 5%, with all other variables held constant, net assets would have increased or decreased by approximately \$1,279,457 or 3.72% of total net assets (December 31, 2018 - \$nil or 0.0%).

In practice, the actual trading results may differ, and the difference could be material.

(c) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies, other than the functional currency of the Trust and the Public Portfolio LP, will fluctuate due to changes in foreign exchange rates. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Trust's functional currency in determining fair value.

The Public Portfolio LP holds assets and liabilities, including cash and investments in equities that are denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

As at December 31, 2018 the Public Portfolio LP did not hold assets and liabilities that are denominated in currencies other than the Canadian Dollar, the functional currency.

Starlight Hybrid Global Real Assets Trust

Notes to the Financial Statements (unaudited)

Three and nine months ended September 30, 2019

(In Canadian dollars)

7. Financial risk management (continued)

As at September 30, 2019, the Trust indirectly bears the currency risk exposure of the Public Portfolio LP. The table below summarizes the Public Portfolio LP's exposure to currency risk as of September 30, 2019:

	September 30, 2019	
	Currency Exposure \$	% of Total Net Assets of the Public Portfolio LP %
Currency type		
United States Dollar	8,981,001	33.46%
Euro	4,003,115	14.91%
Australian Dollar	1,213,073	4.52%
British Pound	481,973	1.80%
Total	14,679,162	54.69%

As at September 30, 2019, if the exchange rate between the Canadian Dollar and the foreign currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$146,792 (December 31, 2018 - \$nil).

In accordance with the Trust's policy, the Investment Manager monitors currency positions as part of the overall portfolio construction and may hedge currencies.

(d) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Trust invests in interest-bearing financial instruments. The Trust is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Public Portfolio LP invests in equities and Real Estate Investment Trusts (REITs) and the Private Portfolio invests in direct real estate and infrastructure investments. An increase in interest rates would increase the borrowing cost on the investment properties and have an adverse effect on net income. Availability of financing and fluctuations in borrowing rates will also restrict the real estate companies' ability to acquire attractive properties and hinders their returns. This would indirectly impact distributions and dividends paid to the Public Portfolio LP and the Trust.

The majority of the Trust's and Public Portfolio LP's financial assets and liabilities are non-interest bearing as at September 30, 2019 and December 31, 2018. As a result, the Trust is not subject to a significant amount of direct interest rate risk due to fluctuations in the prevailing level of market interest rates.

(d) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust or the Public Portfolio LP. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

As at September 30, 2019 and December 31, 2018 the Trust and the Public Portfolio LP had no significant investments in debt instruments and/or derivatives; therefore, credit risk is considered minimal.

Starlight Hybrid Global Real Assets Trust

Notes to the Financial Statements (unaudited)

Three and nine months ended September 30, 2019

(In Canadian dollars)

7. Financial risk management (continued)

(e) Liquidity risk

The Trust's main liquidity risk exposure is in meeting redemption and expense requirements on a monthly basis. The Trust's manager monitors cash needs on a regular basis. The Trust has daily liquidity with the Public Portfolio LP. Liquidity risk is managed in the Public Portfolio LP by investing sufficient assets of the Public Portfolio LP in investments that are traded in an active market and can be readily disposed of. In addition, the Trust either directly or indirectly through the Public Portfolio LP aims to retain sufficient cash to maintain liquidity.

There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Thin trading in a security could make it difficult to liquidate holdings quickly. In addition, the Trust or Public Portfolio LP will, from time to time, enter into unlisted securities or may invest into over-the-counter derivative contracts, which are not traded in an organized market and may be illiquid. Securities for which a market quotation could not be obtained and may be illiquid are identified on the Schedule of Investment Portfolio. The proportion of illiquid securities to the NAV of the Trust is monitored by the Manager to ensure it does not significantly affect the liquidity required to meet the Trust's financial obligations. The proportion of illiquid securities to the NAV of the Public Portfolio LP is monitored by the Investment Manager to ensure it does not significantly affect the liquidity required to meet the Public Portfolio LP's financial obligations.

The Trust is exposed to monthly cash redemptions and beginning in June 2020 annual cash redemptions. However, the monthly redemptions are limited to a fixed dollar amounts and the annual redemption is limited to a fixed percentage of the Trust's assets reducing the liquidity requirements of the Trust. The Trust's investments in the Public Portfolio LP are considered readily realizable and highly liquid, therefore the Trust's liquidity risk is considered minimal.

As at September 30, 2019 the Trust's accounts payable and accrued liabilities are expected to be liquidated within 90 days.

The Trust's liquid investments are considered to be in excess of the redemption and expense requirements.

(f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. As at September 30, 2019 and December 31, 2018, the Trust's exposure to concentration risk, including that of the Public Portfolio LP, is summarized in the table below.

Portfolio by Industry Classification	September 30, 2019	December 31, 2018
	% of Total Net Assets	% of Total Net Assets
Real Estate	38.85	—
Private Placements	22.50	—
Industrials	16.56	—
Utilities	10.70	—
Energy	4.21	—
Communication Services	2.29	—
Financials	1.84	—
Other Assets Less Liabilities	3.05	100.00
Total	100.00	100.00

Starlight Hybrid Global Real Assets Trust

Notes to the Financial Statements (unaudited)

Three and nine months ended September 30, 2019

(In Canadian dollars)

8. Interest in non-consolidated structured entities

	September 30, 2019	
	Fair value of investment in Underlying Funds	Percentage of ownership
	\$	%
Non-consolidated structured entities		
Starlight Global Real Assets LP	26,842,714	100

	December 31, 2018	
	Fair value of investment in Underlying Funds	Percentage of ownership
	\$	%
Non-consolidated structured entities		
Starlight Global Real Assets LP	27,795,664	100

9. Related parties

(a) *Management fees*

The Trust's investment activities are managed by the Manager. The management fees for the three and nine months ended September 30, 2019 amounted to \$40,776 and \$78,921 respectively, with \$19,026 in outstanding accrued fees due to the Manager at September 30, 2019 and \$nil amount at December 31, 2018.

(b) *Investments*

To achieve its objectives, the Trust invests no less than 60% of the net capital raised into a related party, Starlight Global Real Assets LP. As at September 30, 2019 the fair value of investments in a related party amounted to \$34,578,079 (December 31, 2018 - \$27,795,664).

(c) *Unit transactions with related parties*

Officers, directors and related entities of the Manager invest in Units from time to time in the normal course of business on the same basis as arms-length investors. As at September 30, 2019, the Manager, including officers and directors, owned 510,265 (December 31, 2018 - 510,000) Units.