Starlight Hybrid Global Real Assets Trust

Management's Discussion and Analysis of Operations and Financial Condition

For the three and six months ended June 30, 2021

August 12, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the financial results of Starlight Hybrid Global Real Assets Trust (the "Trust") 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, should be read in conjunction with the Trust's annual audited financial statements for the year ended December 31, 2020 and the unaudited condensed interim financial statements for the three and six months ended June 30, 2021 and 2020 and accompanying notes thereto. These documents are available on www.starlightcapital.com and on SEDAR at www.sedar.com.

Certain time periods used in this MD&A are used interchangeably such as three and six months ended June 30, 2021 ("Q2 2021") and ("YTD 2021"), respectively, and three and six months ended June 30, 2020 ("Q2 2020") and ("YTD 2020"), respectively. In this report, "we", "us" and "our" refer to Starlight Investments Capital GP Inc. (the "Manager") and Starlight Investments Capital LP (the "Investment Manager" and together with the Manager "Starlight Capital").

With respect to the novel coronavirus (SARS- CoV-2) ("COVID-19") pandemic, the Trust is monitoring the situation closely and its impact on the global financial markets and the Portfolio (defined below). The Manager and Investment Manager have deployed their business continuity plan and will continue to monitor and adjust their plans as COVID-19 evolves.

Additional information relating to the Trust, including the Trust's Annual Information Form, can be found on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purpose of assisting the reader in understanding the Trust's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future. Readers are cautioned such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, the effect of COVID-19 or other pandemics on future results or performance, achievements, events, prospects or opportunities for the Trust, the real estate industry or the infrastructure industry and may include statements regarding the financial position, investment portfolio, business strategy, budgets, projected costs, financial results, taxes, plans and objectives of or involving the Trust. In some cases, forward-looking information can be identified by such terms as "may", "might", "will", "could", "should", "would", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", or the negative thereof or other similar expressions suggesting future outcomes or events.

Forward-looking statements involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the Trust's control, affect the operations, performance and results of the Trust and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to, risks related to the series A units ("Series A Units"), series B units ("Series B Units"), series C units ("Series C Units") or series F units ("Series F Units") of the Trust (collectively the "Units") and any risks related to the Trust and its business including uncertainties surrounding the novel COVID-19 pandemic or other pandemics and the potential adverse effect or the perception of its effects, to global markets, global economies and the Trust. See "Risks and Uncertainties". The reader is cautioned to consider these and other factors, uncertainties, and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions applied in drawing a conclusion or making a forecast or projection, including management's perception of historical trends, current conditions and expected future developments, as well as other considerations believed to be appropriate in the circumstances including the following: the Manager and or an affiliate of the Manager, will continue its involvement as manager of the Trust in accordance with the terms of the Management Agreement (as defined herein); the Investment Manager or an affiliate of the Investment Manager, will continue its involvement as portfolio manager of the Starlight Global Real Assets LP, in accordance with the terms of the Investment Management Agreement (as defined herein); and the risks referenced above, collectively, will not have a material impact on the Trust. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect given this unprecedented period of uncertainty, including the impact of COVID-19 on the global markets, global economy and the Trust's business and performance, including the Trust's ability to remain liquid and pay its monthly distributions. There can be no assurance regarding the breadth of impact of COVID-19 on the Trust's performance, including the performance of its Units or the Trust's ability to mitigate any impacts related to COVID-19.

The forward-looking statements made relate only to events or information as of the date on which the statements are made in this MD&A. Except as specifically required by applicable Canadian securities laws, the Trust undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

BASIS OF PRESENTATION

The Trust's unaudited condensed interim financial statements for the three and six months ended June 30, 2021 have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting. The Trust's presentation currency is the Canadian dollar.

OVERVIEW AND INVESTMENT OBJECTIVES

The Trust is an investment trust established under the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust ("DOT") dated as of 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 Public Portfolio LP holds an actively managed global portfolio of real estate and infrastructure securities (the "Public Portfolio"). In addition to the Public Portfolio, the Trust also invests in a private portfolio of Canadian real estate properties and global infrastructure assets (the "Private Portfolio", and together with the Public Portfolio, the "Portfolio"), primarily through investments in other investment vehicles. The Investment Manager provides investment management advice, including advice in respect of the Trust's asset mix and security selection for the Public Portfolio, subject to the Trust's investment restrictions. See "Subsequent Event - Trust Reorganization".

The Trust was listed on the NEO Exchange Inc. (the "Exchange") under the symbol SCHG.UN until August 12, 2021, at which time the Series A Units were voluntarily de-listed as part of a reorganization of the Trust (see "Subsequent Event - Trust Reorganization").

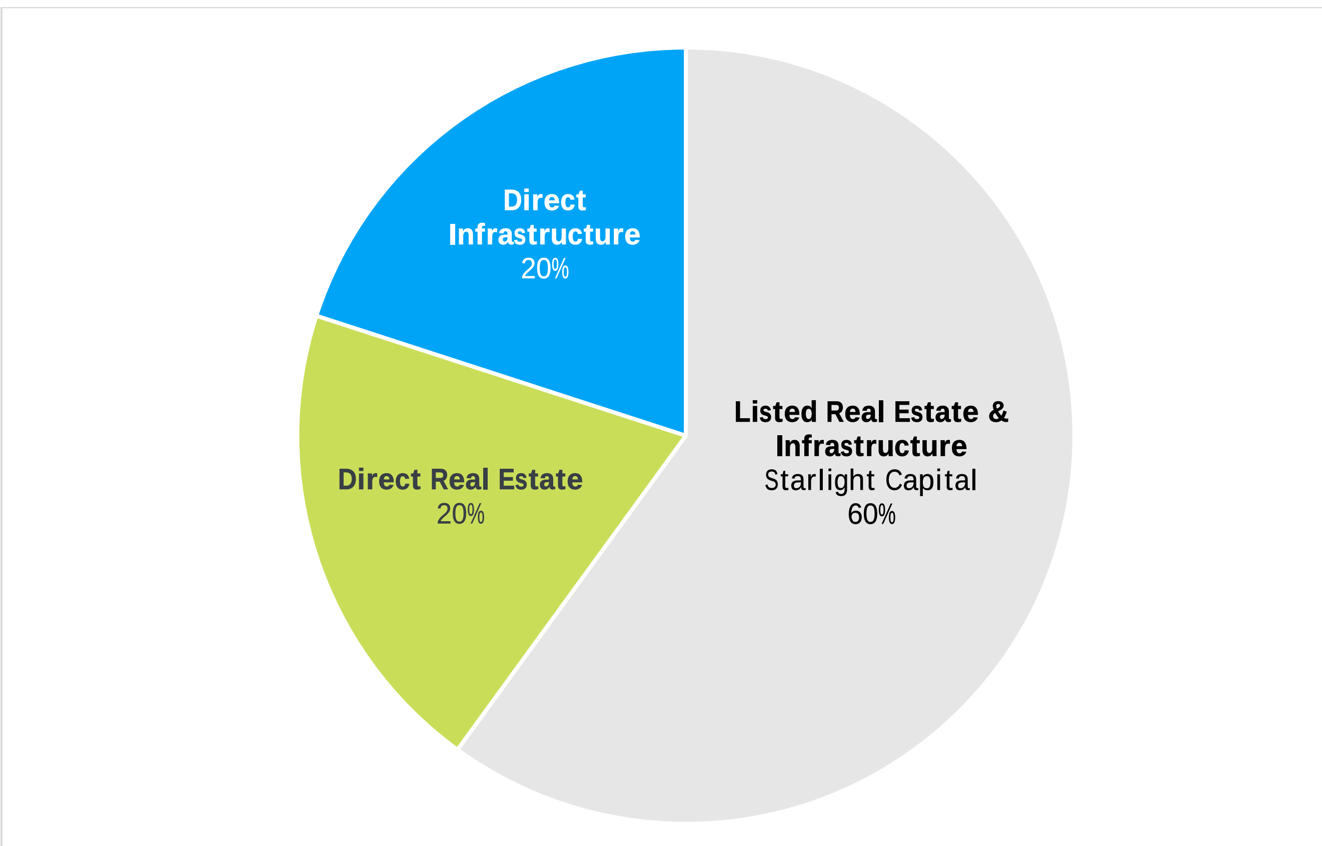
The Trust's registered address is 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3. RBC Investor Services Trust acts as custodian and administrator of the Trust. The Trust is currently offered in Canadian-dollar-denominated Units.

The objectives of the Trust are to provide holders of Units (the "Unitholders") with stable monthly cash distributions and long-term capital appreciation through exposure to institutional quality real assets in the global real estate and global infrastructure sectors.

Starlight Capital seeks to identify potential investments for the Trust using its investment philosophy "Focused Business Investing". The fundamental investment criteria that it focuses on are recurring free cash flow, irreplaceable assets that allow a business to resist competition and generate higher returns on capital, low debt, and a strong management team. The result is concentrated portfolios that Starlight Capital expects to generate superior, risk-adjusted returns over the long term.

INVESTMENT STRATEGY

To achieve its objectives, the Trust invests no less than 60% of the net capital raised into the Public Portfolio LP, that holds an actively managed global portfolio of real estate and infrastructure securities, targeting issuers primarily in Organization for Economic Cooperation and Development countries. The Trust also invests up to 40% of the net asset value ("NAV") in global real estate properties and global infrastructure assets in the Private Portfolio. See "Subsequent Event - Trust Reorganization".



INVESTMENT RESTRICTIONS

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

(i) purchase securities, other than securities of public and private issuers operating in, or that derive a significant portion of their revenue or earnings from, the global residential and commercial real estate sectors and the global infrastructure sector;

(ii) invest more than 40% (at the time of investment) of its total assets in securities of private issuers (other than securities of the Public Portfolio LP or other wholly-owned subsidiaries);

(iii) invest more than 20% (at the time of investment) of its total assets in securities of any single issuer other than (a) securities issued or guaranteed by the government of Canada or a province or territory thereof or securities issued or guaranteed by the U.S. government or its agencies and instrumentalities, (b) the Public Portfolio LP, or (c) wholly-owned subsidiaries;

(iv) make any investment or conduct any activity that would result in the Trust failing to qualify as a "mutual fund trust" within the meaning of the *Income Tax Act* (Canada) (the "Tax Act"), or that would result in that Trust acquiring or holding "non-portfolio property" or otherwise becoming a "SIFT trust" within the meaning of the Tax Act;

(v) borrow money or employ any other forms of leverage in the Public Portfolio greater than 15% of the NAV of the Public Portfolio LP; obtain leverage in the Private Portfolio of greater than 75% of the fair market value (at the time of investment) of any direct real estate held in the Private Portfolio either directly or indirectly through an investment vehicle or greater than 90% of the fair market value (at the time of investment) of any direct infrastructure held in the Private Portfolio either directly or indirectly through an investment vehicle;

(vi) issue preferred units until the later of (a) January 1, 2021 and (b) the date at which the NAV of the Trust reaches $500,000,000. The number of preferred units that the Trust may issue is limited to such number of preferred units with an aggregate preferred unit redemption price equal to 25% of the NAV of the Trust, after giving effect to the offering of such preferred units, and shall not constitute leverage for the purposes of (v) above;

(vii) have short exposure, other than for purposes of hedging, in excess of 20% of the total assets of the Trust as determined on a daily marked-to-market basis;

(viii) hold or acquire an interest as a member of a partnership unless the liability of the Fund as a member of such partnership is limited by operation of applicable law within the meaning of subsection 253.1(1) of the Tax Act;

(ix) invest in or hold (a) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Trust (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (b) an interest in a trust (or a partnership which holds such an interest) which would require the Trust (or the partnership) to report income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or (c) any interest in a non-resident trust (or a partnership which holds such an interest) other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act; and

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

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

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

See "Subsequent Event - Trust Reorganization".

DECLARATION OF TRUST

The Investment guidelines of the Trust are outlined in the DOT. A copy of this document is available upon request by all Unitholders, and can also be found on www.starlightcapital.com or SEDAR at www.sedar.com.

As of the date hereof, the Trust was in material compliance with all investment guidelines in the DOT.

ORGANIZATION AND MANAGEMENT OF THE TRUST

THE MANAGER

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

For a description of the Management Agreement, see "Related Party Transactions and Arrangements – Arrangements with Starlight Capital".

THE INVESTMENT MANAGER

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

For a description of the Management Agreement, see "Related Party Transactions and Arrangements – Arrangements with Starlight Capital".

TRUSTEES AND EXECUTIVE OFFICERS

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

Name, Province or State and Country of Residence	Position/Title(1)	Principal Occupations During the Last Five Years
Leonard Drimmer (2) Toronto, Ontario	Independent Trustee	President and Chief Executive Officer, Property Vista Software Inc.
Glen Hirsh Toronto, Ontario	Trustee, Chairman of the Board	Chief Operating Officer, Starlight Group Properties Holdings Inc. Vice-President Strategy and Finance, Oxford Properties Managing Director, Head of Real Estate Investment Banking, National Bank Financial
Graeme Llewellyn Toronto, Ontario	Director of the Manager and Chief Financial Officer and Chief Operating Officer of the Trust	Chief Financial Officer and Chief Operating Officer, Starlight Investments Capital LP Vice President, Chief Operating Officer, Sentry Investments Vice-President, Operations and Chief Information Officer, Sentry Investments Vice-President, Finance and Information Officer, Sentry Investments
Dennis Mitchell Toronto, Ontario	Director of the Manager and Chief Executive Officer and Chief Investment Officer of the Trust	Chief Executive Officer and Chief Investment Officer, Starlight Investments Capital LP Senior Portfolio Manager and Senior Vice-President, Sprott Asset Management LP Executive Vice-President and Chief Investment Officer, Sentry Investments
Harry Rosenbaum (2) Toronto, Ontario	Independent Trustee	Principal, The Great Gulf Group of Companies Director, Starlight U.S. Multi-Family (No.1) Core Plus Fund
Denim Smith (2) Toronto, Ontario	Independent Trustee	Managing Director, Investment Banking (Real Estate), Echelon Wealth Partners Managing Director, Investment Banking, Laurentian Bank Securities Inc. Consultant Interim Chief Financial Officer, The Nationwide Group of Companies Head of Real Estate investment Banking Practice, Blackmont Capital

Notes:

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

(2) Member of the Audit Committee.

CUSTODIAN

The custodian of the Trust is RBC Investor Services Trust of Toronto, Ontario, pursuant to a custodian contract dated December 12, 2018. The custodian has physical custody of the portfolio securities of the Trust. The custodian engagement for the Trust may be terminated by either the Investment Manager or the custodian by an instrument in writing delivered or mailed, such termination to take effect at least 90 days after the date of such delivery, unless a different period is agreed to in writing by the parties.

PORTFOLIO SUMMARY

As at June 30, 2021 the Trust's portfolio was comprised of units of the Public Portfolio LP and three investments in the Private Portfolio:

Number of Units	Description	Average Cost	Fair Value	% of Net Assets
2,513,771	Starlight Global Real Assets Limited Partnership	$25,909,387	$27,013,233	68.70%
550	EagleCrest Infrastructure Canada LP	5,500,000	5,918,115	15.05%
55,000	Starlight Canadian Residential Growth Fund (Series C)	5,500,000	5,613,061	14.28%
409,889	Starlight Private Global Real Estate Pool (Series I)	4,100,630	5,001,097	12.72%
	Total	**$41,010,017**	**$43,545,506**	**110.75%**

As at December 31, 2020 the Trust's portfolio was comprised of units of the Public Portfolio LP and three investments in the Private Portfolio:

Number of Units	Description	Average Cost	Fair Value	% of Net Assets
2,418,133	Starlight Global Real Assets Limited Partnership	$24,909,387	$25,209,036	60.63%
550	EagleCrest Infrastructure Canada LP	5,500,000	5,990,920	14.40%
55,000	Starlight Canadian Residential Growth Fund (Series C)	5,500,000	6,352,555	15.28%
409,889	Starlight Private Global Real Estate Pool (Series I)	4,100,630	4,281,127	10.30%
	Total	**$40,010,017**	**$41,833,638**	**100.61%**

Trust Performance

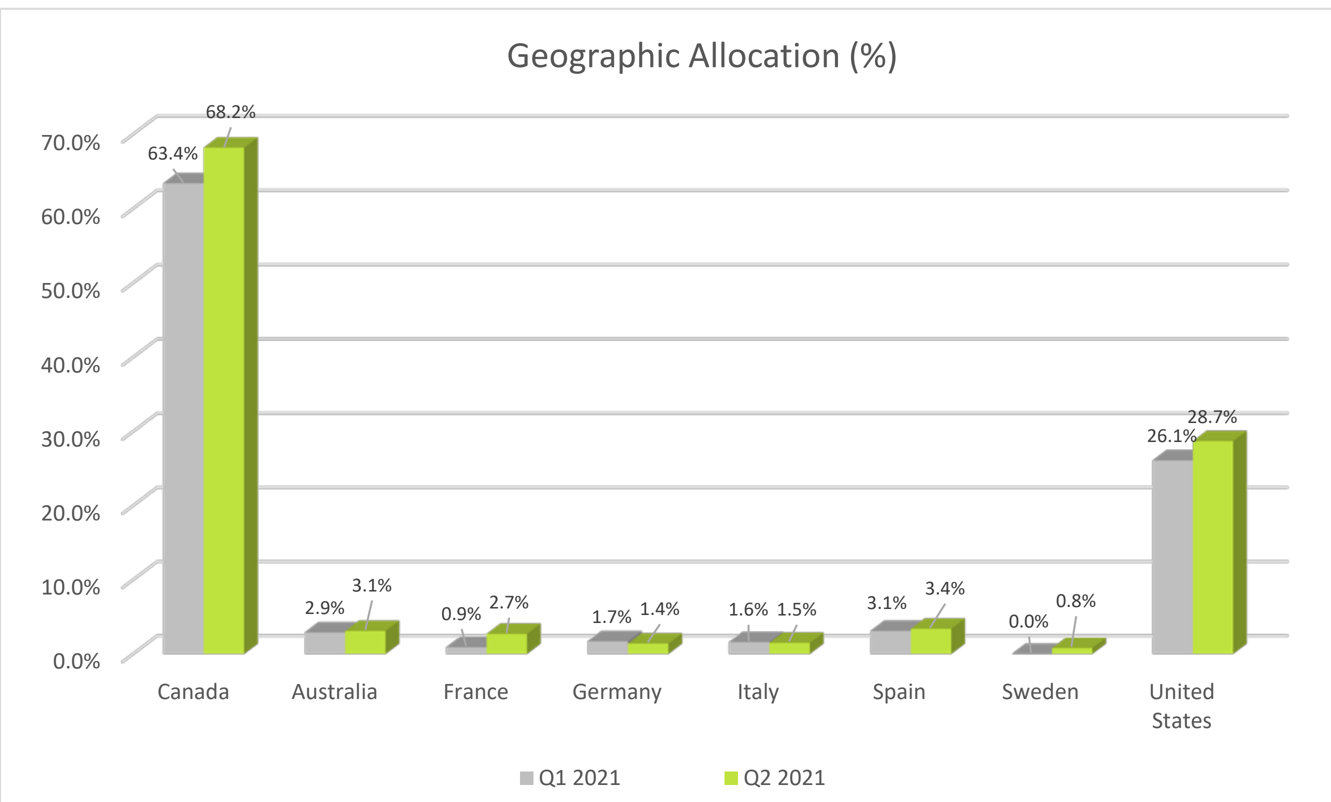
	Q2 2021	Q2 2020	YTD 2021
Trust - Series C Units	**6.2%**	**10.0%**	**7.0%**
S&P Global Infrastructure Index (CAD)	**1.0%**	**9.3%**	**2.4%**
FTSE EPRA/NAREIT Developed Total Return Index (CAD)	**8.0%**	**5.9%**	**12.8%**
Blended Benchmark	**4.4%**	**7.1%**	**7.6%**

Source: Bloomberg LLP. The Blended Benchmark is represented by 50% FTSE EPRA NAREIT Developed Total Return Index (CAD) and 50% by S&P Global Infrastructure Index (CAD).

The Investment Manager has deployed capital into a diversified portfolio of public global real estate and infrastructure securities along with allocations to the Starlight Canadian Residential Growth Fund ("Starlight Residential Fund"), EagleCrest Infrastructure Canada LP ("EagleCrest LP") and Starlight Private Global Real Estate Pool (the "Starlight Private Pool"). As at June 30, 2021, the Public Portfolio LP held 66 positions (December 31, 2020 – 57 positions), with eight companies increasing their dividends or distributions by an average of 5.0% during the three months ended June 30, 2021 (with 44 companies increasing their dividends or distributions by an average of 8.4% during the twelve months ended June 30, 2021).

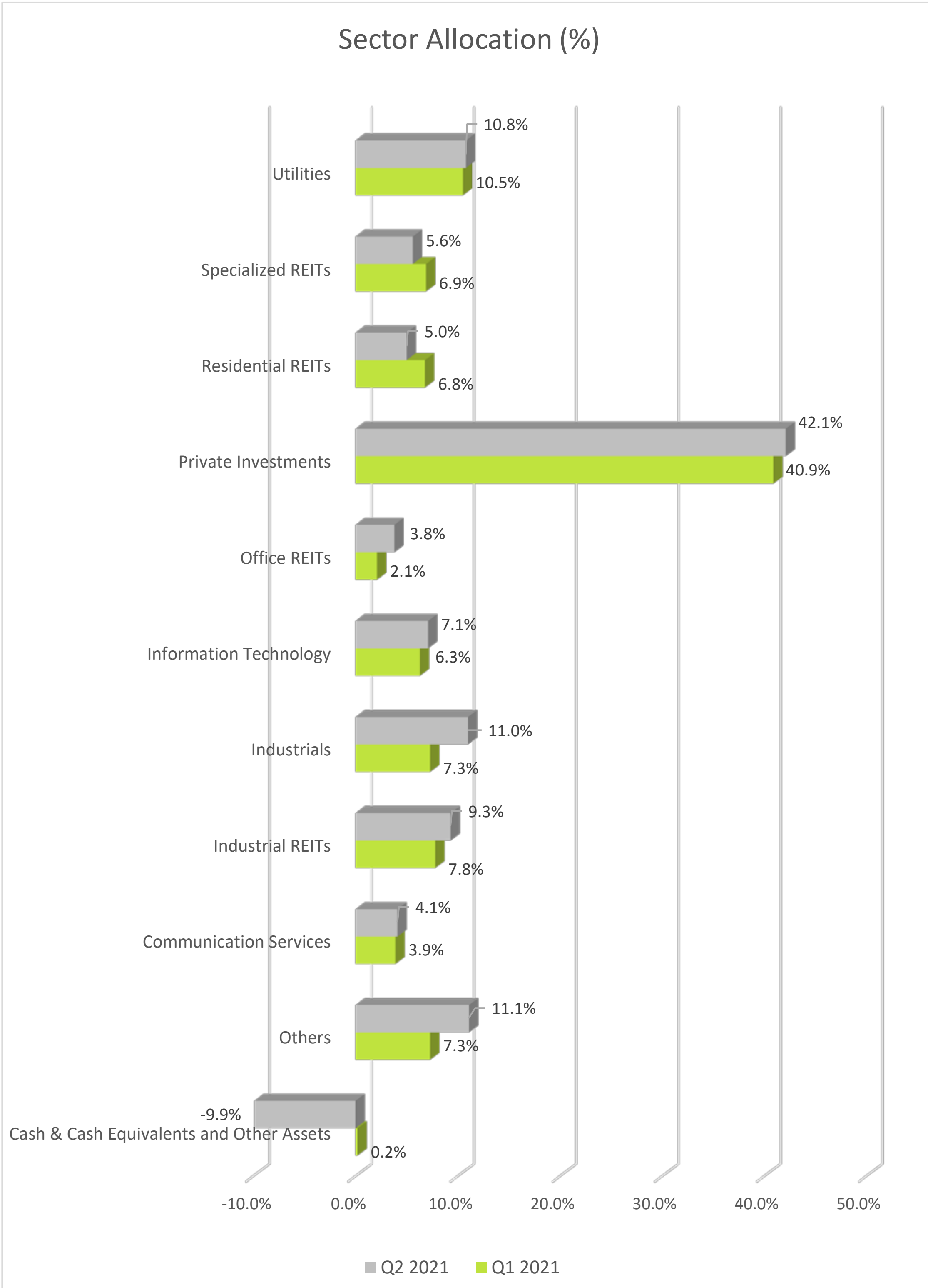
The Trust's investment portfolio geographic and sector allocations as at June 30, 2021 are shown below:

Geographic Allocation (%)*



*Excludes cash and cash equivalents. Private investments have been classified in Canada based on the domicile of the legal entity.

Sector Allocation (%)



PUBLIC PORTFOLIO LP

In Q2 2021 and YTD 2021, the Public Portfolio LP returns were 7.4% and 7.6%, respectively (Q2 2020 – 13.6%, YTD 2020 – -5.5%) delivering both downside protection and upside participation relative to its benchmark indices. In Q2 2021 and YTD 2021, the Blended Benchmark returns were 4.4% and 7.6%, respectively (Q2 2020 – 7.1%, YTD 2020 – -16.0%). Since the latter part of February 2020, financial markets have experienced significant volatility in response to COVID-19 and equity markets in particular have experienced elevated volatility. In Q2 2021, the continued re-opening of global economies contributed to strong equity market performance. The rise of the "delta variants" of COVID-19 are forcing many countries and regions to pause their re-opening efforts and increasing volatility in many investment markets.

Public Portfolio LP - Upside/Downside Capture

	YTD 2021		12 Months Ending June 30, 2021	
	Upside Capture	Downside Capture	Upside Capture	Downside Capture
S&P Global Infrastructure TR	**159%**	**37%**	**118%**	**60%**
FTSE EPRA/NAREIT Developed TR	**60%**	**147%**	**75%**	**68%**
Blended Benchmark	**91%**	**63%**	**64%**	**70%**

Source: Bloomberg LP & Starlight Capital. The Blended Benchmark is represented by 50% FTSE EPRA NAREIT Developed Total Return Index (CAD) and 50% by S&P Global Infrastructure Index (CAD). Upside capture ratios are calculated by taking the Public Portfolio LP's monthly return during months when the benchmark had a positive return and dividing it by the benchmark return during that same month. Downside capture ratios are calculated by taking the Public Portfolio LP's monthly return during the periods of negative benchmark performance and dividing it by the benchmark return.

Geographic overweight allocations to Canada and the U.S. and the underweight allocation to continental Europe were maintained over Q2 2021. In Q2 2021, cash positions in the Public Portfolio LP decreased to 1.3% of NAV (December 31, 2020 – 4.8%). The Investment Manager is comfortable allocating capital to businesses with assets in countries that will be capable of providing meaningful fiscal and monetary stimulus during COVID-19. Significant sector allocations in Q2 2021 included Utilities and Industrials (average portfolio weight of 14% and 17% respectively) on the infrastructure side and Industrial REITs and Specialized REITs (average portfolio weight of 12.8% and 9.5% respectively) on the real estate side. The Investment Manager has arrived at these sub-sector allocations by examining the performance of individual companies during periods of market turmoil, their balance sheet liquidity and the resilience of their revenue during the current COVID-19 pandemic.

With the expectation of the Canadian dollar remaining relatively stable relative to the U.S. dollar in Q2 2021, the Investment Manager did not maintain a currency hedge during the quarter. The Investment Manager may increase or decrease the foreign currency hedges.

The Public Portfolio LP may enter into foreign currency forward contracts to exchange a fixed amount of U.S. dollars for Canadian dollars on a monthly basis in order to reduce the Public Portfolio's exposure to fluctuations in the Canadian dollar/U.S. dollar foreign exchange rate. As at June 30, 2021 the Public Portfolio LP had Nil% (December 31, 2020 – Nil%) of its net assets invested in foreign currency forward contracts.

As at June 30, 2021 the Public Portfolio LP had 98.54% (December 31, 2020 – 94.8%) of its net assets invested in equities and 1.1% in fixed income (December 31, 2020 – 1.1%). The top 10 holdings of the Public Portfolio LP as at June 30, 2021 were:

Number of Shares	Description	Average Cost ($)	Fair Value ($)	% of Net Assets
4,175	Cargojet Inc.	582,154	768,325	2.80%
64,202	NEXTDC Ltd.	481,514	707,871	2.60%
4,680	Waste Connections Inc.	544,251	693,108	2.60%
17,440	Boralex Inc.	499,250	658,360	2.40%
10,061	Brookfield Asset Management Inc.	459,368	636,258	2.40%
8,189	Cellnex Telecom SA	584,498	646,010	2.40%
7,708	Granite Real Estate Investment Trust	499,068	635,756	2.40%
15,186	Northland Power Inc.	459,598	642,216	2.40%
38,160	Dream Industrial Real Estate Investment Trust	515,910	583,085	2.20%
4,413	Fiserv Inc.	597,944	584,112	2.20%
	Total	**5,223,555**	**6,555,101**	**24.4%**

Two of the top contributors to the Public Portfolio LP's performance in Q2 2021 were Switch Inc. ("Switch"), with a total return of 28.3%, and Deutsche Post AG ("Deutsche"), with a total return of 25.3%[1].

Switch, is a pure-play data center company in the U.S. and offers collocation, connectivity, cloud computing and other related solutions to customers all over North America. Switch reported soft Q4 2020 results, due to elevated churn with one of its customers migrating to the public cloud. However, we view this as non-recurring, and Switch's Q1/2021 pre-guidance affirmed this as the company did not have any major churn events and continued to add to its record backlog. Switch is trading at a significant discount to the data center group, despite having one of the best multi-year adjusted funds from operations growth rates and the lowest leverage. Switch is also a technology leader in the space, providing some of the most robust and reliable data center solutions on the market. One of the company's current initiatives, Switch EDGE, is a product that will cater to enterprises looking to capitalize on EDGE computing, and could be a significant growth opportunity not currently reflected in the valuation. We believe the sell-off was largely due to liquidity and sector rotation, rather than fundamentals, and we took the opportunity to increase our allocation.

Deutsche operates as a logistics company, offering letter and parcel dispatch, express delivery, freight transport and e-Commerce solutions. While headquartered in Germany, Deutsche serves customers worldwide through its air cargo delivery business, DHL. Deutsche has posted strong results in 2021, driven by strong parcel volumes as well as surging demand for its DHL Express delivery business. The company has also raised guidance twice over the past 12 months, with earnings beats being driven by margin improvement and higher volumes. Deutsche has a high level of structural growth, driven by eCommerce, with DHL Express (largest division) and Parcel Germany (2nd largest) positioned extremely well to benefit from higher penetration of parcel deliveries and business to consumer volumes. We have trimmed our position on the strong performance.

One of the top detractors from the Public Portfolio LP's performance in Q2 2021 was Fiserv Inc ("Fiserv"). Fiserv provides financial companies with technology services they need to operate, including core processing systems, electronic billing, payment systems as well as eCommerce solutions. We view Fiserv as a key player in the infrastructure technology space as we move to a cashless society. Fiserv delivered strong results over the past year demonstrating the resiliency of the business despite disruptions from COVID-19, guiding for 8-12% organic growth in 2021, with $500M of incremental innovation investment over the next few years, particularly within data and digital. The underperformance of Fiserv can be partially attributed to incremental capital flowing to

[1] Source: Bloomberg LP

fintech names with higher torque to the economic reopening and a greater share of cross-border volumes. However, we believe Fiserv's recent results illustrate the strength in the underlying core business while the Clover platform continues to post impressive growth. We continue to hold Fiserv as it trades at a discount to peers despite delivering similar growth and a more defensive business model – particularly after the company posted impressive Q2 2021 results, beating street expectations and raising guidance.

PRIVATE PORTFOLIO

Starlight Residential Fund[2]

The Trust is a limited partner in the series C units of Starlight Residential Fund. The purpose of the Starlight Residential Fund is to acquire and hold value-add and opportunistic real estate assets in the Canadian multi-family sector. Investment properties are initially recorded at fair value, which is the purchase price including any directly attributable expenditures. The investment properties are subsequently measured at fair value primarily by using the capitalized net operating income method which applies a capitalization rate to the future stabilized cash flows of the investment properties.

As at June 30, 2021, the Starlight Residential Fund owns 5,981 leases across 44 properties in and around the economic centres of Toronto, Southwestern Ontario and Vancouver. In Q2 2021, Starlight Residential Fund realized on its repositioning strategy by selling one of the assets (142 units) in the portfolio to an independent third party. The Starlight Residential Fund has already deployed approximately $43 million on common area improvements and repositioned 1,101 units since launch (excluding the 56 renovated units included in the asset sale), representing a 20% annualized turnover. The clustering of the asset base in Ontario and B.C. will allow the Starlight Residential Fund to capitalize on economies of scale and scope. As a result of these investments and net operating income growth, the portfolio fair value has increased by approximately $257M, representing an unrealized gross internal rate of return of 23.2% since launch.

EagleCrest LP[3]

The Trust is a limited partner of EagleCrest LP, the manager of which is Fiera Infrastructure Inc. ("Fiera"). The investment objective of EagleCrest LP is to generate attractive risk-adjusted returns primarily through direct or indirect investments in infrastructure assets. All investments are measured at fair value. The primary valuation approaches employed by EagleCrest LP are (i) Market approach: uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities: and (ii) Income approach: converts future amounts (i.e. cash flows or income and expenses) to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

EagleCrest LP holds investments in infrastructure assets located in Canada, the United States , the United Kingdom and Spain. EagleCrest LP has remained operationally resilient to challenges posed by the COVID-19 pandemic given the construct of the portfolio. The assets within the strategy are essential in nature and in many instances, revenues are underpinned by long-term and fixed price contracts. As the global economy continues to reopen, the focus has shifted to the implications for inflation.

Infrastructure generally provides a level of inflation hedging to investors, however the degree of which varies by asset. Many of the assets in EagleCrest LP have an explicit link to inflation through regulation, concession agreements or contracts. Those without a regulatory or contractual link can offer a certain level of protection through pricing power to effectively pass through the impacts

[2] Source: Starlight Canadian Residential Growth Fund, Report to Investors, As at June 30, 2021.
[3] Source: EagleCrest Infrastructure Canada, Q1 2020 to Q1 2021 Performance Overview, Fiera Infrastructure and June 2, 2020 AGM.

of inflation. During an inflationary environment, we would expect to see a rise in interest rates, which could in turn impact discount rates. Given the competitiveness of the market, Fiera do not believe that discount rates will react as quickly to increases in nominal interest rates.

Deal activity remains strong and the Fiera team has been focused on its platform approach. Existing platforms provide significant and attractive deployment opportunities that are often less competitive, accretive to the existing base case, and leverage existing expertise. This was demonstrated in Q2 2021 as the Fiera team closed on the acquisition of the remaining interest in Conterra, and IslaLink announced the development of IONIAN, a fibre-optic system linking Italy to Greece. The Fiera team remains focused on developing new and existing platforms with an ESG overlay in core and core-plus infrastructure sub-sectors.

During Q2 2021, the EagleCrest LP investment value increased by $11.1M. This was driven by $22.9M in fair value adjustments and $10.9M in investments, which was partially offset by unfavourable foreign exchange movements of $15.7M and $7.0M in project distributions.

Starlight Private Pool

The Trust is a unitholder in the series I units of the Starlight Private Pool, the manager of which is Starlight Capital. The Starlight Private Pool investment objective is to achieve long-term capital appreciation and regular current income by investing globally in private real estate investments and in public REITs and equity securities of corporations participating in the residential and commercial real estate sector. Starlight Private Pool invests up to 80% of its assets in a global portfolio of private real estate investments and a minimum of 20% in global publicly listed REITs. The fair value of financial assets and liabilities traded in active markets (such as publicly traded marketable securities) are based on quoted market prices at the close of trading on the reporting date. For instruments for which there is no active market, the Starlight Private Pool may use externally provided pricing or internally developed models, which are usually based on valuation methods and techniques generally recognized as standard within the industry.

Starlight Private Pool was invested in two private investments with exposure to the Canadian multi-family sector and to U.S. single family housing and had exposure to a global portfolio of real estate public securities. The Starlight Private Pool performance returns for Q2 2021 was 10.4% and YTD 2021 was 19.3%. Performance was primarily driven from the private investment portfolio.

Q2 2021 HIGHLIGHTS

PORTFOLIO INVESTMENTS

As at June 30, 2021, the Trust had an investment of $27,013,233 (December 31, 2020 - $25,209,036) in the Public Portfolio LP and $16,532,273 in three investments in the Private Portfolio (December 31, 2020 - $16,624,602 in three investments). The Public Portfolio LP had 66 investments (December 31, 2020 – 57 investments) with a market value of $26,617,617 (December 31, 2020 - $23,907,534) in publicly traded global real estate and infrastructure securities.

DISTRIBUTIONS

On January 14, 2021, Starlight Capital announced the 2021 monthly distributions to Unitholders of record for the Trust of $0.0433 per Unit (2020 - $0.0433 per Unit) for a total distribution of $0.52 per Unit per annum (2020 - $0.52 per Unit per annum). In addition, the distributions declared included a component funded by the Trust's distribution reinvestment plan ("DRIP").

As at June 30, 2021, the Trust declared six distributions of $0.0433 per Series A and Series C Unit for a total distribution of $0.2598 per Unit. The following table shows the amount of distributions declared, non-cash distributions under the DRIP and cash distributions paid by the Trust. See "Subsequent Event – Trust Reorganization".

Period ended June 30, 2021	**Series A**	**Series B**	**Series C**	**Series F**	**Total**
Distributions declared	266,897	–	$777,574	–	**$1,044,471**
Less: DRIP	(2,124)	–	–	–	**(2,124)**
Cash distributions paid	**$264,773**	**–**	**$777,574**	**–**	**$1,042,347**

Year ended December 31, 2020	**Series A**	**Series B**	**Series C**	**Series F**	**Total**
Distributions declared	$717,837	$9,262	$1,244,088	$139,735	**$2,110,922**
Less: DRIP	(8,377)	–	–	–	**(8,377)**
Cash distributions paid	**$709,460**	**$9,262**	**$1,244,088**	**$139,735**	**$2,102,545**

REDESIGNATION OF UNITS

Series B Units and Series F Units were automatically redesignated as Series C Units in accordance with their terms on June 30, 2020 at NAV. Series B Unitholders received 35,308 Series C Units with a NAV of $10.01 per Unit in exchange for 35,650 Series B Units with a NAV of $9.91 per Unit. Series F Unitholders received 529,432 Series C Units with a NAV of $10.01 per Unit in exchange for 534,426 Series F Units with a NAV of $9.91 per Unit.

On June 30, 2020, 75,023 Series A Units were also redesignated as Series C Units with a NAV of $716,447. Series A Unitholders received 71,591 Series C Units with a NAV per Unit of $10.01 in exchange for 75,023 Series A Units with a NAV per Unit of $9.55.

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 January 14, 2021 the Trust announced that given the current number of outstanding Series A Units and Series C Units, redesignation requests of Series A Units into Series C Units are not currently being accepted by the Trust.

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.

On June 30, 2021, 6,394 series C Units were redesignated as series A Units with a NAV of $69,640. Series C Unitholders received 6,694 series A Units with a NAV per Unit of $10.40 in exchange for 6,394 series C Units with a NAV per Unit of $10.89.

ANNUAL REDEMPTION

On June 29, 2020, 43,020 Series A Units, 10,483 Series C Units and 4,117 Series F Units were redeemed in accordance with the DOT at NAV. Series A, Series C and Series F Unitholders received redemption proceeds of $410,501, $104,791 and $40,772, respectively for total proceeds of $556,064 at a NAV per Unit of $9.5498, $10.0075 and $9.9014, respectively.

On June 29, 2021, 196,334 Series A Units and 177,742 Series C Units were redeemed in accordance with the DOT at NAV. Series A and Series C Unitholders received redemption proceeds of $2,050,669 and $1,943,875 respectively for total proceeds of $3,994,545 at a NAV per Unit of $10.4448 and $10.9365, respectively.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at June 30, 2021	**As at December 31, 2020**
Current assets	$43,719,374	$41,885,611
Current liabilities	4,401,319	307,282
Net assets attributable to holders of redeemable Units per series		
Series A	8,718,083	10,249,932
Series C	30,599,972	31,328,397
	$39,318,055	**$41,578,329**

ANALYSIS OF FINANCIAL PERFORMANCE

The Trust's financial performance and results of operations for the three months ended June 30, 2021 and 2020 are summarized below:

	Three months ended June 30, 2021	**Three months ended June 30, 2020**
Investment gain (loss)	$2,906,868	$3,859,138
Expenses	(333,330)	(149,979)
Net Investment income (loss)	2,573,538	3,709,159
Increase (decrease) in net assets attributable to holders of redeemable units	**$2,573,538**	**$3,709,159**

GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses include items such as legal and audit fees, Trustee fees, investor relations expenses, Trustees' and officers' insurance premiums, and other general and administrative expenses associated with the operation of the Trust. Management fees payable to the Manager would also be included in general and administration expenses. Management fees paid or payable to the Manager in Q2 2021 were $109,667 (2020 - $98,013). See "Related Party Transactions and Arrangements – Arrangements with Starlight Capital".

ACCRUED EXPENSES

As at June 30, 2021, the Trust had $232,665 in accounts payable and accrued liabilities (as at December 31, 2020, the Trust had $133,059 in accounts payable and accrued liabilities).

LIABILITIES

LEVERAGE

The Trust may obtain leverage of up to 15% of the NAV of the Public Portfolio LP by way of a margin facility. In addition, the Private Portfolio may obtain leverage of up to 75% of the fair market value of any direct real estate held in the Private Portfolio either directly or indirectly through an investment vehicle. The Private Portfolio may also obtain leverage of up to 90% of the fair market value of any direct infrastructure held in the Private Portfolio either directly or indirectly through an investment vehicle.

As at June 30, 2021 and December 31, 2020, the Trust had no leverage.

UNITHOLDERS' EQUITY

The Trust had the following Series A and Series C Units outstanding as of June 30, 2021 and December 31, 2020:

	June 30, 2021		December 31, 2020	
	Outstanding Units	Net assets attributable to holders of redeemable units ($)	Outstanding Units	Net assets attributable to holders of redeemable units ($)
Series A	838,001	8,266,873	1,024,336	10,215,121
Series C	2,809,215	28,738,570	2,996,305	31,376,601

The Trust has the following Series A and Series C Units outstanding as of August 6, 2021:

Series	Series A	Series C
Balance, beginning of period	838,001	2,809,215
Dividends reinvested	15	–
Units outstanding, end of period	**838,016**	**2,809,215**

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

Cash flows from investments represents the primary source of liquidity to fund distributions and the Trust's expenses. The Trust's cash flow from investments is dependent upon the distribution levels of its investments, foreign currency exchange rates and from the realization of capital gains on its investments. Declines in these factors may adversely affect the Trust's net cash flow from operations and hence require distributions and expenses to be paid from return of capital through the sale of investments.

The Investment Manager manages the liquidity of the Public Portfolio to be able to meet the liquidity needs of the Public Portfolio LP and of the Trust. A more detailed discussion of these risks can be found under the "Risks and Uncertainties" section in the annual information form of the Trust ("AIF") dated March 31, 2021. Also see "Risks and Uncertainties".

The Trust expects to be able to meet all its obligations, including distributions to Unitholders and expenses as they become due. The Trust has a number of financing sources available to fulfill its commitments including: (i) cash flow from operating activities; (ii) investment portfolio; (iii) issuance of equity; and (iv) ability to implement a margin facility.

Where the Trustees determine that the Trust does not have cash in an amount sufficient to make payment of the full amount of any distribution that has been declared payable, or otherwise made payable, on the due date for such payment or for any other reason cannot pay the distribution in cash, or the Trustees otherwise elect in respect of any such distribution at the sole and absolute discretion of the Trustees, the payment will be distributed to the Unitholders in the form of additional Units, or fractions of Units, if necessary or desirable, having a value equal to the difference between the amount of such distribution declared to be payable and the amount of cash that has been determined by the trustees to be available for the payment of such distribution. Such additional Units will be issued based on the proportionate interest of each series and with respect to such series, pro rata in proportion to the number of Units held as of record by such Unitholder on such date. Such additional Units will be issued pursuant to applicable exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing. Immediately after a proportionate pro rata distribution of such Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold after the consolidation the same number of Units as the Unitholder held before the non-cash distribution.

CASH FLOW

The following table details the changes in cash and cash equivalents:

	Three months ended June 30, 2021	**Three months ended June 30, 2020**	**Year ended December 31, 2020**
Cash used in operating activities	$488,665	$531,018	$2,437,784
Cash from financing activities	(521,693)	(530,980)	(2,663,154)
Increase (decrease) in cash	86,026	8,652	(225,370)
Cash at beginning of period	66,510	51,895	270,808
Cash at end of period	**$152,536**	**$60,547**	**$45,438**

Cash used in operating activities primarily represents the distributions received from partnerships, Trust expenses and net realized and unrealized gains and losses on investments.

Cash from financing activities is a result of the distributions, redemptions and the issuance of Units. See "Unitholders Equity".

COMMITMENTS

As at June 30, 2021 and December 31, 2020 the Trust had no commitments.

RELATED PARTY TRANSACTIONS AND SIGNIFICANT ARRANGEMENTS

Starlight Capital is considered a related party to the Trust as Starlight Capital is controlled by a significant Unitholder who owns more than 10% of the Trust.

ARRANGEMENTS WITH STARLIGHT CAPITAL

Pursuant to the management agreement dated December 13, 2018 ("Management Agreement"), the Manager manages the business of the Trust, including making all decisions regarding the business of the Trust that are advisable or consistent with accomplishing the objectives of the Trust, transacting the business of the Trust, dealing with and in the assets of the Trust, and providing advisory, investment management and administrative services to the Trust. The Trust is administered and operated by the Trust's Chief Executive Officer and Chief Investment Officer and its Chief Financial Officer and Chief Operating Officer in addition to an experienced team of investment management professionals from Starlight Capital.

The Management Agreement, unless terminated in accordance with its termination provisions, will continue in effect until the winding-up or dissolution of the Trust.

Pursuant to the investment management agreement dated December 13, 2018 ("Investment Management Agreement"), the Investment Manager manages the business of the Public Portfolio LP, including making all decisions regarding the investment portfolio of the Public Portfolio LP in accordance with the investment objectives, investment strategy and investment restrictions of the Trust, employing leverage, and providing administrative services to the Public Portfolio LP. The Public Portfolio LP is administered and operated by Starlight Capital's Chief Executive Officer and Chief Investment Officer and its Chief Financial Officer and Chief Operating Officer as well as an experienced team of investment management professionals from Starlight Capital.

The Investment Management Agreement, unless terminated in accordance with its termination provisions, will continue in effect until the winding-up or dissolution of the Trust.

SUMMARY OF FEES AND EXPENSES

MANAGEMENT FEE

Pursuant to the Management Agreement, the Manager is entitled to an annual management fee of 1.25% of the market capitalization of the Trust based on the NAV of the Trust plus the aggregate redemption price of any outstanding preferred units calculated and accrued daily and paid by the Trust monthly in arrears. Any fees payable on delegation of responsibilities of the Manager to the Investment Manager will be paid out of the Manager's fees entitlement and will not result in additional fees to the Trust. Any management fees charged by an underlying investment vehicle will reduce the amount of the management fee paid to the Manager of the Trust attributable to the portion of the portfolio allocated to the respective underlying investment vehicle. See "Subsequent Event - Trust Reorganization". The management fees on Series A Units and Series C Units for the period ended June 30, 2021 amounted to $214,329, with $37,441.64 in outstanding accrued fees on the Units due to the Manager at June 30, 2021 ($208,554, with $33,013 in outstanding accrued fees on the Units due to the Manager at June 30, 2020).

PERFORMANCE FEE

(a) Pursuant to the Investment Management Agreement, the Investment Manager is entitled to an annual performance fee equal to the product of: the weighted average number of Public Portfolio LP units outstanding on the calculation date for such year, and10% of (A) the amount by which the sum of:
  - i) the NAV of the Public Portfolio per Public Portfolio LP unit at the end of such fiscal year (calculated before taking into account the Public Portfolio performance fee payable for the fiscal year), plus,
  - ii) the total amount of distributions paid by the Public Portfolio LP to the Trust during such fiscal year, if any, divided by the weighted average number of Public Portfolio LP units outstanding during such fiscal year.

    exceeds (B) the greater of:
    - a. the High Water Mark (as defined below), and
    - b. the Hurdle Amount (as defined below).

The high water mark for any fiscal year means the greater of: (a) $10 and (b) the highest NAV per applicable unit determined as at the last business day of any previous fiscal year, less the total amount of distributions paid on the applicable series during all consecutive immediately preceding fiscal years, if any, in respect of which no Public Portfolio performance fee was paid divided by the weighted average number of units of such series outstanding during such fiscal years (the "High Water Mark"). The hurdle amount for any fiscal year of the Trust means an amount equal to the product of: (a) the NAV per applicable unit on the last business day of the preceding fiscal year, and (b) 112% (the "Hurdle Amount"). The performance fee payable as at June 30, 2021 was $Nil (December 31, 2020 - $Nil).

OPERATING EXPENSES

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

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

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

As at June 30, 2021, $37,442 in management fees payable was included in accounts payable and accrued liabilities to the Manager (December 31, 2020 - $36,056). In addition, the Investment Manager has paid $195,223 of the Trust's operating expenses included in accounts payable and accrued liabilities which is recoverable from the Trust (December 31, 2020 - $97,003).

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the securities of the Trust and in the activities of the Trust. Risks and uncertainties are disclosed below, in the Trust's annual MD&A dated June 30, 2021 for the year ended December 31, 2020 and in the AIF. The annual MD&A and AIF are available on SEDAR at www.sedar.com. Current and prospective Unitholders of the Trust should carefully consider such risk factors.

The spread of coronavirus disease COVID-19 has caused volatility in the global financial markets, resulted in significant disruptions to global business activity and a slowdown in the global economy. Such impacts could continue and cause substantial market volatility, exchange trading suspensions and closures, affect the Portfolio's performance and significantly reduce the value of an investment in Units. See "Update on the Impact of COVID-19".

The following risks and uncertainties have been updated by management from the Trust's annual MD&A:

RECENT AND FUTURE GLOBAL FINANCIAL DEVELOPMENTS

Recent turmoil in the global energy market has impacted global commodity prices and global foreign currency markets and the effects could be substantial and long-lasting. Further, continued market concerns about, matters related to the United Kingdom's withdrawal from the European Union, COVID-19 or other pandemics, and matters related to the U.S. politics and global government debt limits and international trading relationships, may adversely impact global equity markets. Some of these economies have experienced significantly diminished growth and some are experiencing or have experienced a recession. These market conditions and further volatility or illiquidity in capital markets may also adversely affect the prospects of the Trust and the value of the investment portfolio.

INFRASTRUCTURE RISK

As the Trust invests in infrastructure entities, projects and assets, the Trust may be sensitive to adverse economic, regulatory, political or other developments. Infrastructure entities may be subject to a variety of events that adversely affect their business or operations, including service interruption due to environmental damage, operational issues, COVID-19 or other pandemics, access to and the cost of obtaining capital, and regulation by various governmental authorities. There are substantial differences between regulatory practices and policies in various jurisdictions, and any given regulatory authority may take actions that affect the regulation of instruments or assets in which the Trust invests, or the issuers of such instruments, in ways that are unforeseeable. Infrastructure entities, projects and assets may be subject to changes in government regulation of rates charged to customers, government budgetary constraints, the imposition of tariffs and tax laws, COVID-19 or other pandemics, and other regulatory policies. Additional factors that may affect the operations of infrastructure entities, projects and assets include innovations in technology that affect the way a company delivers a product or service, significant changes in the use or demand for infrastructure assets, terrorist acts or political actions, and general changes in market sentiment towards infrastructure assets. The Trust may invest in entities and assets that may share common characteristics, are often subject to similar business risks and regulatory burdens, and whose instruments may react similarly to various events that are unforeseeable. While vaccination programs are progressing there is a growing emergence of COVID-19 variants of concern that are more transmissible and carry increased health risks, industries, including transportation and energy, continue to be affected in varying degrees by COVID-19. It continues to be difficult to predict the duration and extent of the impact of COVID-19 on infrastructure business and operations, both in the short and long-term.

REAL ESTATE RISK

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

- economic cycles;
- interest rates;
- consumer confidence;
- the policies of various levels of government, including property tax levels and zoning laws;
- the economic well-being of various industries;
- COVID-19 or other pandemics;
- overbuilding and increased competition;
- lack of availability of financing to refinance maturing debt;
- vacancies due to tenant bankruptcies and other reasons;
- losses due to costs resulting from environmental contamination and its related clean up;
- casualty or condemnation losses;
- variations in rental income;
- changes in neighbourhood values; and
- functional obsolescence and appeal of properties to tenants.

While vaccination programs are progressing there is a growing emergence of COVID-19 variants of concern that are more transmissible and carry increased health risks, industries, including retail and commercial real estate, continue to be affected in varying degrees by COVID-19. It continues to be difficult to predict the duration and extent of the impact of COVID-19 on REIT's business and operations, both in the short and long-term. In addition, underlying real estate investments may be difficult to buy or sell. This lack of liquidity can cause greater price volatility in the securities of companies like REITs, which own and manage real estate assets.

SIGNIFICANT OWNERSHIP BY STARLIGHT CAPITAL

As of the date hereof, Daniel Drimmer and his affiliates hold an approximate 12.58% interest in the Trust through ownership of Series C Units. Starlight Capital has the ability to exercise influence with respect to the affairs of the Trust and significantly affect the outcome of Unitholder votes, including transactions in which an investor might otherwise receive a premium for its Units over the then current market price.

USE OF ESTIMATES

The preparation of the Trust's financial statements in conformity with IFRS requires management to make estimates and assumptions which affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties management believes will materially affect the methodology or assumptions utilized in making those estimates in its audited annual financial statements.

As at June 30, 2021, no material estimates were used in determining the recorded amount for assets and liabilities in the unaudited condensed interim financial statements.

SIGNFICANT ACCOUNT POLICIES

There were no changes to the Trust's accounting policies as of June 30, 2021.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Trust maintains information systems, procedures and controls to ensure all information disclosed externally is as complete, reliable and timely as possible. Such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS.

All control systems have inherent limitations, including well-designed and operated systems. No control system can provide complete assurance the objectives of the control system will be met. Furthermore, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, will be detected or prevented. These inherent limitations include, without limitation, the possibility management's assumptions and judgments may ultimately prove to be incorrect under varying conditions and circumstances and the impact of isolated errors. As a growing enterprise, management anticipates that the Trust will be continually evolving and enhancing its systems of controls and procedures.

Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of the Trust's disclosure controls and procedures (as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings) and concluded that the design and operation of the Trust's disclosure controls and procedures; and internal controls over financial reporting were effective and continue to be appropriate for the three and six months ended June 30, 2021.

UPDATE ON THE IMPACT OF COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 was a global pandemic. Governments around the world enacted a series of public health measures to combat the spread of the virus, negatively impacting business operations globally. As at June 30, 2021, many of these measures remain in place. Since the latter part of February 2020, financial markets have experienced significant volatility in response to COVID-19 resulting in increased risks related to the portfolio issuers and fluctuations in NAV and NAV for each series of Unit of the Trust. COVID-19 has also resulted in increased infrastructure risk and real estate risk for the Trust. Further, public health crises, including the ongoing health crisis related to COVID-19, or relating to any other virus, flu, epidemic, pandemic or any other similar disease or illness could increase the Trust's risks related to the portfolio issuers, fluctuations in NAV and NAV of each Series of Unit of the Trust, infrastructure risk and real estate risk.

In Q2 2021, global market and sector specific market recoveries resulted in increases in the Public Portfolio investment valuations and the Trust's NAV. As a result of COVID-19 global equity markets and the Public Portfolio have experienced elevated volatility as equity investors have sought liquidity and safety in the face of uncertainty. A resurgence of equity market volatility and investor uncertainty may impact the Trust's NAV and may create difficulty in raising capital in equity markets, which could in turn adversely impact the Trust's strategy. Liquidity of the Public Portfolio has remained high and has not been materially impacted by COVID-19.

While the events surrounding COVID-19 have resulted in unprecedented market volatility, the Investment Manager believes that the Trust's Portfolio is well positioned to navigate through this challenging time. The Trust has not experienced any material distribution or dividend cuts from investments in the public portfolio or the private portfolio. In fact, for the twelve-month period ending June 30, 2021 the Trust has experienced 44 distribution and dividend increases with an average increase of 8.4%. As the Public Portfolio remains liquid, and although not expected, any distribution cuts made by portfolio investments resulting from COVID-19 or otherwise are not expected to have an impact on the Trust's ability to pay its monthly distributions given the liquid nature of the Public Portfolio and the Trust's ability to adjust its portfolio accordingly. The Private Portfolio has not experienced a significant impact from COVID-19 and no material changes to valuations have been required as a result of COVID-19. The Public Portfolio is currently positioned in sectors and geographies believed to be the most resilient during and after COVID-19 and to realize significant upside potential upon an economic recovery. The Investment Manager continues to review the Portfolio on a daily basis and remains committed to owning high-quality businesses with long term growth potential.

Starlight Capital has implemented appropriate cautionary measures to ensure it is conducting business in a safe and effective manner (including, without limitation, limiting visits to their corporate office to essential personnel and ensuring proper protocols around sanitation and social distancing), and continues to diligently work with its service providers to remain operational through the pandemic. There can be no assurance that any actions taken will prevent the impact of COVID-19 on the Trust or Starlight Capital's employees or service providers.

In response to the global pandemic, governments and central banks have reacted with significant monetary and fiscal stimulus programs designed to stabilize economic conditions. Governments have also declared emergencies requiring various restrictions such as stay at home orders, mandatory closures of certain types of businesses and reduced limits on social gatherings impacting businesses and economies. At this time, the duration and magnitude of COVID-19 including the impact of new variant strains is still unknown, as is the efficacy of the government and central bank interventions. While vaccine programs continue to be implemented and the distribution of vaccines is progressing globally, vaccine roll-outs remain fluid as public health authorities continue to make adjustments to their plans due to continued outbreaks and the timing and volume of shipments from vaccine suppliers. As of August 3, 2021, the U.S. has administered over 192 million doses, with over 27 million people fully vaccinated and over 49% of adults in the U.S. receiving at least one vaccine shot. Comparatively in Canada over 27 million doses have been administered with over 60% of the population receiving at least one dose and approximately 12% of the population having received two doses. Many countries/regions had begun to ease restrictions, but the emergence of COVID-19 variants that are more transmissible and carry increased health risks have caused a surge in cases and an increase in hospitalizations. Some countries have been forced to reintroduce emergency measures to counter the resurgence of COVID-19 cases. Although emergency measures are expected to ease as more people receive vaccinations, the uncertainty created by variants and closures of certain businesses could impact the Trust for a prolonged period.

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 and portfolio values, both in the short term and in the long term. The full impact will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning the severity of and the actions required to contain COVID-19 or remedy its impact, among others. The Portfolio could experience further volatility and market value declines, which could materially adversely impact the performance of the Trust, its NAV and its ability to raise capital. While the situation continues to evolve, the Trust is confident the tactical measures implemented to date will allow it to provide long-term value creation to Unitholders.

SUBSEQUENT EVENT - TRUST REORGANIZATION

On July 28, 2021, Unitholders of the Trust approved a reorganization of the Trust into a private investment trust (the "Reorganization"), as further described in the management information circular of the Trust dated June 22, 2021, mailed to all Unitholders of record on June 18, 2021. The Reorganization will be effective on August 20, 2021. As part of the Reorganization the Series A Units were delisted from the NEO Exchange on August 12, 2021 and all Series A Units will be redesignated as Series C Units on August 20, 2021. The investment strategy and investment restrictions have also been amended to increase the Trust's private investment limit and beginning in 2022 the Trust will pay quarterly distributions, rather than monthly distributions. The Reorganization also includes amendments to the management fees payable to the Manager and the redemption features with the monthly and annual redemption feature being replaced with a quarterly redemption feature. More detailed information can be found in the management information circular dated June 22, 2021 on www.sedar.com and www.starlightcapital.com.