Starlight Private Global Real Assets Trust

(formerly, Starlight Hybrid Global Real Assets Trust)

Management's Discussion and Analysis of Operations and Financial Condition

December 31, 2021

March 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the financial results of Starlight Private Global Real Assets Trust (formerly, 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 August 20, 2021, should be read in conjunction with the Trust's annual audited financial statements for the year ended December 31, 2021 and the annual audited financial statements for the year ended December 31, 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 twelve months ended December 31, 2021 ("Q4 2021") and ("2021"), respectively, three and twelve months ended December 31, 2020 ("Q4 2020") and ("2020"), respectively and three months ended March 31, 2021 ("Q1 2021") and three months ended June 30, 2021 ("Q2 2021") and three months ended September 30, 2021 ("Q3 2021"). 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 (see "Update of the Impact on COVID-19").

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"), series F units

("Series F Units") or series I units ("Series I Units") of the Trust (collectively the "Units") and any risks related to the Trust and its business including uncertainties surrounding COVID-19 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 Estate LP and Starlight Global Infrastructure 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 annual audited financial statements for the year ended December 31, 2020 and 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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") effective August 20, 2021. Starlight Global Real Assets LP was a limited partnership formed pursuant to a Limited Partnership Agreement dated November 28, 2018, governed by the laws of the Province of Ontario. Starlight Global Real Estate LP is a limited partnership formed pursuant to a Limited Partnership Agreement dated April 20, 2020, governed by the laws of the Province of Ontario. Starlight Global Infrastructure LP is a limited partnership formed pursuant to a Limited Partnership Agreement dated April 20, 2020, governed by the laws of the Province of Ontario. Prior to the Reorganization (see below) the Trust obtained exposure to public securities through its investment in Starlight Global Real Assets LP (the "Initial Public Portfolio LP"). After the Reorganization, the Trust obtains exposure to public securities through its investments in Starlight Global Real Estate LP and Starlight Global Infrastructure LP (the "Public Portfolio LPs").

The Public Portfolio LPs hold actively managed global portfolios 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").

On August 25, 2021, the Trust completed the reorganization of the Trust into a private investment trust (the "Reorganization"), as approved by unitholders of the Trust at the special meeting held on July 28, 2021, and as further described in the management information circular dated June 22, 2021 (the "Circular") sent to unitholders on June 30, 2021. In connection with the Reorganization, on August 12, 2021, the Series A Units listed under the symbol SCHG.UN were voluntarily delisted from the NEO Exchange, and all of the issued and outstanding Series A Units were automatically redesignated as Series C Units effective August 20, 2021. Holders of Series A Units received that number of Series C Units having a net asset value ("NAV") equal to the NAV of a redesignated Series A Unit. The Series C Units have been renamed "Series F Units" of the Trust.

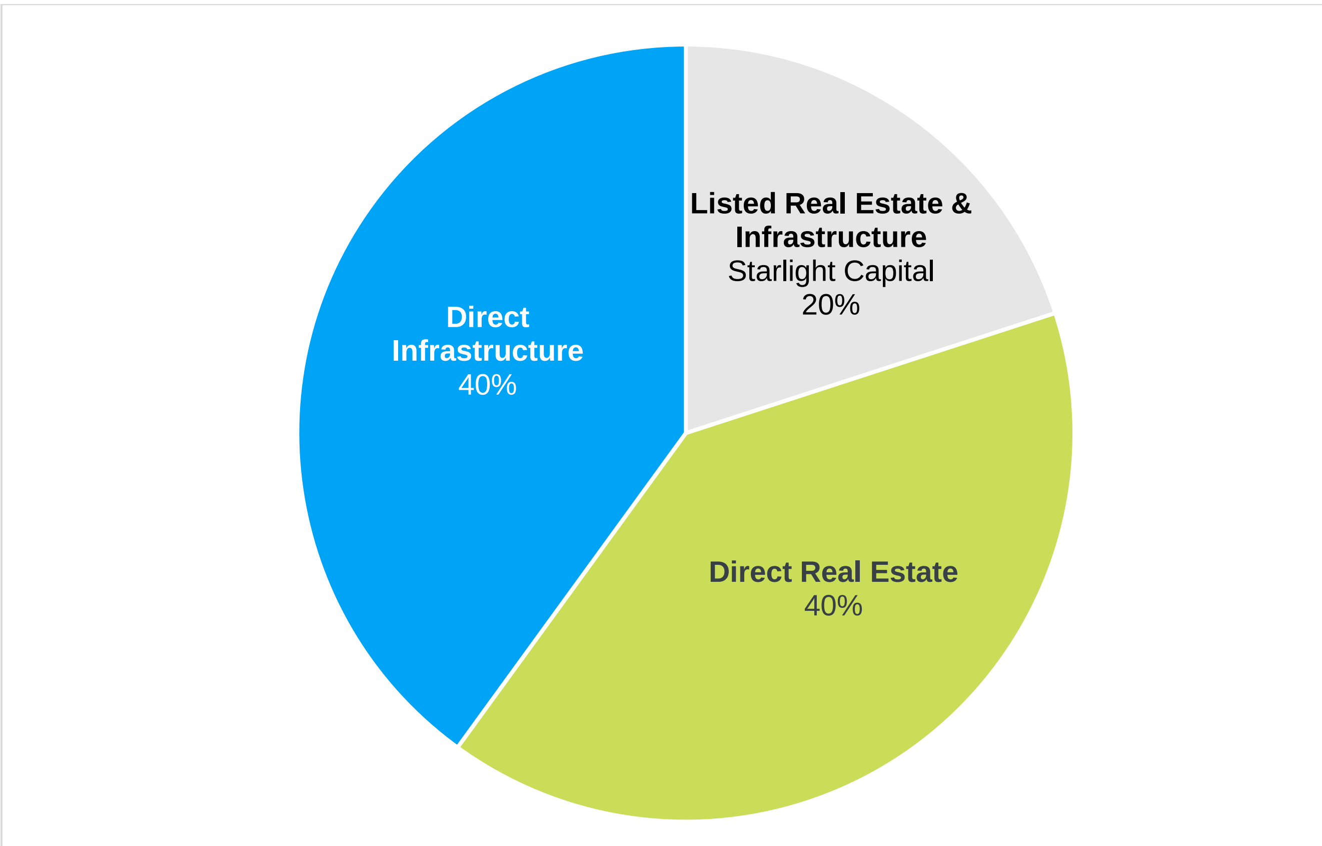
The Trust's registered address is 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3. RBC Investor Services Trust acts as custodian and administrator of the Trust. The Trust is currently offered in Canadian-dollar-denominated units.

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 20% of the net capital raised into the Public Portfolio LPs, which hold 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 80% of the NAV in global real estate properties and global infrastructure assets in the Private Portfolio.



INVESTMENT RESTRICTIONS

The Trust is subject to the investment restrictions set out below that, among other things, limit the securities that the Trust may acquire for the Portfolio. The Trust's investment restrictions may not be changed without the approval of the Unitholders at a meeting called for such purpose. 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 80% (at the time of investment) of its total assets in securities of private issuers (other than securities of the Public Portfolio LPs 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 LPs, 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 50% of the NAV of the Public Portfolio LPs; 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 January 1, 2021. 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 50% 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 compliance with the restriction.

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

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, 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 LPs. 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 December 31, 2021, the Trust's portfolio was comprised of units of the two Public Portfolio LPs and four investments in the Private Portfolio:

Number of Units	Description	Average Cost	Fair Value	% of Net Assets
419,960	Starlight Global Infrastructure LP	$4,500,000	$ 4,543,718	12.20%
387,167	Starlight Global Real Estate LP	4,500,000	4,897,663	13.15%
55,000	Starlight Canadian Residential Growth Fund (Series C)	4,297,210	5,807,010	15.60%
621,484	Starlight Private Global Infrastructure Pool (Series I)	7,000,000	7,205,542	19.34%
409,889	Starlight Private Global Real Estate Pool (Series I)	3,946,922	5,648,599	15.16%
	Unison Midgard Fund LP	5,088,455	5,799,872	15.57%
	Total	**$29,332,587**	**$33,902,404**	**91.02%**

As at December 31, 2020, the Trust's portfolio was comprised of units of the Initial 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

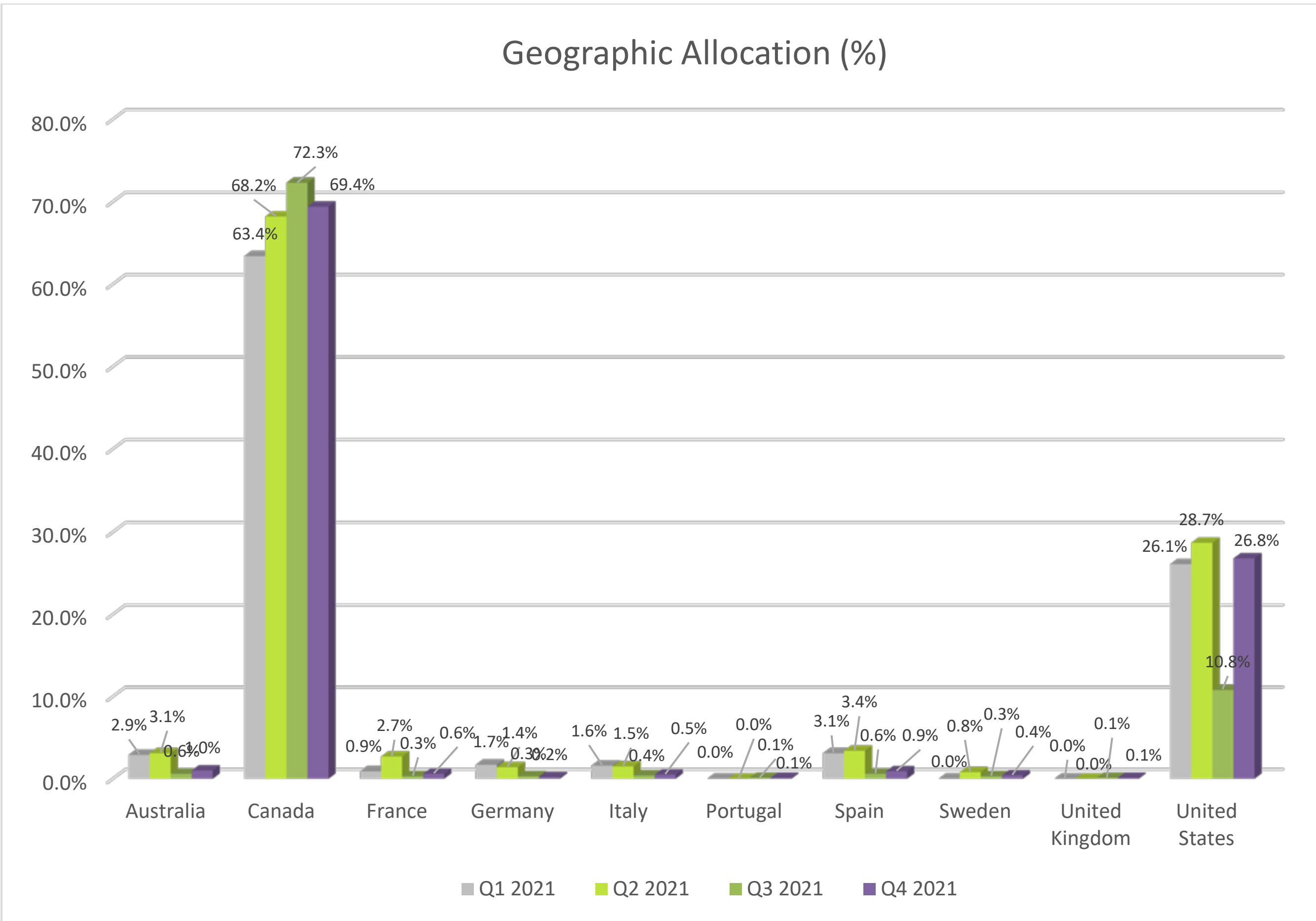
	Q4 2021	Q4 2020	2021	2020
Trust - Series F Units	**3.3%**	**3.6%**	**15.0%**	**3.4%**
S&P Global Infrastructure Index (CAD)	**4.3%**	**10.3%**	**10.8%**	**-7.3%**
FTSE EPRA/NAREIT Developed Total Return Index (CAD)	**10.0%**	**8.9%**	**26.0%**	**-9.7%**
Blended Benchmark	**7.2%**	**9.0%**	**18.4%**	**-8.4%**

Source: Bloomberg LLP. The Blended Benchmark is represented 50% by 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"), Unison Midgard Fund LP ("Unison LP"), Starlight Private Global Real Estate Pool ("Starlight Private Real Estate Pool") and Starlight Private Global Infrastructure Pool ("Starlight Private Infrastructure Pool"). On November 4, 2021, all units of Eaglecrest Infrastructure Canada LP were redeemed for the total amount of $5,449,123. As at December 31, 2021, the Public Portfolio held 73 positions (December 31, 2020 – 57 positions), with seventeen companies increasing their dividends or distributions by an average of 6.4% during the three months ended December 31, 2021 (with 53 companies increasing their dividends or distributions by an average of 6.9% during the twelve months ended December 31, 2021).

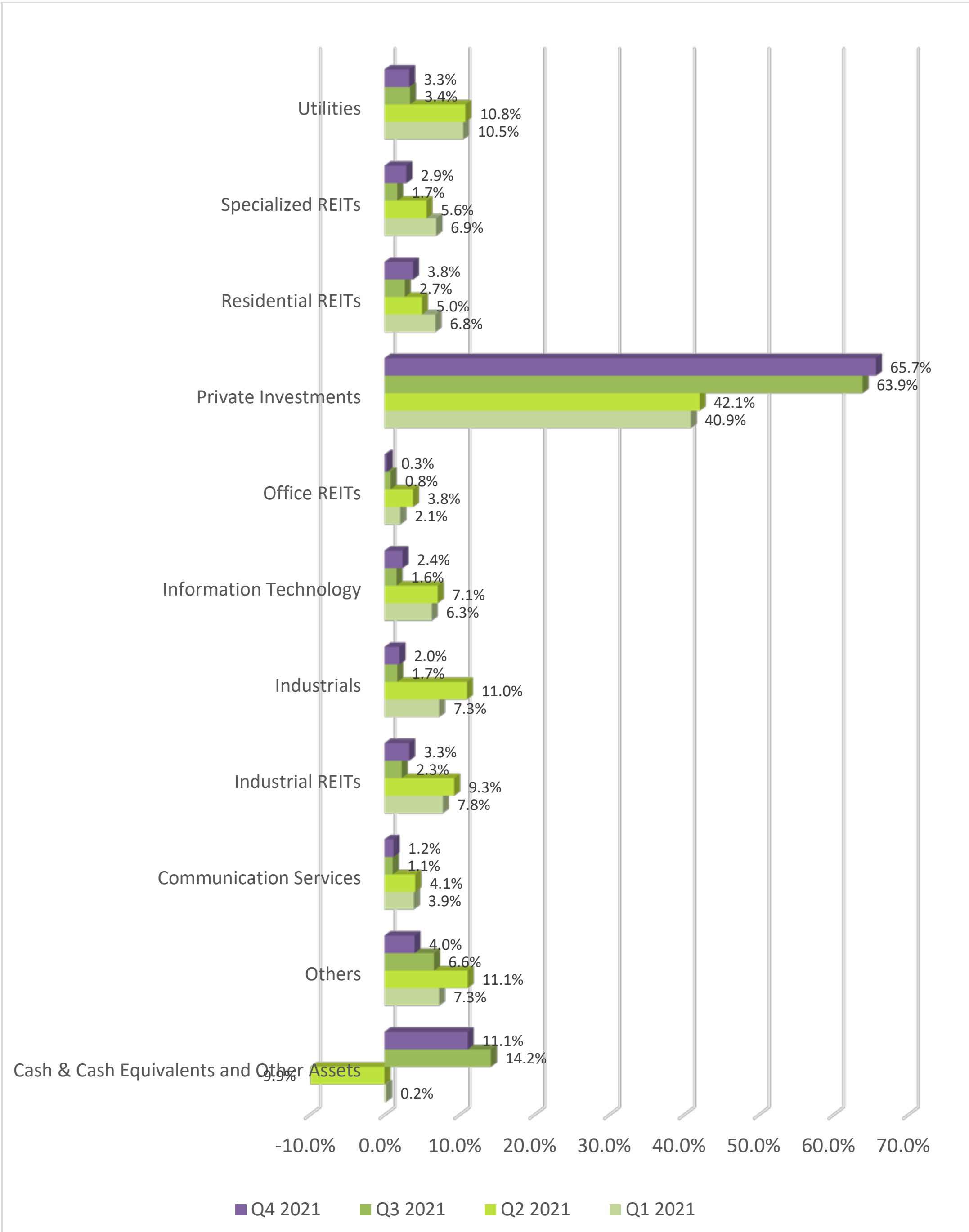
The Trust's investment portfolio geographic and sector allocations as at December 31, 2021 are shown below:

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

In Q4 2021 and 2021, the Public Portfolio returns were 7.8% and 18.2%, respectively (Q4 2020 – 3.9%, 2020 – 4.0%). In Q4 2021 and 2021, the Blended Benchmark returns were 7.2% and 18.4%, respectively (Q4 2020 – 9.0%, 2020 – -8.4%). 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 Q4 2021, the continued re-opening of global economies contributed to strong equity market performance. The rise of the Omicron variant of COVID-19 is forcing many countries and regions to pause their re-opening efforts and increasing volatility in many investment markets (see "Update of the Impact on COVID-19").

Public Portfolio - Upside/Downside Capture

	2021		Since Inception	
	Upside Capture	Downside Capture	Upside Capture	Downside Capture
S&P Global Infrastructure TR	**142.1%**	**91.1%**	**100.1%**	**71.5%**
FTSE EPRA/NAREIT Developed TR	**69.6%**	**80.0%**	**84.1%**	**65.2%**
Blended Benchmark	**98.8%**	**99.4%**	**89.4%**	**79.1%**

Source: Bloomberg LP & Starlight Capital. The Public Portfolio is represented by the Initial Public Portfolio LP and the Public Portfolio LPs. 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'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's monthly return during the periods of negative benchmark performance and dividing it by the benchmark return. Since inception from December 13, 2018 to December 31, 2021.

Geographic overweight allocations to Canada and the U.S. and the underweight allocation to continental Europe were maintained over Q4 2021. The increase in the U.S. weight was primarily from the investment in the private portfolio in Unison LP. In Q4 2021, cash positions in the Public Portfolio LPs decreased from 9.2% in Q3 2021 to 4.8% of NAV (December 31, 2020 – 4.8%). Significant sector allocations in Q4 2021 included Utilities and Industrials (average portfolio weight of 26.4% and 15.9%, respectively) on the infrastructure side and Residential REITs and Industrial REITs (average portfolio weight of 24.6% and 22.2%, 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 declining or remaining relatively stable relative to the U.S. dollar in Q4 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 LPs 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 December 31, 2021 the Public Portfolio LPs had Nil% (December 31, 2020 – Nil%) of its net assets invested in foreign currency forward contracts.

As at December 31, 2021 the Public Portfolio LPs had 91.7% (December 31, 2020 – 94.8%) of its net assets invested in equities and Nil% in fixed income (December 31, 2020 – 1.1%). The effective top 10 holdings of the Public Portfolio LPs as at December 31, 2021 were:

Number of Shares	Description	Average Cost ($)	Fair Value ($)	% of Net Assets
621,484	Starlight Private Global Infrastructure Pool (Series I)	7,000,000	7,205,542	19.34%
55,000	Starlight Canadian Residential Growth Fund (Series C)	4,297,210	5,807,010	15.60%
	Unison Midgard Fund LP	5,088,455	5,799,872	15.57%
409,889	Starlight Private Global Real Estate Pool (Series I)	3,946,922	5,648,599	15.16%
255	Equinix Inc.	245,123	272,536	0.73%
6,571	Switch Inc.	181,723	237,745	0.64%
638	American Tower Corporation	206,984	235,637	0.63%
19,877	NEXTDC Limited	215,930	233,594	0.63%
842	Crown Castle International Corp.	186,285	222,078	0.60%
1,010	Prologis Inc.	152,836	214,794	0.58%
	Total	**21,521,468**	**25,877,407**	**69.48%**

Two of the top contributors to the Public Portfolio LPs performance in Q4 2021 were Prologis, Inc. ("Prologis"), with a total return of 34.4%, and Rexford Industrial Realty, Inc. ("Rexford Industrial"), with a total return of 42.7%[1].

Prologis is the global leader in logistics real estate with a focus on high-barrier, high-growth markets. As of December 31, 2021, the company owned or had investments in, on a wholly owned basis or through co-investment ventures, properties and development projects expected to total approximately 1.0 billion square feet (93 million square meters) in 19 countries. Prologis leases modern logistics facilities to a diverse base of approximately 5,800 customers principally across two major categories: business-to-business and retail/online fulfillment. In Q4 Prologis' results beat expectations fueled by 19.6% cash rent growth augmented by a strong development pipeline. Guidance for 2022 was also ahead of consensus estimates. CEO Hamid Moghadam commented "demand...shows no signs of slowing and we are positioned ideally to meet our customers' most critical real estate needs", and CFO Thomas Olinger noted that Prologis has "tangible runway for sector-leading growth for many years to come."

Rexford Industrial is a real estate investment trust focused on creating value by investing in and operating industrial properties throughout Southern California infill markets. Industrial real estate is benefiting from significant demand growth driven by e-commerce, on-shoring and domestic consumption. Rexford has generated a 31% four-year net operating income ("NOI") compound annual growth rate ("CAGR") which has fueled a 13% FFO/unit four-year CAGR. At a $14B enterprise value with 100% exposure to California, it is possible that Rexford is acquired by a competitor or a private equity/pension fund buyer.

One of the top detractors from the Public Portfolio LPs performance in Q4 2021 was Cargojet Inc. ("Cargojet"). Cargojet is Canada's leading provider of time sensitive overnight air cargo services and carries over 1,300,000 pounds of cargo each business night. Cargojet also provides dedicated aircraft to customers on an aircraft, crew, maintenance and insurance (ACMI) basis, operating between points in Canada and the U.S. Cargojet's market share growth can be attributed to its competitive position in the Canadian cargo market and the favourable secular tailwinds behind the company's e-commerce exposure. Its status as an 'essential service' provider has helped to insulate the business from the impact of COVID-19, while the momentum and growth of e-commerce has been accelerated. This is expected to result in strong performance not only through the economic recovery from COVID-19, but well beyond, as secular tailwinds will further boost the Canadian cargo market for several years. However, fears of competition in the air cargo space as well as a rotation to value has led to underperformance in Cargojet shares, despite no fundamental impact to the

[1] Source: Bloomberg LP

growth profile or underlying momentum in the business. We believe any domestic competitive pressures from competitors will be more than offset with international opportunities. We have taken the opportunity to add to Cargojet on the weakness as it presented a compelling buying opportunity.

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 December 31, 2021, the Starlight Residential Fund owns 5,981 leases across 44 properties in and around the economic centres of Toronto, Southwestern Ontario and Vancouver. The Starlight Residential Fund continues to execute its strategy, deploying approximately $48 million on common area improvements and repositioning 1,307 units since launch (excluding units that have been sold). As of Q4 2021, the annualized turnover was 18%. 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 $366M, representing an unrealized gross internal rate of return of 26.1% since launch.

Unison LP [3]

The Trust is a limited partner of Unison LP, the manager of which is Unison Investment Management, LLC ("Unison"). The investment objective of Unison LP is to create value to its investors primarily through actively managed strategic investments in Unison LP agreements and other investment assets. Unison implements its investment objective through its investment in Unison REIT. In connection with the origination of Unison LP agreements, Unison applies a proprietary investment process and eligibility criteria. All investments are measured at fair value. The primary valuation approach employed by Unison LP is a discount cash flow model by its valuation agent Grant Thorton.

A total of 3,365 investments have been originated in Unison LP since inception. There have been 227 realizations and no defaults in the portfolio. As of December 31, 2021, Unison LP holds 3,138 investments across 30 states in the U.S. Unison LP agreement origination remains strong.

During Q4 2021, Unison LP acquired 254 investments and realized 37 investments. Since inception, Unison LP experienced an overall gain on the realized investments of 42.3% with combined asset level IRR of 23.4% inception to date. Unison LP distributed $2.7 million in distributions during the quarter and $14.1 million in 2021.

[2] Source: Starlight Canadian Residential Growth Fund, Report to Investors, As at December 31, 2021.

[3] Source: Unison Investment Management, LLC, Report to Investors, As at December 31, 2021.

Starlight Private Real Estate Pool

The Trust is a unitholder in the series I units of the Starlight Private Real Estate Pool, the manager of which is Starlight Capital. The Starlight Private Real Estate 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 real estate investment trusts (REITs) and equity securities of corporations participating in the residential and commercial real estate sector. Starlight Private Real Estate 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 Real Estate 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 Real Estate Pool was invested in two private investments with exposure to the Canadian multi-family sector and to the U.S. single family housing sector, and had exposure to a global portfolio of real estate public securities. The Starlight Private Real Estate Pool performance returns for Q4 2021 and 2021 were 4.22% and 35.45%, respectively. Performance was primarily driven by the private investment portfolio.

Starlight Private Infrastructure Pool

The Trust is a unitholder in the series I units of the Starlight Private Infrastructure Pool, the manager of which is Starlight Capital. The Starlight Private Infrastructure Pool investment objective is to achieve long-term capital appreciation and regular current income by investing globally in private infrastructure and infrastructure-related investments and in publicly traded companies with direct or indirect exposure to infrastructure. Starlight Private Infrastructure Pool invests up to 80% of its assets in a global portfolio of private infrastructure and infrastructure related investments and a minimum of 20% in global publicly listed infrastructure and infrastructure related securities. 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 Infrastructure 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 Infrastructure Pool was invested in three private investments with exposure to solar power, data centres, wireless networks/broadband, transportation, U.S. single family housing and a global portfolio of infrastructure securities. The Starlight Private Infrastructure Pool performance returns for Q4 2021 and 2021 were 3.97% and 23.28%, respectively. Performance was primarily driven by the private investment portfolio.

Q4 2021 HIGHLIGHTS

PORTFOLIO INVESTMENTS

As at December 31, 2021, the Trust had an investment of $9,441,381 (December 31, 2020 - $25,209,036 in the Initial Public Portfolio) in the two Public Portfolio LPs and $24,461,023 in four investments in the Private Portfolio (December 31, 2020 - $16,624,602 in three investments). The Public Portfolio LPs had 77 investments with an effective market value of $8,668,523 in publicly traded global real estate and infrastructure securities.

TRUST REORGANIZATION

On August 25, 2021, the Trust completed the reorganization of the Trust into a private investment trust as approved by Unitholders of the Trust at the special meeting held on July 28, 2021, and as further described in the Circular.

In connection with the Reorganization, on August 12, 2021, the Series A Units of the Trust were delisted from the NEO Exchange, and all of the issued and outstanding Series A Units of the Trust were automatically redesignated as Series C Units effective August 20, 2021. Holders of Series A Units received that number of Series C Units having a NAV equal to the NAV of a redesignated Series A Unit, being 0.954903 Series C Units per Series A Unit so redesignated. The Series C Units have been renamed "Series F Units" of the Trust.

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 Circular on www.sedar.com and www.starlightcapital.com.

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 December 31, 2021, the Trust declared eleven distributions of $0.0433 per Series A unit for a total distribution of $0.4760 per Series A Unit, seven distributions of $0.0433 per Series C Unit for a total distribution of $0.3031 per Series C Unit and five distribution of $0.0433 per Series F Unit for a total distribution of $0.2165 per Series F Unit and four distributions of $0.0433 per Series I Unit for a total distribution of $0.1730 per Series I Unit.

The Trust declared a year-end special distribution with a record date of December 24, 2021 and a payable date of December 29, 2021. Unitholders of record received "per-unit" distributions of $0.6184 per Series A Unit, $0.5735 per Series F Unit, 0.6247 per Series I unit.

Prior to the Reorganization, pursuant to the DRIP, eligible Unitholders were able to 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 NEO Exchange for the five trading days immediately preceding the applicable date of distribution. Subsequent to the Reorganization, Unitholders are able to elect to reinvest cash distributions into their respective series of Units at NAV.

The following table shows the amount of distributions declared, non-cash distributions under the DRIP and cash distributions paid by the Trust.

Period ended December 31, 2021	**Series A**	**Series B**	**Series C**	**Series F**	**Series I**	**Total**
Distributions declared	$304,980	–	$899,073	2,557,216	71	**$3,761,340**
Less: DRIP	(2,511)	–	–	(23)	(71)	**(2,605)**
Cash distributions paid	**$302,469**	**$–**	**$899,073**	**$2,557,193**	**$–**	**$3,758,735**

Year ended December 31, 2020	**Series A**	**Series B**	**Series C**	**Series F**	**Series I**	**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**

On January 14, 2022, Starlight Capital announced the 2022 Series A and Series F quarterly distributions to Unitholders of record for the Trust of $0.1362 per Unit and $0.1365 per Unit, respectively for a total distribution of $0.545 per Unit per annum and $0.546 per Unit per annum, respectively.

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.

On August 12, 2021, in connection with the Reorganization, the Series A Units of the Trust were delisted from the NEO Exchange and all of the issued and outstanding Series A Units of the Trust were automatically redesignated as Series C Units effective August 20, 2021. Holders of Series A Units received that number of Series C Units having a NAV equal to the NAV of a redesignated Series A Unit, being 0.954903 Series C Units per Series A Unit so redesignated. The Series C Units have been renamed "Series F Units" of the Trust.

REDEMPTION OF UNITS

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 second amended and restated declaration of trust (the "Prior 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 Prior 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.

Subsequent to the Reorganization, the annual redemption has been replaced with a quarterly redemption.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	As at December 31, 2021	**As at December 31, 2020**
Current assets	$37,341,842	$41,885,611
Current liabilities	93,159	307,282
Net assets attributable to holders of redeemable Units per series		
Series A	24,928	10,249,932
Series C	–	31,328,397
Series F	37,222,695	–
Series I	1,060	–
	$37,248,683	**$41,578,329**

ANALYSIS OF FINANCIAL PERFORMANCE

The Trust's financial performance and results of operations for the three months ended December 31, 2021 and 2020 are summarized below:

	Three months ended December 31, 2021	Three months ended December 31, 2020
Investment gain (loss)	$2,342,278	$1,713,435
Expenses	(173,839)	(129,453)
Net Investment income (loss)	2,168,439	1,583,982
Increase (decrease) in net assets attributable to holders of redeemable units	**$2,168,439**	**$1,583,982**

	Year ended December 31, 2021	Year ended December 31, 2020
Investment gain (loss)	$7,419,595	$1,956,216
Expenses	(894,390)	(676,502)
Net Investment income (loss)	6,525,205	1,279,714
Increase (decrease) in net assets attributable to holders of redeemable units	**$6,525,205**	**$1,279,714**

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 Q4 2021 were $128,658 (2020 - $105,232). See "Related Party Transactions and Arrangements – Arrangements with Starlight Capital".

ACCRUED EXPENSES

As at December 31, 2021, the Trust had $93,159 in accounts payable and accrued liabilities (December 31, 2020 - $133,059).

LIABILITIES

LEVERAGE

The Trust may obtain leverage of up to 50% of the NAV of the Public Portfolio LPs 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 December 31, 2021 and December 31, 2020, the Trust had no leverage.

UNITHOLDERS' EQUITY

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

	December 31, 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	2,239	880,493	1,024,336	10,215,121
Series C	–	–	2,996,305	31,376,601
Series F	3,334,455	38,557,247	–	–
Series I	95	1,071	–	–

The Trust has the following Series A, Series F and Series I Units outstanding as of March 2, 2022:

Series	Series A	Series F	Series I
Balance, beginning of period	2,239	3,334,455	95
Share redeemed	–	(14,800)	–
Units outstanding, end of period	**2,239**	**3,319,655**	**95**

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 LPs 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, 2022. 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 December 31, 2021	Three months ended December 31, 2020	Year ended December 31, 2021	Year ended December 31, 2020
Cash used in operating activities	$(6,223,503)	$502,556	$14,300,064	$2,437,784
Cash from financing activities	(7,064,749)	(527,866)	(12,587,742)	(2,663,154)
Increase (decrease) in cash	(13,288,252)	(25,311)	1,712,322	(225,370)
Cash at beginning of period	15,046,012	70,749	45,438	270,808
Cash at end of period	**$1,757,760**	**$45,438**	**$1,757,760**	**$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 December 31, 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 LPs, including making all decisions regarding the investment portfolio of the Public Portfolio LPs in accordance with the investment objectives, investment strategy and investment restrictions of the Trust, employing leverage, and providing administrative services to the Public Portfolio LPs. The Public Portfolio LPs are 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 2.25% for Series A and 1.25% for Series F 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. The management fee for series I Units is negotiated and paid directly by these unitholders and not by the Trust. 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. The management fees on Series A Units and Series F Units for the period ended December 31, 2021 amounted to $460,454 with $43,580 in outstanding accrued fees on the Units due to the Manager at December 31, 2021.

PERFORMANCE FEE

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 each of the Public Portfolio LPs units outstanding on the calculation date for such year, and 15% of (A) the amount by which the sum of:

i) the NAV of the Public Portfolio LPs unit at the end of such fiscal year (calculated before taking into account the Public Portfolio LPs 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 LPs 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 performance fee was paid divided by the weighted average number of units of such series outstanding during such fiscal years. 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) 108% (the "Hurdle Amount"). The effective performance fee payable as at December 31, 2021 was $65,915 (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 LPs reimburse the Investment Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Investment Manager in connection with the performance of the services described in the Investment Management Agreement, as well as certain specified expenses ancillary to the operations of the Investment Manager.

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

As at December 31, 2021, $43,580 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 $49,579 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 December 31, 2021 for the year ended December 31, 2021 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 COVID-19 has caused volatility in the global financial markets, resulting in significant disruptions to global business activity and a slowdown in the global economy. Such impacts could continue and have the potential to cause substantial market volatility, exchange trading suspensions and closures, which could 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 geopolitical turmoil has contributed to elevated volatility in global energy, commodity and currency markets and the effects could be substantial and long-lasting. This is in addition to continued market concerns around global monetary policy, the United Kingdom's withdrawal from the European Union, COVID-19 or other pandemics, and matters related to U.S. politics, all of which may adversely impact global equity markets. Global growth is widely forecast to slow and recent geopolitical and monetary policy announcements have added to this sentiment. 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.

RISKS RELATING TO THE PORTFOLIO ISSUERS

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

The value of the assets of the Trust will vary as the value of the securities in the investment portfolio changes. The Trust has no control over the factors that affect the value of the securities in the investment portfolio. Factors unique to each company included in the investment portfolio, such as changes in its management, strategic direction, achievement of goals, COVID-19 or other pandemics, mergers, acquisitions and divestitures, changes in distribution policies, changes in law and regulation and other events, may affect the value of the securities in the investment portfolio. A substantial drop in equities markets could have a negative effect on the Trust and could lead to a significant decline in the value of the investment portfolio and the value of the Units.

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

(a) operational risks related to specific business activities of the respective issuers;
(b) quality of underlying assets;
(c) financial performance of the respective issuers and their competitors;
(d) sector risk;
(e) COVID-19 or other pandemics;
(e) fluctuations in exchange rates;
(f) fluctuations in interest rates; and
(g) changes in government regulations.

RISKS RELATING TO THE VALUATION OF THE PORTFOLIO

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

VALUATION METHODOLOGIES INVOLVE SUBJECTIVE JUDGMENTS

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

The fair value measurement accounting guidance establishes a hierarchal disclosure framework that ranks the observability of market inputs used in measuring financing instruments at fair value. The observability of inputs depends on a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a high degree of market price observability and less judgment applied in determining fair value.

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

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

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

ILLIQUID SECURITIES AND PRIVATE SECURITIES

There is no assurance that an adequate market will exist for the securities held in the Portfolio, including the Private Portfolio. The Trust cannot predict whether the securities held by it will trade at a discount to, a premium to, or at their fair value, if applicable. If the market for a specific security is particularly illiquid, the Trust may be unable to dispose of such securities or may be unable to dispose of such securities at an acceptable price. Up to 80% of the Trust's total assets (at the time of investment) may be invested in the Private Portfolio. Over time, if the value of the Private Portfolio increases at a greater rate than the Public Portfolio, the Private Portfolio may comprise more than 80% of the Trust's total assets.

The Private Portfolio or other illiquid securities may be held in companies that are small in size and are therefore subject to greater risk based on economic and regulatory changes. There is generally little or no publicly available information about such businesses, and the Trust must rely on the diligence of the manager of the investment vehicle, investment managers, or its employees and consultants to obtain the information necessary for the decision to invest in them. There can be no assurance that such diligence efforts will uncover all material information about these privately held businesses. Investments in private companies may be riskier, more volatile and more vulnerable to economic, market and industry changes than investments in larger, more established publicly listed companies. The valuation of securities of private companies is not based upon a liquid market, and valuations of these securities may be substantially higher or lower than the valuation of the securities when and if they are subsequently sold. Therefore, the value of the Private Portfolio, and the Trust as a whole, may change substantially when investments in such private issuers are subsequently sold.

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

FOREIGN MARKET EXPOSURE

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

CURRENCY EXPOSURE RISK

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

CURRENCY HEDGING RISK

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

DEGREE OF LEVERAGE

The Trust's degree of leverage could have important consequences to Unitholders. For example, the degree of leverage could affect the Trust's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, development or other general fund purposes, making the Trust more vulnerable to a downturn in business or the economy in general. The Trust may obtain leverage of up to 50% of the NAV of the Public Portfolio LP by way of a margin facility. In addition, the Private Portfolio will obtain leverage of up to 75% of the fair market value of any direct real estate held in the Private Portfolio either directly or indirectly through an investment vehicle. In addition, the Private Portfolio will obtain leverage of up to 90% of the fair market value of any direct infrastructure held in the Private Portfolio either directly or indirectly through an investment vehicle. The Trust and the Public Portfolio LP do not currently have any leverage.

INDUSTRY CONCENTRATION RISK

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

INFRASTRUCTURE RISK

As the Trust invests in infrastructure entities, projects and assets, the Trust may be sensitive to adverse economic, regulatory, political or other developments. Infrastructure entities may be subject to a variety of events that adversely affect their business or operations, including service interruption due to environmental damage, operational issues, 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 remain 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 remain 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.

RISK FACTORS RELATING TO CANADIAN TAX

It is anticipated that the Trust will qualify at all times as a "mutual fund trust" within the meaning of the Tax Act. If the Trust fails or ceases to qualify as a mutual fund trust under the Tax Act, the income tax consequences of acquiring, holding or disposing of Units would be materially and adversely affected in certain respects. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency ("CRA") respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects the Trust or Unitholders.

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

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

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

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

In certain circumstances, the interest on money borrowed to invest in a trust or other entity that may be deducted may be reduced on a pro rata basis in respect of distributions from the trust or other entity that are a return of capital and which are not reinvested for an income earning purpose. While the ability to deduct interest depends on the facts, it is possible that part of the interest payable by the Trust or the Public Portfolio LP in connection with money borrowed to acquire certain securities held in the Portfolio could be non-deductible where such distributions have been made to the Trust or the Public Portfolio LP, as the case may be, increasing the net income of the Trust for tax purposes and the taxable component of distributions to Unitholders.

The Trust intends to invest in foreign securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital ("Tax Treaties") to impose tax on dividends and interest paid or credited to persons who are not resident in such countries. While the Trust intends to make its investments in such a manner as to mitigate the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in selected foreign securities may subject the Trust to foreign taxes on dividends and interest paid or credited to the Trust or any gains realized on the disposition of such securities. Any foreign taxes incurred by the Trust will generally reduce the value of the Trust and amounts payable to Unitholders. To the extent that such foreign tax paid by the Trust exceeds 15% of the amount included in the Trust's income from such investments, such excess may generally be deducted by the Trust in computing its net income for the purposes of the Tax Act. In addition, the Trust may designate in respect of a Unitholder a portion of its foreign source income that can reasonably be considered to be part of the Trust's income distributed to such Unitholder and the corresponding portion of any foreign "business income tax" and "non-business income tax" (each as defined in the Tax Act) considered to have been paid by the Trust in respect of such income will be deemed to be foreign source income and foreign taxes paid by the Unitholder for purposes of the foreign tax credit rules in the Tax Act. However, although the foreign tax credit provisions in the Tax Act are designed to avoid double taxation, the availability of a foreign tax credit may be limited to the extent that a Unitholder does not have sufficient taxes payable under Part I of the Tax Act, or sufficient income from sources in the relevant foreign country (taking into account other income or losses from sources in that country) and is otherwise subject to the detailed rules in the Tax Act. Because of this, and because of timing differences in recognition of expenses and income and other factors, there is a risk of double taxation.

A Unitholder that is a registered plan will not be entitled to a foreign tax credit under the Tax Act in respect of any foreign tax paid by the Fund and designated in respect of the plan trust. As a result, the after-tax return from an investment in Units to a Unitholder that is a registered plan trust may be adversely affected.

Pursuant to rules in the Tax Act, if the Trust experiences a "loss restriction event" (i) it will be deemed to have a year-end for tax purposes (which could result in an unscheduled distribution of the Trust's net income and net realized capital gains at such time to

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

REGULATION

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

SIGNIFICANT OWNERSHIP BY STARLIGHT CAPITAL

As of the date hereof, Daniel Drimmer and his affiliates hold an approximate 15.5% interest in the Trust through ownership of Series F 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.

DEPENDENCE ON STARLIGHT CAPITAL

The Trust is dependent upon Starlight Capital for operational and administrative services relating to the Trust's business. Should Starlight Capital terminate the Management Agreement and/or the Investment Management Agreement, the Trust will be required to engage the services of an external investment asset manager. The Trust may be unable to engage an investment asset manager on acceptable terms, in which case the Trust's operations may be adversely affected. Further there is no certainty that the employees of the Investment Manager who will be primarily responsible for the management of the Public Portfolio will continue to be employees of the Investment Manager.

RELIANCE ON KEY PERSONNEL

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

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 financial statements for external purposes in accordance with IFRS.

Because of the inherent limitations in all control systems, including well-designed and operated systems, no control system can provide complete assurance that 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 the possibility that management's assumptions and judgments may ultimately prove to be incorrect under varying conditions and circumstances and the impact of isolated errors.

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.

CYBER-SECURITY RISK

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the Trust's information resources. More specifically, a cyber-incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. The Trust's primary risks that could directly result from the occurrence of a cyber-incident include operational interruption, including interruptions to its ability to manage the investment portfolio, and damage to its reputation. Starlight Capital has implemented processes, procedures and controls to oversee its third parties to help mitigate these risks, which include firewalls and antivirus programs on its networks, servers and computers, but these measures, as well as its increased awareness of a risk of a cyber-incident, do not guarantee that the Trust's financial results will not be negatively impacted by such an incident. The Investment Manager has secured cyber insurance coverage, however, there can be no guarantee that such coverage will respond or be sufficient to all threats incurred by the Trust.

FLUCTUATIONS IN NAV AND NAV FOR EACH SERIES OF UNIT

The NAV and series NAV for each series of Unit of the Trust will vary according to, among other things, the value of the investments held by the Trust. The Manager, the Investment Manager and the Trust have no control over the factors that affect the value of the investments held by the Trust, including factors that affect the equity and debt markets generally, such as general economic and political conditions, COVID-19 or other pandemics, fluctuations in interest rates and factors unique to each issuer included in the investment portfolio, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

RISKS RELATED TO THE UNITS

RETURN ON INVESTMENT IS NOT GUARANTEED

There can be no assurance regarding the amount of income to be generated by the Trust's investments. The Units are equity securities of the Trust and are not fixed income securities. Unlike fixed-income securities, there is no obligation of the Trust to distribute to Unitholders a fixed amount or to return the initial purchase price of a Unit on a date in the future.

Financial markets have, in recent years, experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the Trust's investment securities may decline even if the investment securities financial performance, underlying asset values, or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary. There can be no assurance that continuing fluctuations in price and volume will not occur.

DILUTION OF UNITS

The number of Units the Trust is authorized to issue is unlimited. The Trust may, in its sole discretion, issue additional Units from time to time subject to the DOT and where applicable rules of any applicable stock exchange on which the Units are then listed. The issuance of any additional Units may have a dilutive effect on the interests of Unitholders.

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 December 31, 2021, no material estimates were used in determining the recorded amount for assets and liabilities in the annual audited financial statements.

SIGNFICANT ACCOUNT POLICIES

There were no changes to the Trust's accounting policies in 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 twelve months ended December 31, 2021.

UPDATE ON THE IMPACT OF COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak was a 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 December 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 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 Q4 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, equity markets and the Public Portfolio have experienced elevated volatility as equity investors 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.

The Initial Public Portfolio LP and Public Portfolio LPs have also experienced similar volatility to that of the equity markets. Liquidity of the Public Portfolio LPs has remained high and has not been materially impacted by COVID-19. As a result, trading volumes in the Public Portfolio LPs have increased 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.

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 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. While the world economy continues to be in recovery, the regional contributions to the overall recovery are somewhat more mixed in response to differences in policy settings, the evolution of COVID-19 variants, and the speed and success of the vaccination programs. 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. Many countries/regions had begun to ease restrictions, but the prevalence 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.