



Condensed Interim Financial Statements of

Starlight Hybrid Global Real Assets Trust

For the three months ended March 31, 2021 (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, 2021 (unaudited) and December 31, 2020 (audited)

(In Canadian dollars)

	Notes	March 31, 2021	December 31, 2020
		\$	\$
Assets			
Current Assets			
Cash		66,510	45,438
Investments (Cost: March 31, 2021 - \$40,010,017, December 31, 2020 - \$40,010,017)		41,460,633	41,833,638
Other assets		28,467	6,535
Total Assets		41,555,610	41,885,611
Liabilities			
Current Liabilities			
Distributions payable		174,101	174,223
Accounts payable and accrued liabilities		120,746	133,059
Total Liabilities (excluding net assets attributable to unitholders of redeemable units)		294,847	307,282
Net assets attributable to holders of redeemable units per series			
Series A		10,192,012	10,249,932
Series C		31,068,751	31,328,397
		41,260,763	41,578,329
Number of redeemable units outstanding			
Series A	4	1,027,593	1,024,336
Series C		2,993,351	2,996,305
Net assets attributable to holders of redeemable units per unit			
Series A		\$ 9.92	\$ 10.01
Series C		\$ 10.38	\$ 10.46

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)

	Notes	2021	2020
		\$	\$
Investment gain (loss)			
Interest for distribution purposes		8	300
Distributions from partnership		760,605	609,345
Net realized gain (loss) on sale of investments		-	117,156
Net change in unrealized appreciation (depreciation) of investments		(373,005)	(5,818,924)
Total gain (loss)		387,608	(5,092,123)
Expenses			
Management fees		104,662	110,541
Filing fees		29,288	29,242
Fund administration fees		11,598	12,889
Trustee fees		11,096	11,188
Audit fees		7,397	8,454
Harmonized sales tax and other taxes		7,141	7,100
Insurance fees		6,688	6,308
Legal expenses		2,466	4,974
Other expenses		4,192	14,076
		184,528	204,772
Net investment gain (loss)		203,080	(5,296,895)
Increase (decrease) in net assets attributable to holders of redeemable units		203,080	(5,296,895)
Increase (decrease) in net assets attributable to holders of redeemable units			
Series A		42,991	(1,910,301)
Series B		-	(46,433)
Series C		160,089	(2,638,719)
Series F		-	(701,442)
		203,080	(5,296,895)
Weighted average number of units for the period			
Series A		1,029,056	1,529,864
Series B		-	35,650
Series C		2,991,869	2,000,314
Series F		-	538,543
Increase (decrease) in net assets attributable to holders of redeemable units			
Series A		\$ 0.04	\$ (1.25)
Series B		\$ -	\$ (1.30)
Series C		\$ 0.05	\$ (1.32)
Series F		\$ -	\$ (1.30)

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 2021 \$	Series B 2021 \$	Series C 2021 \$	Series F 2021 \$	Total 2021 \$
Net assets attributable to holders of redeemable units at beginning of period		10,249,932	-	31,328,397	-	41,578,329
Increase (decrease) in net assets attributable to holders of redeemable units per series		42,991	-	160,089	-	203,080
Distributions to holders from redeemable units						
Return of capital		(133,208)	-	(389,078)	-	(522,286)
		(133,208)	-	(389,078)	-	(522,286)
Redeemable unit transactions	4					
Redesignation of units		30,657	-	(30,657)	-	-
Reinvestments		1,640	-	-	-	1,640
		32,297	-	(30,657)	-	1,640
Net assets attributable to holders of redeemable units at end of period		10,192,012	-	31,068,751	-	41,260,763
		Series A 2020 \$	Series B 2020 \$	Series C 2020 \$	Series F 2020 \$	Total 2020 \$
Net assets attributable to holders of redeemable units at beginning of period		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)
Distributions to holders from redeemable units						
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 gains		(34,348)	(821)	(46,881)	(12,398)	(94,448)
		(193,809)	(4,631)	(264,526)	(69,957)	(532,923)
Redeemable unit transactions	4					
Reinvestments		2,217	-	-	-	2,217
		2,217	-	-	-	2,217
Net assets attributable to holders of redeemable units at end of period		13,114,706	325,463	18,779,198	4,916,776	37,136,143

Starlight Hybrid Global Real Assets Trust

Condensed Interim Statements of Cash Flows

For the three months ended March 31 (unaudited)

(In Canadian dollars)

	2021	2020
	\$	\$
Operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations	203,080	(5,296,895)
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	373,005	5,818,924
	576,085	404,933
Net change in non-cash working capital	(34,245)	(98,541)
	541,840	306,392
Financing activities		
Distributions paid to holders of redeemable units	(520,768)	(525,305)
	(520,768)	(525,305)
Net increase (decrease) in cash	21,072	(218,913)
Cash at beginning of period	45,438	270,808
Cash at end of period	66,510	51,895
Interest received	\$ 8	\$ 300
Distribution received from partnership	\$ 760,605	\$ 609,345

Starlight Hybrid Global Real Assets Trust

Condensed Interim Schedule of Investment Portfolio

As at March 31, 2021 (unaudited)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets* %
	Fund(s)			
2,418,133	Starlight Global Real Assets LP	24,909,387	24,567,022	
		24,909,387	24,567,022	59.54
	Private Placements			
550	EagleCrest Infrastructure Canada LP	5,500,000	5,964,850	
55,000	Starlight Canadian Residential Growth Fund (Series C)	5,500,000	6,352,555	
409,889	Starlight Private Global Real Estate Pool (Series I)	4,100,630	4,576,206	
		15,100,630	16,893,611	40.94
	Total Investments	40,010,017	41,460,633	100.48
	Other assets less liabilities		(199,870)	(0.48)
	Total Net Assets		41,260,763	100.00

Starlight Global Real Assets Limited Partnership

Schedule of Investment Portfolio of underlying limited partnership as at March 31, 2021 (unaudited)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets* %
	Real Estate			
1,392	Alexandria Real Estate Equities Inc.	257,290	287,449	
2,100	American Tower Corporation	631,410	630,970	
10,312	Americold Realty Trust	453,102	498,596	
9,017	Canadian Apartment Properties Real Estate Investment Trust	413,365	485,656	
5,130	Community Healthcare Trust Incorporated	305,499	297,365	
1,000	Crown Castle International Corp.	202,097	216,342	
1,030	Digital Realty Trust Inc.	181,564	182,325	
22,190	Dream Industrial Real Estate Investment Trust	294,589	297,790	
5,078	Duke Realty Corporation	236,647	267,609	
743	Equinix Inc.	603,902	634,628	
55,501	European Residential Real Estate Investment Trust	240,748	240,319	
1,875	Federal Realty Investment Trust	235,515	239,076	
32,558	Goodman Group	498,877	564,746	
6,933	Granite Real Estate Investment Trust	437,455	529,820	
12,595	H&R Real Estate Investment Trust	180,284	179,605	
550	Innovative Industrial Properties Inc.	128,296	124,539	
33,287	InterRent Real Estate Investment Trust	475,434	492,315	
7,810	Invitation Homes Inc.	291,361	314,014	
25,645	Killam Apartment Real Estate Investment Trust	524,594	474,689	
1,440	Kilroy Realty Corporation	120,524	118,781	
10,190	Kimco Realty Corporation	234,704	240,137	
1,730	Mid-America Apartment Communities Inc.	283,263	313,889	
22,768	Minto Apartment Real Estate Investment Trust	433,110	494,293	
4,420	Prologis Inc.	480,119	588,858	
5,841	QTS Realty Trust Inc.	481,142	455,452	
6,235	RioCan Real Estate Investment Trust	121,218	121,333	
3,450	Safehold Inc.	334,862	303,963	
1,232	SBA Communications Corporation	479,343	429,769	

Starlight Hybrid Global Real Assets Trust

Condensed Interim Schedule of Investment Portfolio

As at March 31, 2021 (unaudited)

(In Canadian dollars)

Starlight Global Real Assets Limited Partnership

Schedule of Investment Portfolio of underlying limited partnership (unaudited) (continued)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets* %
Real Estate (continued)				
2,705	SI Green Realty Corp.	242,971	237,951	
16,929	Summit Industrial Income REIT	221,580	241,408	
1,647	Terreno Realty Corporation	123,446	119,586	
3,210	Vonovia SE	276,533	264,114	
4,140	Vornado Realty Trust	236,786	236,180	
		10,661,630	11,123,567	45.28
Utilities				
12,500	Algonquin Power & Utilities Corp.	259,737	248,875	
1,303	American Water Works Company Inc.	209,928	245,520	
9,416	Atlantica Sustainable Infrastructure PLC	463,303	433,498	
15,730	Boralex Inc.	419,406	621,650	
3,804	Brookfield Infrastructure Partners LP	179,300	255,210	
6,875	CMS Energy Corporation	545,018	528,992	
7,020	Fortis Inc.	372,907	382,801	
22,869	Iberdrola S.A.	326,417	371,089	
4,552	NextEra Energy Inc.	364,813	432,578	
13,436	Northland Power Inc.	382,598	612,010	
10,087	Polaris Infrastructure Inc.	201,507	215,862	
		3,724,934	4,348,085	17.70
Industrials				
756	Canadian Pacific Railway Limited	235,291	362,880	
4,079	Cargojet Inc.	558,759	661,777	
6,450	Deutsche Post AG	265,639	445,136	
11,146	Ferrovial S.A.	349,274	366,007	
2,890	VINCI SA	346,537	372,942	
5,989	Waste Connections Inc.	696,479	813,127	
		2,451,979	3,021,869	12.30
Information Technology				
3,581	Fiserv Inc.	477,540	535,773	
759	Mastercard Inc.	279,149	339,654	
914	Microsoft Corporation	205,137	270,843	
63,833	NEXTDC Limited	477,714	636,723	
24,049	Switch Inc.	534,151	491,474	
1,281	Visa Inc.	310,943	340,891	
		2,284,634	2,615,358	10.65
Communication Services				
7,284	Cellnex Telecom S.A.	568,157	528,302	
6,016	Comcast Corporation	330,584	409,137	
47,237	Infrastrutture Wireless Italiane SpA	666,310	662,882	
		1,565,051	1,600,321	6.51

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

As at March 31, 2021 (unaudited)

(In Canadian dollars)

Starlight Global Real Assets Limited Partnership

Schedule of Investment Portfolio of underlying limited partnership (unaudited) (continued)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets* %
	Energy			
7,076	Enbridge Inc.	271,411	323,939	
14,812	Gibson Energy Inc.	331,236	329,863	
		602,647	653,802	2.66
	Financials			
10,766	Brookfield Asset Management Inc.	483,359	601,819	
		483,359	601,819	2.45
	Corporate Bonds			
300,000	StorageVault Canada Inc., 5.75%, 31JAN26	300,000	297,999	
		300,000	297,999	1.21
	Brokerage commissions	(21,526)		
	Total Investments	22,052,708	24,262,820	98.76
	Other assets less liabilities		304,202	1.24
	Total Net Assets		24,567,022	100.00

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

Starlight Hybrid Global Real Assets Trust

Notes to the Condensed Interim Financial Statements (unaudited)

Three months ended March 31, 2021 and 2020

(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 an amended and restated declaration of trust effective May 15, 2020. 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 is 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 (“NAV”) 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, December 17, 2019 and subsequently amended and restated effective May 15, 2020.

The manager and investment manager of the Trust are 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. 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 March 31, 2021 or for the three months ended March 31, 2021. The prior period information is as at December 31, 2020 or for the three months ended March 31, 2020.

The Financial Statements were authorized for issuance by the Board of Trustees on May 13, 2021.

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, as issued by the International Accounting Standards Board, 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, 2020, 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, 2020.

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.

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

Three months ended March 31, 2021 and 2020

(In Canadian dollars)

3. Fair value disclosure (continued)

There were no transfers between levels during the period ended March 31, 2021. 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 March 31, 2021	–	29,143,228	12,317,405
Investments as at December 31, 2020	–	29,490,163	12,343,475

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, 2021:

	Balance at December 31, 2020	Purchases	Sales	Net transfers	Realized gain (loss)	Unrealized gain (loss)	Balance at March 31, 2020
	\$	\$	\$	\$	\$	\$	\$
Equities	12,343,475	–	–	–	–	(26,070)	12,317,405
Total	12,343,475	–	–	–	–	(26,070)	12,317,405

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 Note 7 - Financial Risk Management, 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 31, 2020 there was a redesignation of Units from series A Units to series C Units as well as a redesignation of Units from series C Units to series A Units. Series A unitholders received 245,129 series C Units with a NAV per Unit of \$9.22 in exchange for 257,200 series A Units with a NAV per Unit of \$8.79. Series C unitholders received 300,408 series A Units with a NAV per Unit of \$8.79 in exchange for 286,310 series C Units with a NAV per Unit of \$9.22.

On June 29, 2020, 43,020 series A Units, 10,483 series C Units and 4,117 series F Units were redeemed under the Annual

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

Three months ended March 31, 2021 and 2020

(In Canadian dollars)

4. Redeemable units (continued)

Annual Redemption with a NAV of \$410,501, \$104,791, and \$40,772, respectively for total proceeds of \$556,064.

On June 30, 2020, 75,023 series A Units, 35,650 series B Units and 534,426 series F Units were redesignated as series C Units for a total NAV of \$6,368,083 as follows:

	Units redesignated	NAV per unit	Series C units received	NAV per unit	Net Asset Value
		\$		\$	\$
Series A unitholders	75,023	9.55	71,591	10.01	716,447
Series B unitholders	35,650	9.91	35,308	10.01	353,345
Series F unitholders	534,426	9.91	529,432	10.01	5,298,291

On September 30, 2020, 330,823 series A Units with a NAV of \$3,219,930 were redesignated as series C Units. Series A unitholders received 315,828 series C Units with a NAV per Unit of \$10.20 in exchange for 330,823 series A Units with a NAV per Unit of \$9.73. In addition, 6,399 series C Units with a NAV of \$65,231 were redesignated as series A Units. Series C unitholders received 6,702 series A Units with a NAV per Unit of \$9.73 in exchange for 6,399 series C Units with a NAV per Unit of \$10.20.

On December 31, 2020, 69,529 series A Units were redesignated as series C Units with a NAV of \$694,195. Series A unitholders received 66,540 series C Units with a NAV per unit of \$10.43 in exchange for 69,529 series A Units with a NAV per unit of \$9.98.

On March 31, 2021, 2,954 series C Units with a NAV of \$30,657 were redesignated as series A Units. Series C unitholders received 3,091 series A Units with a NAV per Unit of \$9.92 in exchange for 2,954 series C Units with a NAV per Unit of \$10.38.

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 period ended March 31, 2021 and for the year ended December 31, 2020 the Trust issued 166 and 866 series A Units under the DRIP for a stated value of \$1,640 and \$8,377, respectively.

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

	Series A	Series B	Series C	Series F
Units outstanding, December 31, 2019	1,491,955	35,650	2,036,385	538,543
Dividends reinvested	217	–	–	–
Units outstanding, March 31, 2020	1,492,172	35,650	2,036,385	538,543
Dividends reinvested	649	–	–	–
Units redesignated	(425,465)	(35,650)	971,119	(534,426)
Units redeemed	(43,020)	–	(11,199)	(4,117)
Units outstanding, December 31, 2020	1,024,336	–	2,996,305	–
Dividends reinvested	166	–	–	–
Units redesignated	3,091	–	(2,954)	–
Units redeemed	–	–	–	–
Units outstanding, March 31, 2021	1,027,593	–	2,993,351	–

5. Commitments

As at March 31, 2021 and December 31, 2020 the Trust had no commitments.

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

Three months ended March 31, 2021 and 2020

(In Canadian dollars)

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.

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 equities, real estate investment trusts (REITs) and 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, including that of the Public Portfolio LP, 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 Public Portfolio LP's overall market positions on a daily basis. As at March 31, 2021 and December 31, 2020 the overall market exposures of the Trust, including that of the Public Portfolio LP, were as follows:

	March 31, 2021		December 31, 2020	
	Fair Value	% of Total	Fair Value	% of Total
	\$	Net Assets	\$	Net Assets
Investments	41,156,431	99.75	40,532,136	97.48
Total market exposure	41,156,431	99.75	40,532,136	97.48

As at March 31, 2021, 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 \$2,057,822 or 4.99% of total net assets (December 31, 2020 - \$2,026,607 or 4.87%).

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.

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(In Canadian dollars)

7. Financial risk management (continued)

c. Currency risk (continued)

As at March 31, 2021 and December 31, 2020, 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, 2021 and December 31, 2020:

March 31, 2021

Currency type	Currency exposure	% of Total Net Assets of the Public Portfolio LP
	\$	%
United States Dollar	10,888,233	44.32
Euro	3,010,973	12.26
Australian Dollar	1,201,469	4.89
Total	15,100,675	61.47

December 31, 2020

Currency type	Currency exposure	% of Total Net Assets of the Public Portfolio LP
	\$	%
United States Dollar	10,790,044	42.80
Euro	2,794,715	11.09
Australian Dollar	989,576	3.93
Total	14,574,335	57.82

As at March 31, 2021, 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 \$151,007 (December 31, 2020 - \$145,743).

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 were non-interest bearing as at March 31, 2021 and December 31, 2020. 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.

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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, 2021 and December 31, 2020 the Trust indirectly bore the credit risk exposure of the Public Portfolio LP. The table below summarizes the Public Portfolio LP's exposure to credit risk as of March 31, 2021 and December 31, 2020:

Debt Instruments by Credit Rating	March 31, 2021	December 31, 2020
	Percentage of net assets %	Percentage of net assets %
Not rated	1.21	1.14
Total	1.21	1.14

f. Liquidity risk

The Trust's main liquidity risk exposure is in meeting redemption and expense requirements on a monthly basis. The 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 may, 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 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, 2021 the Trust's accounts payable and accrued liabilities were 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, 2021 and December 31, 2020, the Trust's exposure to concentration risk, including that of the Public Portfolio LP, is summarized in the table below.

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Three months ended March 31, 2021 and 2020

(In Canadian dollars)

7. Financial risk management (continued)

g. Concentration risk (continued)

Portfolio by Industry Classification	March 31, 2021	December 31, 2020
	% of Total Net Assets	% of Total Net Assets
Private Investments	40.94	39.98
Real Estate	26.97	27.39
Utilities	10.54	9.50
Industrials	7.32	6.45
Information Technology	6.34	6.24
Communication Services	3.88	3.66
Energy	1.58	1.32
Financials	1.46	2.25
Corporate Bonds	0.72	0.69
Other Assets Less Liabilities	0.25	2.52
Total	100.00	100.00

8. Interest in non-consolidated structured entities

	March 31, 2021	
	Fair Value of investment in Underlying Funds \$	Percentage of ownership %
Non-consolidated structured entities		
Starlight Global Real Assets LP	24,567,022	100
EagleCrest Infrastructure Canada LP	5,964,850	<1
Starlight Canadian Residential Growth Fund (Series C)	6,352,555	<2
Starlight Private Global Real Estate Pool (Series I)	4,576,206	<18

	December 31, 2020	
	Fair Value of investment in Underlying Funds \$	Percentage of ownership %
Non-consolidated structured entities		
Starlight Global Real Assets LP	25,209,036	100
EagleCrest Infrastructure Canada LP	5,990,920	<1
Starlight Canadian Residential Growth Fund (Series C)	6,352,555	<2
Starlight Private Global Real Estate Pool (Series I)	4,281,127	43

Starlight Hybrid Global Real Assets Trust

Notes to the Condensed Interim Financial Statements (unaudited)

Three months ended March 31, 2021 and 2020

(In Canadian dollars)

9. Related parties

(a) *Management fees*

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 investment activities of the Trust. The management fees for the three months ended March 31, 2021 amounted to \$104,662 (March 31, 2020 – \$110,541), with \$38,092 in outstanding accrued fees due to the Manager at March 31, 2021 (December 31, 2020 – \$36,056).

(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, 2021 the fair value of the amount invested was \$24,567,022 (December 31, 2020 – \$25,209,036).

The Trust is a limited partner of the Starlight Canadian Residential Growth Fund, the general partner of which is a wholly-owned subsidiary of Starlight Group Property Holdings Inc. As at March 31, 2021 the Trust had an investment with a fair value of \$6,352,555 (December 31, 2020 - \$6,352,555) in the Starlight Canadian Residential Growth Fund.

The Investment Manager is also responsible for the provision of management services for Starlight Private Global Real Estate Pool. As at March 31, 2021 the Trust had an investment with a fair value of \$4,576,206 (December 31, 2020 – \$4,281,127) in the Starlight Private Global Real Estate Pool.

(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, 2021, the Manager, including officers and directors, owned 515,365 (December 31, 2020 - 515,365) Units.

10. COVID-19

On March 11, 2020, the World Health Organization declared that the COVID-19 outbreak was a global pandemic. Governments around the world have enacted a series of public health and emergency measures to combat the spread of the virus, negatively impacting business operations globally. As at March 31, 2021, many of these measures remain in place. Since the latter part of February 2020, financial markets have experienced significant volatility in response to the COVID-19 pandemic resulting in increased market and other price risk for the Trust. Equity markets in particular have experienced significant and elevated volatility. The Public Portfolio LP has also experienced similar volatility to that of the equity markets. Liquidity of the Public Portfolio LP has remained high and has not been materially impacted by COVID-19. As a result, trading volumes in the Public Portfolio LP 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. No material changes to valuations have been required to the private portfolio as a result of COVID-19. The Trust has not experienced any material distribution or dividend cuts from investments in the public portfolio or the private portfolio. 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. While the distribution of vaccines is progressing, the rise of COVID-19 variants is concerning and governments continue to implement emergency measures including lockdown orders. The full potential impact of COVID-19 on the Trust is not known and may result in further equity market declines and declines in the investment portfolio.

While the situation continues to evolve and has resulted in unprecedented market and economic volatility, it has not impacted the Trust's ability to continue as a going concern. The Trust is confident that it is well positioned to navigate through these challenging times and to continue to provide value to unitholders.