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## Condensed Interim Financial Statements of

**Starlight Hybrid Global Real Assets Trust**

For the three months ended March 31, 2020 (unaudited)

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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 (the "Trust"), appoints independent auditors to audit the Trust's annual financial statements.

The 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

## Condensed Interim Statements of Financial Position

As at March 31, 2020 (unaudited) and December 31, 2019 (audited)

(In Canadian dollars)

	Notes	March 31, 2020	December 31, 2019
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash		51,895	270,808
Investments (Cost: March 31, 2020 - \$40,629,516, December 31, 2019 - \$40,512,420)		37,380,176	43,082,004
Other assets		22,427	8,041
		<b>37,454,498</b>	<b>43,360,853</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Distributions payable		177,649	172,248
Accounts payable and accrued liabilities		140,706	224,861
Total Liabilities (excluding net Assets attributable to unitholders of redeemable units)		<b>318,355</b>	<b>397,109</b>
<b>Net assets attributable to holders of redeemable units per series</b>			
Series A		13,114,706	15,216,599
Series B		325,463	376,527
Series C		18,779,198	21,682,443
Series F		4,916,776	5,688,175
		<b>37,136,143</b>	<b>42,963,744</b>
<b>Number of redeemable units outstanding</b>			
Series A	4	1,492,172	1,491,955
Series B		35,650	35,650
Series C		2,036,385	2,036,385
Series F		538,543	538,543
<b>Net assets attributable to holders of redeemable units per unit</b>			
Series A		\$ 8.79	\$ 10.20
Series B		\$ 9.13	\$ 10.56
Series C		\$ 9.22	\$ 10.65
Series F		\$ 9.13	\$ 10.56

Approved on behalf of the Board of Trustees

Signed "Denim Smith"

Trustee

Signed "Harry Rosenbaum"

Trustee

**Starlight Hybrid Global Real Assets Trust**  
**Condensed Interim Statements of Comprehensive Income**

For the three months ended March 31 (unaudited)

(In Canadian dollars)

	2020	2019
	\$	\$
<b>Investment gain (loss)</b>		
Interest for distribution purposes	300	2,821
Distributions from Partnership	609,345	200,000
Net realized gain (loss) on sale of investments	117,156	-
Net change in unrealized appreciation (depreciation) of investments	(5,818,924)	1,276,779
<b>Total gain (loss)</b>	<b>(5,092,123)</b>	<b>1,479,600</b>
<b>Expenses</b>		
Management fees	110,541	16,267
Filing fees	29,242	8,500
Fund administration fees	12,889	5,462
Trustee fees	11,188	7,233
Audit fees	8,454	6,027
Harmonized sales tax and other taxes	7,100	14,134
Insurance fees	6,308	5,672
Legal expenses	4,974	79,935
Securityholder reporting costs	-	2,411
Other expenses	14,076	10,790
	<b>204,772</b>	<b>156,431</b>
<b>Net investment gain (loss)</b>	<b>(5,296,895)</b>	<b>1,323,169</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>(5,296,895)</b>	<b>1,323,169</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series</b>		
Series A	(1,910,301)	914,078
Series B	(46,433)	-
Series C	(2,638,719)	336,575
Series F	(701,442)	72,516
	<b>(5,296,895)</b>	<b>1,323,169</b>
<b>Weighted average number of units for the period</b>		
Series A	1,529,864	2,036,546
Series B	35,650	-
Series C	2,000,314	750,000
Series F	538,543	141,000
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Series A	\$ (1.25)	\$ 0.45
Series B	\$ (1.30)	\$ -
Series C	\$ (1.32)	\$ 0.45
Series F	\$ (1.30)	\$ 0.51

## Starlight Hybrid Global Real Assets Trust

### Condensed Interim Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the three months ended March 31 (unaudited)

(In Canadian dollars)

	Notes	Series A 2020 \$	Series B 2020 \$	Series C 2020 \$	Series F 2020 \$	Total 2020 \$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		15,216,599	376,527	21,682,443	5,688,175	42,963,744
Increase (decrease) in net assets attributable to holders of redeemable units per series		(1,910,301)	(46,433)	(2,638,719)	(701,442)	(5,296,895)
<b>Distributions to holders from redeemable units</b>						
Return of capital		(135,974)	(3,249)	(185,588)	(49,081)	(373,892)
From net investment income		(23,487)	(561)	(32,057)	(8,478)	(64,583)
From capital gain		(34,348)	(821)	(46,881)	(12,398)	(94,448)
		(193,809)	(4,631)	(264,526)	(69,957)	(532,923)
<b>Redeemable unit transactions</b>	4					
Reinvestments		2,217	-	-	-	2,217
		2,217	-	-	-	2,217
Net increase (decrease) in net assets attributable to holders of redeemable units		(2,101,893)	(51,064)	(2,903,245)	(771,399)	(5,827,601)
<b>Net assets attributable to holders of redeemable units at end of period</b>		13,114,706	325,463	18,779,198	4,916,776	37,136,143
		Series A 2019 \$	Series B 2019 \$	Series C 2019 \$	Series F 2019 \$	Total 2019 \$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		19,085,354	-	7,370,787	1,358,976	27,815,117
Increase in net assets attributable to holders of redeemable units per series		914,078	-	336,575	72,516	1,323,169
<b>Distributions to holders from redeemable units</b>						
Return of capital		(169,576)	-	(62,501)	(11,750)	(243,827)
		(169,576)	-	(62,501)	(11,750)	(243,827)
<b>Redeemable unit transactions</b>	4					
Redesignation of units		1,419,742	-	-	(1,419,742)	-
		1,419,742	-	-	(1,419,742)	-
Net increase (decrease) in net assets attributable to holders of redeemable units		2,164,244	-	274,074	(1,358,976)	1,079,342
<b>Net assets attributable to holders of redeemable units at end of period</b>		21,249,598	-	7,644,861	-	28,894,459

## Starlight Hybrid Global Real Assets Trust

### Condensed Interim Statements of Cash Flows

For the three months ended March 31 (unaudited) (see Note 1)

(In Canadian dollars)

	2020	2019
	\$	\$
<b>Operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	(5,296,895)	1,323,169
Adjustments:		
Purchase of investments	(1,010,440)	-
Proceeds from disposition of investments	1,010,500	-
Net realized (gain) loss from investment transactions	(117,156)	-
Net change in unrealized (appreciation) depreciation on investments	5,818,924	(1,276,779)
	404,933	46,390
Net change in non-cash working capital	(98,541)	(314,076)
	306,392	(267,686)
<b>Financing activities</b>		
Distributions paid to holders of redeemable units	(525,305)	(243,827)
	(525,305)	(243,827)
Net (decrease) increase in cash	(218,913)	(511,513)
Cash at beginning of period	270,808	516,514
<b>Cash at end of period</b>	<b>51,895</b>	<b>5,001</b>
Interest received	\$ 300	\$ 2,821
Distribution received from Partnership	\$ 609,345	\$ 200,000

## Starlight Hybrid Global Real Assets Trust

### Condensed Interim Schedule of Investment Portfolio

As at March 31, 2020 (unaudited)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets %
	<b>Fund(s)</b>			
2,876,350	Starlight Global Real Assets LP	29,629,516	25,848,892	
		29,629,516	25,848,892	69.61
	<b>Private Placements</b>			
550	EagleCrest Infrastructure Canada LP	5,500,000	5,708,296	15.37
55,000	Starlight Canadian Residential Growth Fund (Series C)	5,500,000	5,822,988	15.68
		11,000,000	11,531,284	31.05
	<b>Total Investments</b>	<b>40,629,516</b>	<b>37,380,176</b>	<b>100.66</b>
	Other assets less liabilities		(244,033)	(0.66)
	<b>Total Net Assets</b>		<b>37,136,143</b>	<b>100.00</b>

## Starlight Global Real Assets LP

Schedule of Investment Portfolio of underlying partnership as at March 31, 2020 (unaudited)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets* %
	<b>Real Estate</b>			
3,981	Alexandria Real Estate Equities Inc.	676,351	776,628	
1,961	American Tower Corporation	567,890	607,780	
18,845	Americold Realty Trust	801,905	913,053	
48,625	Brookfield Property Partners LP	996,275	552,380	
6,448	Camden Property Trust	851,968	727,244	
16,265	Canadian Apartment Properties Real Estate Investment Trust	770,727	692,726	
18,879	Duke Realty Corporation	806,050	870,094	
734	Equinix Inc.	550,695	652,511	
189,146	European Residential Real Estate Investment Trust	844,654	703,623	
67,069	Goodman Group	883,796	706,974	
12,468	Granite Real Estate Investment Trust	748,713	724,765	
47,307	InterRent Real Estate Investment Trust	696,432	629,656	
37,035	Killam Apartment Real Estate Investment Trust	785,272	584,412	
38,757	Minto Apartment Real Estate Investment Trust	753,675	755,762	
8,422	Prologis Inc.	824,064	963,429	
8,553	QTS Realty Trust Inc.	690,839	706,207	
81,975	Summit Industrial Income Real Estate Investment Trust	930,738	727,118	
		13,180,044	12,294,362	47.57
	<b>Industrials</b>			
6,384	Brookfield Business Partners LP	336,975	227,207	
1,418	Brookfield Infrastructure Corporation	63,085	69,893	
1,550	Canadian Pacific Railway Limited	415,617	481,353	
6,655	Cargojet Inc.	534,949	673,020	
10,197	Deutsche Post AG	418,862	394,550	
12,025	Ferrovial S.A.	373,750	410,724	
28,039	Fortress Transportation & Infrastructure Investors LLC	265,572	327,255	
2,408	Vinci S.A.	297,909	283,560	
6,582	Waste Connections Inc.	723,558	718,754	
		3,430,277	3,586,316	13.87

**Starlight Hybrid Global Real Assets Trust**  
**Condensed Interim Schedule of Investment Portfolio**

As at March 31, 2020 (unaudited)

(In Canadian dollars)

**Starlight Global Real Assets Limited Partnership**

Schedule of Investment Portfolio of underlying partnership as at March 31, 2020 (unaudited)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets* %
<b>Utilities</b>				
794	American Water Works Co Inc.	117,427	135,119	
29,370	Borex Inc.	565,709	734,250	
12,762	Brookfield Infrastructure Partners LP	605,694	652,138	
3,561	CMS Energy Corporation	273,589	297,776	
2,490	NextEra Energy Inc.	740,662	852,789	
26,227	Northland Power Inc.	628,430	736,716	
		2,931,511	3,408,788	13.19
<b>Energy</b>				
90	Enbridge Inc.	4,355	3,688	
18,879	Gibson Energy Inc.	501,178	306,784	
5,534	Parkland Fuel Corporation	255,623	137,299	
328	Pembina Pipeline Corporation	16,122	8,659	
		777,278	456,430	1.77
<b>Information Technology</b>				
561	Mastercard Inc.	184,762	192,885	
749	Visa Inc.	179,533	171,768	
		364,295	364,653	1.41
<b>Financials</b>				
11,973	Brookfield Asset Management Inc.	808,700	746,876	
		808,700	746,876	2.89
<b>Communication Services</b>				
11,163	Comcast Corporation	592,075	546,257	
		592,075	546,257	2.11
	Brokerage commissions	(23,167)	-	
	<b>Total Investments</b>	<b>22,061,013</b>	<b>21,403,682</b>	<b>82.81</b>
<b>Forward contracts</b>				
	Foreign currency forward contracts (see Schedule A)		(14,853)	(0.06)
	Other assets less liabilities		4,460,063	17.25
	<b>Total Net Assets</b>		<b>25,848,892</b>	<b>100.00</b>

\* 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**  
**Condensed Interim Schedule of Investment Portfolio (cont'd)**

As at March 31, 2020 (unaudited)

(In Canadian dollars)

**Schedule A**

**Foreign Currency Forward Contract(s) (0.06%)**

<b>Contract(s)</b>	<b>Counterparty</b>	<b>Credit Rating of the Counterparty</b>	<b>Settlement Date</b>	<b>Contract Rate (\$)</b>	<b>Pay (\$)</b>	<b>Receive (\$)</b>	<b>Unrealized Gain (Loss) (\$)</b>
1	Royal Bank of Canada	AA	June 26, 2020	0.6977	(1,568,750) USD	2,248,516 CAD	17,265
1	Royal Bank of Canada	AA	June 26, 2020	0.7126	(1,703,750) USD	2,391,033 CAD	(32,118)
<b>Total Foreign Currency Forward Contract(s) Value</b>							<b>(14,853)</b>

# Starlight Hybrid Global Real Assets Trust

## Notes to the Condensed Interim Financial Statements (unaudited)

Three months ended March 31, 2020 and 2019

(In Canadian dollars)

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### 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 B, 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, which is the functional currency of the Trust.

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 March 31, 2020 or for the three months ended March 31, 2020. The prior period information is as at December 31, 2019 or for the three months ended March 31, 2019. The Financial Statements were authorized for issuance by the Board of Trustees on May 15, 2020.

### 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, 2019, 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, 2019.

**Starlight Hybrid Global Real Assets Trust**  
**Notes to the Condensed Interim Financial Statements (unaudited)**

Three months ended March 31, 2020 and 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 March 31, 2020. 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 1
	\$	\$	\$
Investments as at March 31, 2020	–	25,848,892	11,531,284
Investments as at December 31, 2019	–	32,617,601	10,464,403

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 three months ended March 31, 2020:

	Balance at December 31, 2019	Purchases	Sales	Net transfers	Realized gain (loss)	Unrealized gain (loss)	Balance at March 31, 2020
	\$	\$	\$	\$	\$	\$	\$
Equities	10,464,403	1,010,440	–	–	–	56,441	11,531,284
<b>Total</b>	<b>10,464,403</b>	<b>1,010,440</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>56,441</b>	<b>11,531,284</b>

**Starlight Hybrid Global Real Assets Trust**  
**Notes to the Condensed Interim Financial Statements (unaudited)**

Three months ended March 31, 2020 and 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 B 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.

*Annual redemption*

Beginning in 2020, up to 5% of the aggregate outstanding Redeemable Units may be surrendered annually (the "Annual Redemption"), during the period from the first day of June until the tenth business day before the last business day in June (the "Annual Notice Period") for redemption.

*Monthly redemption*

Up to \$50,000 of the Redeemable Units may also be surrendered at any time other than during the Annual Notice Period to the registrar and transfer agent for redemptions (a "Monthly Redemption").

*Redeemable unit transactions*

On March 29, 2019 Series F Units were redesignated as Series A Units with a net asset value of \$1,419,742. 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.

On December 17, 2019, pursuant to a private placement 35,650 Series B Units, 538,543 Series F Units, and 183,486 Series C Units were issued at a NAV of \$11.22, \$10.93 and \$10.90, respectively for gross proceeds of \$8,286,265.

On December 31, 2019, 687,871 Series A Units were redesignated as Series C Units with a net asset value of \$6,967,721. Series A unitholders received 656,487 Series C Units with a NAV of \$10.61 in exchange for 687,871 Series A Units with a NAV of \$10.13.

Unit transactions of the Trust for the period ended March 31, 2020 and 2019 were as follows:

	<b>Series A</b>	<b>Series B</b>	<b>Series C</b>	<b>Series F</b>
Units outstanding, December 31, 2018	2,034,901	–	750,000	141,000
Units redesignated	144,746	–	–	(141,000)
Units outstanding, March 31, 2019	<b>2,179,647</b>	–	<b>750,000</b>	–
Units redesignated	(687,871)	–	656,487	–
Units issued	–	35,650	629,898	538,543
Dividends reinvested	179	–	–	–
Units outstanding, December 31, 2019	<b>1,491,955</b>	<b>35,650</b>	<b>2,036,385</b>	<b>538,543</b>
Dividends reinvested	217	–	–	–
Units outstanding, March 31, 2020	<b>1,492,172</b>	<b>35,650</b>	<b>2,036,385</b>	<b>538,543</b>

**Starlight Hybrid Global Real Assets Trust**  
**Notes to the Condensed Interim Financial Statements (unaudited)**

Three months ended March 31, 2020 and 2019

(In Canadian dollars)

**4. Redeemable units (continued)**

Unit transaction amounts of the Trust for the period ended March 31, 2020 and 2019 were as follows:

	Series A	Series B	Series C	Series F
	\$	\$	\$	\$
Units outstanding, December 31, 2018	20,349,010	–	7,500,000	1,419,742
Units redesignated	1,419,742	–	–	(1,419,742)
Units outstanding, March 31, 2019	<b>21,768,752</b>	–	<b>7,500,000</b>	–
Units redesignated	(6,967,721)	–	6,967,721	–
Units issued	–	399,993	6,589,112	5,886,275
Dividends reinvested	1,799	–	–	–
Units outstanding, December 31, 2019	<b>14,802,830</b>	<b>399,993</b>	<b>21,056,833</b>	<b>5,886,275</b>
Dividends reinvested	2,217	–	–	–
Units outstanding, March 31, 2020	<b>14,805,047</b>	<b>399,993</b>	<b>21,056,833</b>	<b>5,886,275</b>

*Dividend Reinvestment Plan (“DRIP”)*

Pursuant to the DRIP, eligible unitholders can elect to reinvest cash distributions into additional Series A Units at the greater of either the NAV per Series A Unit or 97% of the volume weighted average closing price of the Series A Units on the Exchange for the five trading days immediately preceding the applicable date of distribution.

For the three months ended March 31, 2020 and 2019, the Trust issued 217 and Nil Series A Units under the DRIP for a stated value of \$2,217 and \$Nil, respectively.

**5. Commitments**

As at March 31, 2020, the Trust had no commitments. As at December 31, 2019, the Trust had \$1.0 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 was callable on demand on a pro-rata basis with other investors. As of December 31, 2019, \$4.5 million had been called. On January 10, 2020, the Trust received a capital call for the remaining commitment amount of \$1.0 million which was paid on February 4, 2020.

**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 Condensed Interim Financial Statements (unaudited)**

Three months ended March 31, 2020 and 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 March 31, 2020 and December 31, 2019 the overall market exposures of the Trust, including that of the Public Portfolio LP, were as follows:

	March 31, 2020		December 31, 2019	
	Fair Value \$	% of Total Net Assets	Fair Value \$	% of Total Net Assets
Investments	32,920,113	88.65%	40,307,303	93.82%
Total market exposure	<b>32,920,113</b>	<b>88.65%</b>	<b>40,307,303</b>	<b>93.82%</b>

As at March 31, 2020, 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 \$1,646,006 or 4.43% of total net assets (December 31, 2019 - \$2,015,365 or 4.69%).

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.

**Starlight Hybrid Global Real Assets Trust**  
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(In Canadian dollars)

**7. Financial risk management (continued)**

As at March 31, 2020 and December 31, 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 March 31, 2020 and December 31, 2019:

**March 31, 2020**

Currency type	Currency exposure \$	Currency contracts \$	Net currency exposure \$	% of Total Net Assets of the Public Portfolio LP %
United States Dollar	8,776,274	(4,657,913)	4,118,361	15.93%
Euro	1,088,834	–	1,088,834	4.21%
Australian Dollar	706,974	–	706,974	2.74%
<b>Total</b>	<b>10,572,082</b>	<b>(4,657,913)</b>	<b>5,914,169</b>	<b>22.88%</b>

**December 31, 2019**

Currency type	Currency exposure \$	Currency contracts \$	Net currency exposure \$	% of Total Net Assets of the Public Portfolio LP %
United States Dollar	11,249,149	–	11,249,149	34.49%
Euro	3,854,003	–	3,854,003	11.81%
Australian Dollar	1,358,583	–	1,358,583	4.16%
British Pound	3	–	3	0.00%
<b>Total</b>	<b>16,461,738</b>	<b>–</b>	<b>16,461,738</b>	<b>50.46%</b>

As at March 31, 2020, 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 \$59,142 (December 31, 2019 - \$164,617).

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 March 31, 2020 and December 31, 2019. 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.

## Starlight Hybrid Global Real Assets Trust

### Notes to the Condensed Interim Financial Statements (unaudited)

Three months ended March 31, 2020 and 2019

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#### 7. Financial risk management (continued)

*e. 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 March 31, 2020 and December 31, 2019 the Trust and the Public Portfolio LP had no significant investments in debt instruments and/or derivatives; therefore, credit risk is considered minimal.

*f. Liquidity risk*

The Trust's main liquidity risk exposure is in meeting redemption and expense requirements on a monthly basis. The Trust's investment 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 March 31, 2020 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.

*g. 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 March 31, 2020 and December 31, 2019, the Trust's exposure to concentration risk, including that of the Public Portfolio LP, is summarized in the table below.



**Starlight Hybrid Global Real Assets Trust**  
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**7. Financial risk management (continued)**

*g. Concentration risk (continued)*

	March 31, 2020	December 31, 2019
Portfolio by Industry Classification	% of Total Net Assets	% of Total Net Assets
Real Estate	33.11	34.48
Private Placements	31.05	24.36
Industrials	9.66	14.69
Utilities	9.18	7.98
Financials	2.01	4.87
Communication Services	1.47	1.94
Energy	1.23	5.50
Information Technology	0.98	–
Foreign currency forward contracts	(0.04)	–
Other Assets Less Liabilities	11.35	6.18
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

**8. Interest in non-consolidated structured entities**

	March 31, 2020	
	Fair Value of investment in Underlying Funds \$	Percentage of ownership %
<b>Non-consolidated structured entities</b>		
Starlight Global Real Assets LP	25,848,892	100
EagleCrest Infrastructure Canada LP	5,708,296	<1
Starlight Canadian Residential Growth Fund (Series C)	5,822,988	<2
	December 31, 2019	
	Fair Value of investment in Underlying Funds \$	Percentage of ownership %
<b>Non-consolidated structured entities</b>		
Starlight Global Real Assets LP	32,617,601	100
EagleCrest Infrastructure Canada LP	5,711,194	<1
Starlight Canadian Residential Growth Fund (Series C)	4,753,209	<2

## Starlight Hybrid Global Real Assets Trust

### Notes to the Condensed Interim Financial Statements (unaudited)

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#### 9. Related parties

(a) *Management fees*

The Trust's investment activities are managed by the Manager. The management fees for the three months ended March 31, 2020 amounted to \$110,541 (March 31, 2019 – \$14,396), with \$34,526 in outstanding accrued fees due to the Manager at March 31, 2020 (December 31, 2019 – \$35,685).

(b) *Investments*

The Investment Manager is responsible for providing investment management advice for the Public Portfolio LP. To achieve its objectives, the Trust invests no less than 60% of the net capital raised in the Public Portfolio LP. As at March 31, 2020 the fair value of the amount invested was \$25,848,892 (December 31, 2019 - \$32,617,601).

(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 March 31, 2020, the Manager, including officers and directors, owned 515,365 (December 31, 2019 - 515,365) Units.

#### 10. Subsequent Events

Since the latter part of February 2020, financial markets have experienced significant volatility in response to the developing COVID-19 pandemic. Equity markets in particular have experienced significant declines and elevated volatility. The Public Portfolio has also experienced similar declines in value and elevated volatility to that of the equity markets. As a result, trading volumes in the Trust's Public Portfolio have increased significantly as the Investment Manager continues to manage the underlying investment portfolios and take advantage of investment opportunities brought about by the elevated level of market volatility. The Investment Manager continues to review the Portfolio and the value of its securities and remains committed to owning high-quality businesses with long term growth potential.

It is impossible to forecast the duration and full scope of the economic impact of COVID-19 and other consequential changes it will have on the Trust's business, both in the short term and in the long term. At this time, the full potential impact of COVID-19 on the Portfolio is not known and may result in further equity market declines and declines in the Portfolio.

While the situation continues to evolve and has resulted in unprecedented market and economic volatility, the Trust is confident that it is well positioned to navigate through these challenging times to ensure our continued success and our ability to provide value to unitholders.