



## **Starlight North American Equity Fund**

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Interim Management Report of Fund Performance

For the six-month period ended September 30, 2023

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This interim management report of fund performance contains financial highlights but does not contain the complete interim or annual financial statements of the investment fund. You can receive a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-833-290-2606, by writing to us at Starlight Capital, 1400 - 3280 Bloor Street West, Centre Tower, Toronto, ON M8X 2X3, by e-mailing info@starlightcapital.com or by visiting our website at www.starlightcapital.com or SEDAR+ at www.sedarplus.com.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, quarterly portfolio disclosure, or the Independent Review Committee's Report to unitholders.

## **Management Discussion of Fund Performance**

November 28, 2023

This management discussion of Starlight North American Equity Fund (the "Fund") performance presents the views of the portfolio management team at Starlight Investments Capital LP ("Starlight Capital" or the "Manager"). On July 7, 2022, Starlight Investment Capital LP ("Starlight Capital") through a wholly owned subsidiary, acquired all issued and outstanding common shares of Stone Asset Management's parent company, Stone Investment Group Limited. On June 21, 2023, Starlight Capital was assigned management and portfolio management duties of the Fund.

The following management discussion is about the significant factors and developments affecting the Fund's performance for the period from April 1, 2023 to September 30, 2023 (the "period"). In this report, "we", "us" and "our" refer to the Manager and Transactional Net Asset Value ("NAV") is calculated in accordance with National Instrument 81-106 – Investment Fund Continuous Disclosure.

Please read the caution regarding forward-looking information located at the end of the document.

## **Investment Objective and Strategies**

The investment objective of the Fund is to provide investors exposure to North American equity securities seeking long-term capital appreciation.

The Fund will invest primarily in North American equities. It is anticipated that the Fund will invest approximately 50% of the portfolio in Canadian securities and 50% in U.S. securities with a collar of  $\pm 20\%$ . It will also have the flexibility to increase or decrease geographic exposure from time to time depending on market conditions.

## **Risk**

A detailed description of the overall risks of investing in the Fund is included in the Fund's most recently filed simplified prospectus. The Manager is not aware of any changes during the period to the risks outlined in the simplified prospectus which would materially affect the overall risk of investing in the Fund as discussed below.

The Fund is most suitable for those investors seeking capital growth and dividends, with a mid-term to long-term investment time horizon. Investors should not be concerned with short-term price fluctuations and should be willing to accept a low to medium degree of risk.

## **RESULTS OF OPERATIONS**

### **Macroeconomic Update**

During the period, Canadian equity (TSX) total returns were -4.0%, underperforming global equities (MSCI World Index (CAD)) with total returns of 11.7% and underperforming U.S. equities (S&P 500 Index (CAD)) with total returns of 13.2%.

In the interim period Canadian market and U.S. market increases resulted in increases in the Fund's investments and the Fund's NAV.

Financial conditions globally have tightened significantly with prolonged and aggressive policy rate hikes and rising long term bond yields. After a decade plus of "lower for longer", investors are preparing for an extended period of "higher for longer" interest rates, as inflation remains above target levels.

Global growth is slowing as rising rates have increased the cost of borrowing and elevated inflation has eroded consumer purchasing power. Wage inflation remains strong with recent settlements in the auto and film industry boosting wages materially and forcing some companies to reduce earnings guidance and capital expenditures. We expect the combination of wage and commodity inflation, rising borrowing costs and supply chain challenges to put pressure on corporate margins and earnings. Economic output will continue to expand; however, the rate of this growth will mean reverting back to the long-term average.

## **Market Overview and Impact on the Fund**

### **General Market Commentary**

Markets continue to be challenged this year after a disastrous 2022 year. There was no shortage of bad news this year from stubborn inflation, aggressive interest rate increases, China slowdown, supply chain challenges, continued Russia-Ukraine war and slowing corporate profits. It has been a challenging year for markets as higher interest rates continue to pose a threat to the valuations of equities.

The month of September proved to be a challenging month for investors as volatility spiked and equity and bond prices dropped.

One of the reasons for the spike in volatility is that stubborn inflation has caused central banks to raise interest rates with fear that the rates will stay higher for longer. These higher rates have caused its first line of casualties in the U.S. regional banking system earlier in the year. Bond yields have spiked to multi-decade highs causing fixed income instruments to drop in value. U.S. 10-year treasuries have climbed above 4.50%, the highest level since 2007.

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Central bankers continue to battle stubbornly high inflation. Core prices of inflation continue to be elevated (CPI at 4.1% in Canada and 4.3% in the U.S.) as oil prices spiked above \$90/barrel. Inflation is not going quietly into the night. This lines up the Federal Reserve, Bank of Canada, and other central banks to continue with higher rates. The disastrous banking sector developments had temporarily put future interest rate increases on hold, but the continued higher inflation data put them back on track to raising rates.

The forecasted hard landing in the economy has not happened as the consumer continues to spend. The U.S. consumer spending figure came in at +0.8% in July, the highest level in 6 months. It may just be a lagged effect that the higher interest rates will eventually crimp consumer spending.

The labor market continues to be another key pillar of economic strength but may be finally showing some signs of softening. The U.S. unemployment rate has jumped from 3.5% to 3.8% in August as the number of people seeking employment increased more than payrolls.

Cash levels remained elevated at period-end due to market volatility and weakening macroeconomic conditions.

## Performance

The Fund's Series F total returns were +3.1% for the period compared to the +3.1% benchmark return (measured as 50% of the Morningstar Canada index and 50% Morningstar US Large Cap index).

The Manager maintained a bias towards U.S. markets with an increased portfolio weight in U.S. equities. We continue to hold a significant overweight in Health Care and Technology. We are underweight in Financials, Energy, and Basic Materials relative to its benchmark.

The Information technology sector performed in line with most other sectors generating positive returns over the period. The Fund's higher weighting (average for the period:19.2%) to the sector (compared to the 17.34% benchmark weight) allowed us to capture some of the upside from the sector during this timeframe.

Health Care average weighting in the Fund continues to be high at 19.5% (vs. the benchmark 7.0%) during the period. The best performing Fund holdings in the sector were Steris PLC +15.1%, Intuitive Surgical Inc. +14.3% and Amgen Inc. +13.0% while the laggards were HCA Healthcare Inc. -6.4%.

The Fund's Industrial sector helped our performance during the period with gains in Hubbell Inc. (+29.6%) and CAE Inc. (+14.3). Detractors were Sensata Technology Holdings PLC with a drop of 24.0% and GFL Environment Inc. down 14.2%.

In Utilities, we exited AES Corp in April. For the 6-month period, the holding period return was 4.5% while the stock plummeted by 36% over the same period. We now have zero exposure to Utilities.

The Fund's Financial sector holdings did well as we avoided exposure to U.S. regional banks and had more exposure to the non-bank financials. The best performer was KKR & Co. Inc. up 17.9% followed by Berkshire Hathaway Inc. up 13.3% and Mastercard Inc. up 9.2% while slightly offset by underperforming Trisura Group Ltd. (-6.0%) which was added during the period.

Our energy holdings were limited to large cap fully integrated oil & gas companies such as EOG Resources Inc. and Exxon Mobil Corp. Exxon Mobil Corp. returned 8.9% and EOG Resources Inc. was up 12% during the period.

The Fund continues to have a bias toward large-capitalization companies in the U.S. with strong catalysts for growth.

## Portfolio Outlook

At September 30, 2023, the Fund held 49 positions. As the global economy experiences inflationary pressure and a weakening growth outlook, the Manager has broadened the exposure of the Fund to include more economically resilient assets. The Manager has focused on sectors with the greater capacity to pass through rising input costs to customers.

Within our growth mandates, we eliminated companies that we believe will have a hard time growing in this challenged environment. All the portfolios have been structured as more defensive compared to their benchmark index.

We use our proprietary investment process daily and in volatile market conditions, we seek to manage downside risk and adjust the portfolios accordingly while seeking to achieve our long-term investment goals for our clients.

The portfolio's weighting in select global sectors has been adjusted to reflect the reality of global equity markets after COVID-19.

The Technology sector continues to be a key sector for the Fund. The drive to automation, cloud computing and artificial intelligence continues to warrant a large weighting in the Technology sector. The proliferation of data and our need to access it from anywhere has resulted in strong growth for the tech sector. Technology companies have largely benefited from the structural shift to hybrid office work, as traditional in-person interactions have been replaced with digital interactions. In the last two years, more data has been generated than in the entirety of human history before that and the trend continues to accelerate. The increased demand for digital storage capacity, access and communication has driven utilization rates higher and pulled corporate expansion plans forward, driving strong performance of technology companies.

Health Care is also a big theme for the Fund. Long-term secular themes of aging populations and U.S. health care system reforms merit continued exposure to the Health Care sector, including health care providers and prescription drug manufacturers. The Fund continued to hold no positions in the cannabis sub-sector of Health Care.

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The industrial weighting is positioned defensively while also capitalizing on the post-COVID resumption of travel. While rail and cargo logistics have experienced near-term headwinds due to a weakening growth outlook, we continue to be optimistic about their long-term outlooks as consumers have adopted e-commerce at a faster pace. The industrial weighting remains overweight to more resilient industrial subsectors such as waste collection, aerospace & defense, and electrical components and equipment.

The energy weighting of the portfolio continues to be low. The Fund has its energy exposure in the more stable fully integrated oil majors rather than the volatile exploration and production companies. Although valuations have adjusted to account for the weakened near-term growth outlook, the uncertainty associated with the shifting energy production mix has caused the Manager to remain cautious on the sector. With recent permitting of new pipelines adding to capacity and increased investment in renewable power generation, the Manager is cautious about the possibility that transport capacity more than demand for hydrocarbons will erode pricing power in the medium-term. Within the energy complex, our focus remains on large, integrated energy companies which help limit exposure to volatile commodity prices.

The allocation to the consumer sector is more on the stable side with companies that have strong brand names and can pass on cost increases to the end consumer. These companies produce essential products that consumers need, regardless of economic conditions. Therefore, these companies tend to be more resilient and less volatile compared to stocks in other sectors.

Overall, the Manager believes the Fund is well protected from near-term economic uncertainty while built-in optionality provides an opportunity to participate in an economic recovery. The Manager will closely monitor the investment environment and actively manage the Fund's positioning.

### Fund Overview

The Fund's NAV increased from \$30.3 million at March 31, 2023 to \$31.1 million at September 30, 2023. The change in NAV was mainly from an increase from operations of \$766 thousand and net subscriptions of \$74 thousand, which was partially offset by net distribution of \$83 thousand. Net investment expenses were \$510 thousand (during the period ended June 30, 2022: \$559 thousand) during the period, primarily from management fees and securityholder reporting fees.

The Fund's distributions are detailed in the table below.

	Total distributions during the period	Number of monthly distributions	Monthly distribution rate per unit 2023	Annualized Cash-on-cash distribution yield*
<b>Series T8</b>	0.21	6	0.0350	7.87%

\* Based on September 30, 2023 respective NAVs

### Recent Developments

On June 16, 2023, the Manager re-designated Series T8C securities as Series T8A securities and Series B and Series L securities as Series A securities.

On June 21, 2023, the manager and trustee of the Fund was changed to Starlight Capital. The Fund's name was also changed to Starlight North American Equity Fund, Series O units were renamed Series I units and Series T8A units were renamed Series T8 units.

On June 28, 2023, the PTF series ticker symbol was changed from "SAMGF" to "SCNAE".

### RELATED PARTY TRANSACTIONS

The following arrangements listed below are considered to be related party transactions:

#### Management Services

The Manager is responsible for the day-to-day operations of the Fund, including providing or arranging for the provision of investment advice, making brokerage arrangements for the purchase and sale of the investment portfolio, marketing, promotion and distribution of the Fund, and other administrative services, and in return, the Fund pays the Manager management fees. Management fees of \$343 thousand were incurred by the Fund during the period (\$392 thousand during the period ended June 30, 2022). The amount owing but unpaid to the Manager as of September 30, 2023, was \$48 thousand (March 31, 2023 - \$49 thousand). See *Management Fees* for details.

#### Management Fees

The management fee is calculated based on a percentage of the net asset values of each series of the Fund (other than Series I) at the end of each business day and are subjected to application taxes including HST, GST and QST. Management fees are accrued daily and paid monthly.

#### Series I

Series I units are generally only available to eligible investors who make large investments in the Fund. The Fund does not pay management fees on its Series I units. Series I investors negotiate their own management fee that is paid directly to the Manager.

Series	A	F	I	PTF	R	R2	T8
<b>Annual Fee (%)</b>	<b>2.00</b>	<b>0.95</b>	<b>-</b>	<b>0.65</b>	<b>2.50</b>	<b>2.50</b>	<b>2.00</b>

The following table lists the major services received by the Fund, as a percentage of the Management Fee:

Series	A	F	I	PTF	R	R2	T8
Dealer							
Compensation (%)	50	-	-	-	20	20	50
Investment and Fund Management (%)	50	100	-	100	80	80	50
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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**Operating Fees**

The Fund pays operating fees (the “Operating Fees”) to the Manager for the day-to-day operational services. The Operating Fees include but are not limited to legal and audit fees, transfer agency costs, custodian costs, filing fees, administrative and overhead costs charged by the manager, and the Independent Review Committee of the Fund.

Operating Fees incurred by the Fund are allocated among the series on a reasonable basis as determined by the Manager.

At its sole discretion, the Manager may waive management fees or absorb expenses of the Fund. The management expense ratios of each of the series of units of the Fund with and without the waivers and absorptions are reported in the Ratios and Supplemental Data table.

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## Financial Highlights

The following tables present selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six periods indicated, as applicable. The information on the following tables is not expected to add across due to the increase (decrease) in net assets from operations being based on average units outstanding during the period and all other numbers being based on actual units outstanding at the relevant point in time.

### The Fund's Net Assets Per Security (\$) <sup>1, 2, 4</sup>

As at	Increase (decrease) from operations: (All figures in \$)					Distributions:					Net assets, end of period <sup>2</sup>	
	Net assets, beginning of period <sup>2</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>2</sup>	Net investment income (excluding dividends)	Dividends	Capital gains	Return of capital		Total distributions <sup>3</sup>
<b>Series A<sup>5</sup></b>												
Commencement of operations November 1, 1995												
Sep 2023	19.97	0.17	(0.32)	0.50	0.08	0.43	—	—	—	—	—	20.47
Mar 2023	20.99	0.36	(0.77)	3.64	(4.23)	(1.00)	—	—	—	—	—	19.97
Dec 2021	17.29	0.17	(0.59)	0.62	3.50	3.70	—	—	—	—	—	20.99
Dec 2020	14.44	0.14	(0.55)	1.50	1.69	2.78	—	—	—	—	—	17.29
Dec 2019	12.38	0.13	(0.43)	0.97	1.30	1.97	—	—	—	—	—	14.44
Dec 2018	11.56	0.12	(0.46)	1.85	(0.60)	0.91	—	—	—	—	—	12.38
<b>Series F<sup>5</sup></b>												
Commencement of operations August 1, 2003												
Sep 2023	25.88	0.23	(0.27)	0.56	0.64	1.16	—	—	—	—	—	26.68
Mar 2023	26.84	0.38	(0.65)	3.89	(4.27)	(0.65)	—	—	—	—	—	25.88
Dec 2021	21.87	0.22	(0.49)	0.79	4.46	4.98	—	—	—	—	—	26.84
Dec 2020	18.08	0.18	(0.49)	1.80	2.41	3.90	—	—	—	—	—	21.87
Dec 2019	15.34	0.16	(0.36)	1.47	1.46	2.73	—	—	—	—	—	18.08
Dec 2018	14.19	0.15	(0.41)	2.29	(0.96)	1.07	—	—	—	—	—	15.34
<b>Series J<sup>5,6,10</sup></b>												
Commencement of operations August 1, 2019												
Sep 2023	11.65	0.11	(0.01)	0.47	(1.29)	(0.72)	—	—	—	—	—	12.12
Mar 2023	11.79	0.17	(0.03)	1.70	(1.87)	(0.03)	—	—	—	—	—	11.65
Dec 2021	10.00	0.07	(0.01)	0.28	1.23	1.57	—	—	—	—	—	11.79
Dec 2020	10.00	—	—	—	—	—	—	—	—	—	—	10.00
Dec 2019	10.00	—	—	—	—	—	—	—	—	—	—	10.00
<b>Series PTF<sup>5,8</sup></b>												
Commencement of operations March 22, 2021												
Sep 2023	11.69	0.10	(0.09)	0.29	0.13	0.43	—	—	—	—	—	12.09
Mar 2023	12.04	0.17	(0.23)	1.77	(1.86)	(0.15)	—	—	—	—	—	11.69
Dec 2021	10.00	0.09	(0.15)	0.39	1.90	2.23	—	—	—	—	—	12.04
<b>Series R<sup>5,7</sup></b>												
Commencement of operations July 30, 2020												
Sep 2023	12.11	0.10	(0.23)	0.30	0.11	0.28	—	—	—	—	—	12.38
Mar 2023	12.83	0.16	(0.55)	1.61	(2.40)	(1.18)	—	—	—	—	—	12.11
Dec 2021	10.63	0.10	(0.43)	0.36	2.14	2.17	—	—	—	—	—	12.83
Dec 2020	10.00	0.02	(0.08)	(0.01)	0.68	0.61	—	—	—	—	—	10.63
<b>Series R2<sup>5,9</sup></b>												
Commencement of operations July 4, 2022												
Sep 2023	12.16	0.11	(0.20)	0.29	0.11	0.31	—	—	—	—	—	12.46
Mar 2023	10.00	0.17	(0.29)	1.78	(0.09)	1.57	—	—	—	—	—	12.16
<b>Series T8<sup>7,10</sup></b>												
Commencement of operations September 1, 2007												
Sep 2023	5.41	0.05	(0.08)	0.11	0.09	0.17	(0.21)	—	—	—	(0.21)	5.34
Mar 2023	6.32	0.11	(0.22)	1.13	(1.04)	(0.02)	—	—	—	(0.61)	(0.61)	5.41
Dec 2021	5.61	0.05	(0.18)	0.19	1.08	1.14	—	—	—	(0.45)	(0.45)	6.32
Dec 2020	5.06	0.05	(0.18)	0.52	0.51	0.90	—	—	—	(0.40)	(0.40)	5.61
Dec 2019	4.68	0.05	(0.15)	0.28	0.63	0.81	—	—	—	(0.37)	(0.37)	5.06
Dec 2018	4.70	0.05	(0.18)	0.72	(0.17)	0.42	—	—	—	(0.38)	(0.38)	4.68

### Explanatory Notes:

<sup>1</sup> This information is derived from the Fund's interim and annual audited annual financial statements.

<sup>2</sup> Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/(decrease) from operations is based on the weighted average number of securities outstanding over the financial period. It is not intended that the Fund's net asset per security table act as a continuity of opening and closing net assets per security.

<sup>3</sup> Distributions were paid in cash and/or reinvested in additional securities of the Fund. The distribution per unit do not include the management fee distributions.

<sup>4</sup> This schedule is not a reconciliation of NAV since it does not reflect unitholder transactions as shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities and accordingly columns may not add.

<sup>5</sup> The information shown in this column is for the period ended September 30, 2023, the years ended March 31, 2023 and December 31, 2022, 2021, 2020, 2019 and 2018.

<sup>6</sup> The information shown in this column is for the period beginning August 1, 2019 (the series inception date) to December 31, 2019.

<sup>7</sup> The information shown in this column is for the period beginning July 30, 2020 (the series inception date) to December 31, 2020.

<sup>8</sup> The information shown in this column is for the period beginning March 22, 2021 (the series inception date) to December 31, 2021.

<sup>9</sup> The information shown in this column is for the period beginning July 4, 2022 (the series inception date) to December 31, 2022.

<sup>10</sup> On June 21, 2023, Series O units were renamed Series I units and Series T8A units were renamed Series T8 units.

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**Financial Highlights – (continued)**  
**Ratios And Supplemental Data<sup>1</sup>**

As at	Total net asset value (\$000's) <sup>1</sup>	Number of securities outstanding <sup>1</sup>	Management expense ratio ("MER") (%) <sup>2</sup>	MER before waivers or absorptions (%) <sup>2</sup>	Trading expense ratio (%) <sup>3</sup>	Portfolio turnover rate (%) <sup>4</sup>	Net asset value per security (\$)
<b>Series A</b>							
Commencement of operations November 1, 1995							
Sep 2023	8,292	405,244	2.60	2.94	0.02	6.20	20.47
Mar 2023	7,535	377,354	3.07	3.06	0.05	27	19.97
Dec 2021	6,681	318,275	3.12	3.12	0.01	3	20.99
Dec 2020	5,800	335,403	3.67	3.67	0.04	22	17.29
Dec 2019	5,733	397,104	3.35	3.35	0.05	33	14.44
Dec 2018	3,792	306,386	3.75	3.77	0.08	19	12.38
<b>Series F</b>							
Commencement of operations August 1, 2003							
Sep 2023	3,515	131,814	1.51	1.85	0.02	6.20	26.68
Mar 2023	3,619	139,825	2.00	1.99	0.05	27	25.88
Dec 2021	3,593	133,873	2.04	2.04	0.01	3	26.84
Dec 2020	2,815	128,727	2.61	2.61	0.04	22	21.87
Dec 2019	2,136	118,197	2.35	2.35	0.05	33	18.08
Dec 2018	1,550	101,052	2.77	2.79	0.08	19	15.34
<b>Series I</b>							
Commencement of operations August 1, 2019							
Sep 2023	1,502	123,968	0.00	0.00	0.02	6.20	12.12
Mar 2023	40	3,440	–	–	0.05	27	11.65
Dec 2021	36	3,021	–	–	0.01	3	11.79
Dec 2020	–	1	–	–	–	–	10.00
Dec 2019	–	1	–	–	–	–	10.00
<b>Series PTF</b>							
Commencement of operations March 22, 2021							
Sep 2023	507	41,995	0.97	1.30	0.02	6.20	12.09
Mar 2023	537	45,969	1.50	1.48	0.05	27	11.69
Dec 2021	411	34,175	1.69	1.69	0.01	3	12.04
<b>Series R</b>							
Commencement of operations July 30, 2020							
Sep 2023	13,381	1,082,073	3.22	3.55	0.02	6.20	12.38
Mar 2023	14,168	1,170,407	3.69	3.67	0.05	27	12.11
Dec 2021	20,925	1,631,578	3.74	3.74	0.01	3	12.83
Dec 2020	21,730	2,044,267	3.70	3.70	0.04	22	10.63
<b>Series R2</b>							
Commencement of operations July 4, 2022							
Sep 2023	2,243	180,124	2.68	3.02	0.02	6.20	12.46
Mar 2023	2,313	190,238	1.88	1.86	0.05	27	12.16
<b>Series T8</b>							
Commencement of operations September 1, 2007							
Sep 2023	1,632	305,680	2.54	2.88	0.02	6.20	5.34
Mar 2023	2,073	383,065	3.03	3.01	0.05	27	5.41
Dec 2021	1,286	203,491	3.08	3.08	0.01	3	6.32
Dec 2020	1,257	224,015	3.62	3.62	0.04	22	5.61
Dec 2019	1,501	296,475	3.30	3.30	0.05	33	5.06
Dec 2018	1,667	356,524	3.70	3.72	0.08	19	4.68
Dec 2018	1,821	411,904	4.18	4.20	0.08	19	4.42

<sup>1</sup> This information is provided as at each period shown as, applicable.

<sup>2</sup> The management expense ratio ("MER") for each series is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period. The Manager may reduce the effective management fee it charges the Fund by directing the Fund to make management fee distributions to the applicable unitholders in amounts equal to the amounts of the management fee reduction (see Series Information). The MER does not take into account the reduction in management fees due to management fee distributions to unitholders.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>4</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

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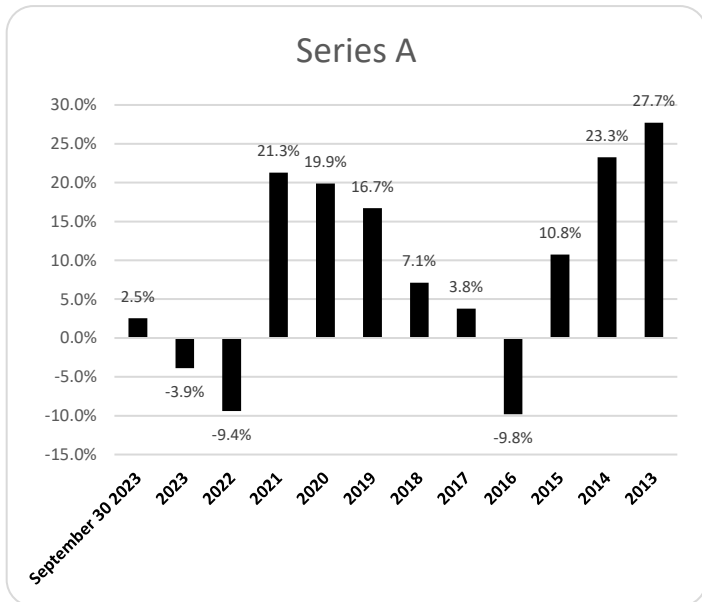
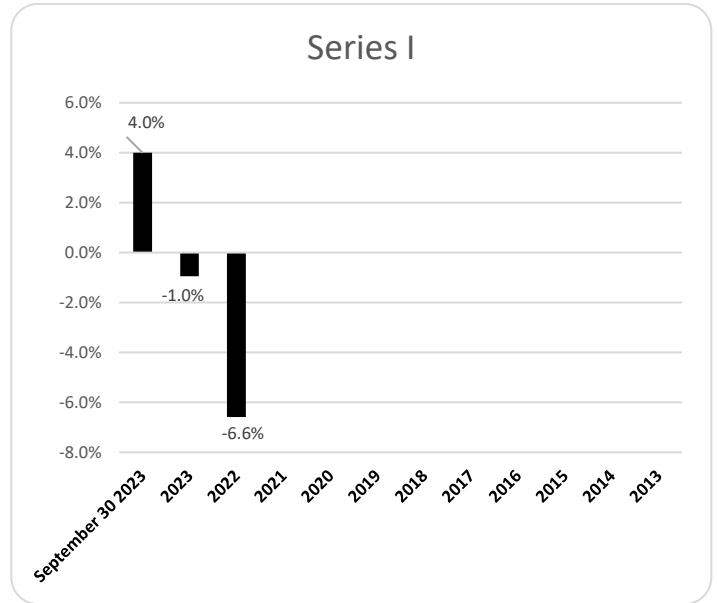
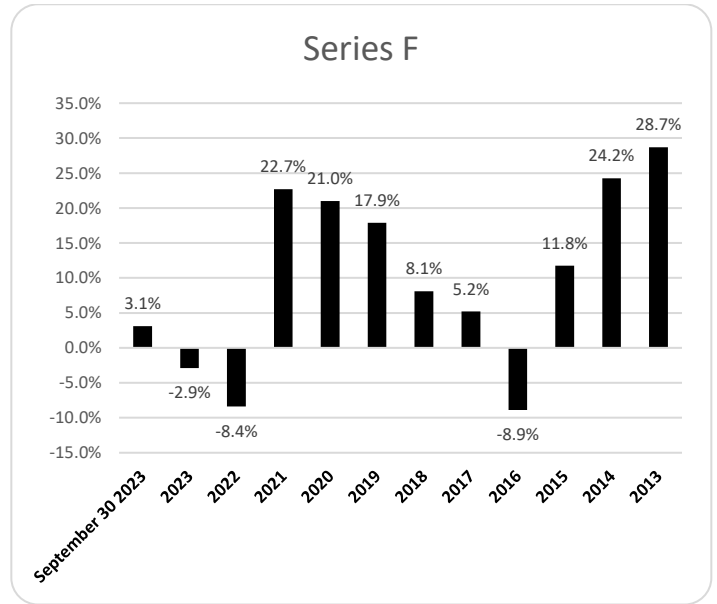
**Past Performance**

Returns are calculated using the NAV per unit and assume that all distributions made by the Fund in the periods shown, if any, are reinvested in additional units of the same series of the Fund. Returns do not take into account sales, redemption, distribution or optional charges, or income taxes payable by an investor, which would have reduced returns for an individual investor. Past performance may not be indicative of future returns.

Returns for each series may differ primarily due to differences in management fees, Operating Fees and expenses allocated to each series. Management fee distributions, if any, are assumed to be reinvested in additional units of the Fund. See Series Information for the management fees and see Financial Highlights for the MER for each series of the Fund. The returns of Series I securities do not take into account the management fee that is paid directly to the Manager.

**Year-by-year returns**

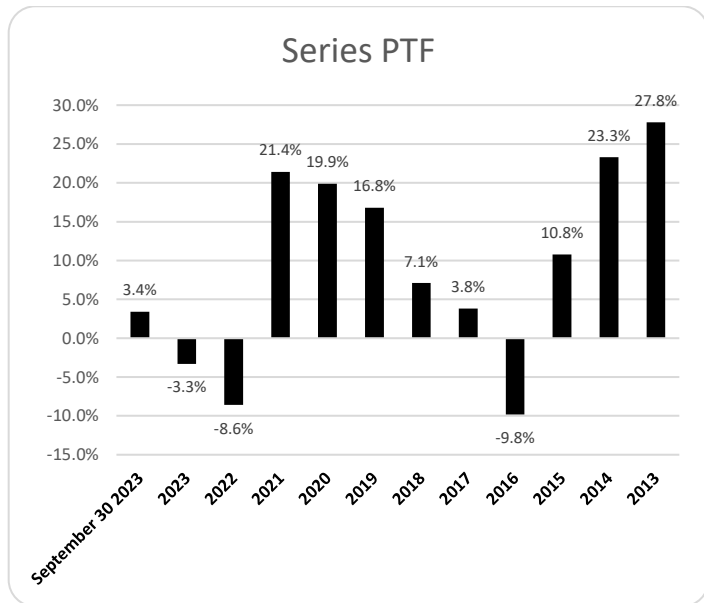
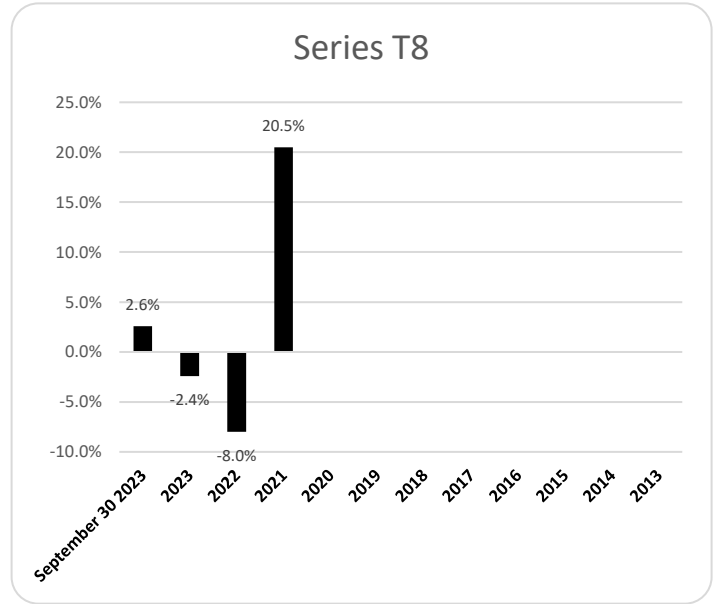
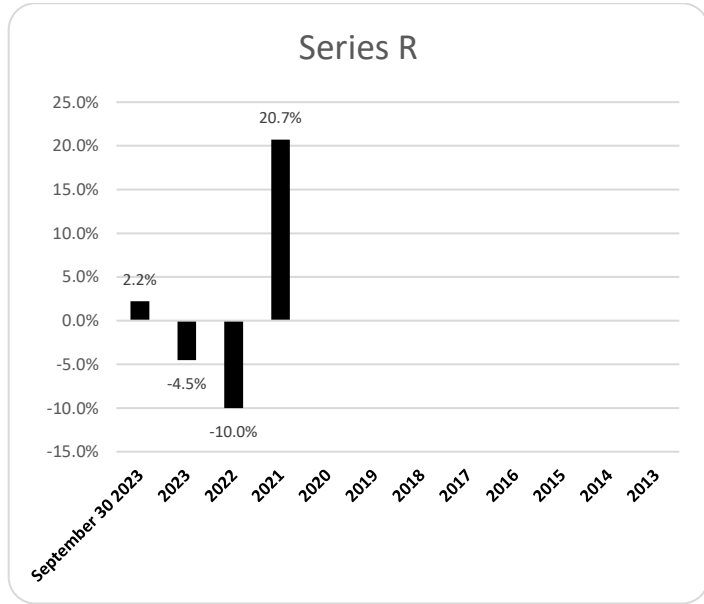
The following charts present the Fund's interim and annual performance for each of the periods shown and illustrate how the Fund's performance has changed from period to period. The charts show, in percentage terms, how much an investment held on the first day of each fiscal period, or the series inception date, as applicable, would have increased or decreased by the last day of each fiscal period presented, and assumes reinvestment of distributions, if any, at NAV on the day the distributions were paid. See Series Information for the inception date of each series. Returns are not disclosed for series of the Fund that have been in existence for less than one year.





**Starlight North American Equity Fund**  
 Interim Management Report of Fund Performance  
 For the six-month period ended September 30, 2023

**Past Performance**  
 Year-by-year returns (continued)



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## Summary of Investment Portfolio

As at September 30, 2023

### Portfolio Breakdown

Sector	% of NAV
Health Care	19.5
Information Technology	19.2
Industrials	10.8
Funds	10.5
Financials	10.2
Consumer Discretionary	5.8
Communication Services	4.5
Consumer Staples	3.3
Energy	2.4
Materials	2.1
Private Placements	0.6
Cash & Cash Equivalents	11.4
Other Assets (Liabilities)	-0.3
<b>Total</b>	<b>100.0</b>

Regional	% of NAV
Canada	25.6
United States of America	63.3
Cash & Cash Equivalents	11.4
Other Assets (Liabilities)	-0.3
<b>Total</b>	<b>100.0</b>

Net Currency Exposure	% of NAV
Canadian Dollar	26.2
United States Dollar U.S. Dollar	73.8
<b>Total</b>	<b>100.0</b>

### Top 25 Holdings

Name of Security	% of NAV
Starlight Global Growth Fund, Series F	4.0
Broadcom Inc.	3.5
Starlight Global Private Equity Pool, Series I	3.3
Starlight Private Global Real Estate Pool, Series I	3.2
UnitedHealth Group Inc.	3.2
ATS Automation Tooling Systems Inc.	3.1
Cencora Inc.	3.1
Alphabet Inc., Class 'C'	3.0
Amazon.com Inc.	2.6
TJX Cos. Inc.	2.5
Mastercard Inc., Class A	2.4
Visa Inc., Class A	2.4
Cigna Corp.	2.2
Allkem Ltd.	2.1
Boston Scientific Corp.	2.1
Costco Wholesale Corp.	2.1
Fortinet Inc.	2.1
STERIS PLC	2.1
VeriSign Inc.	2.1
Microsoft Corp.	2.0
Trisura Group Ltd.	2.0
GFL Environmental Inc.	1.9
HCA Healthcare Inc.	1.9
Intuitive Surgical Inc.	1.9
Motorola Solutions Inc.	1.9
<b>Total</b>	<b>62.7</b>

**Total net asset value of the Fund** **\$31,072**

The Fund held no short positions at the end of the Period.

This summary of investment portfolio may change due to ongoing portfolio transactions. Quarterly updates are available at [www.starlightcapital.com](http://www.starlightcapital.com). The simplified prospectus, fund facts document and other information about the Fund's investments in other investment funds (if any) are available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) or at [www.starlightcapital.com](http://www.starlightcapital.com).

**Starlight North American Equity Fund**  
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**Series Information**

Starlight Capital managed mutual funds are collectively referred to as the “Starlight Capital Funds”. The Fund currently has the following series:

Series A	Series A securities are available to all investors under an initial sales charge option.
Series T8	Series T8 securities are available to all investors, have the same attributes as Series A securities and provide investors with a targeted fixed monthly distribution.
Series F	Series F securities are generally only available to investors who have a fee-based account with their dealers.
Series I	Series I securities are generally only available to institutional investors who invest a minimum of \$5,000,000 in Series I securities of the Starlight Capital Funds or an amount at the Manager’s discretion, and who are approved by the Manager. Series I securities are also available to Starlight Capital Funds or other investment products managed or sub-advised by Starlight Capital, directors, officers and employees of the Manager or an affiliate of the Manager.
Series R and R2	Series R and R2 securities are only available to certain investors in the Starlight North American Equity Fund in connection with certain acquisition transactions.
Series PTF	Series PTF securities are generally only available for purchase by investors in an account where investors pay for advice directly to the dealer (in whatever form agreed to between the investor and the Dealer), rather than through us (either directly or indirectly).

Our account linking service allows investors with a minimum of \$250,000 invested collectively in Series A, Series T8 and/or Series F securities of the Fund, spread across certain designated accounts, to aggregate such investment amounts in order to satisfy the initial minimum investment amounts. Investors with the minimum investment amounts will be qualified for management fee rebates. Investors in Series I securities with the minimum investment amounts will be qualified for further reduced management fees in accordance with the tiered management fee schedule contained within the agreement entered into by each investor with Starlight Capital. The initial minimum investment amount in respect of Series I securities of a Starlight Capital Fund may be waived in respect of any qualifying designated account included within Starlight Capital’s preferred pricing program. Refer to the Funds’ most recently filed simplified prospectus for more details.

**Starlight North American Equity Fund**  
Interim Management Report of Fund Performance  
For the six-month period ended September 30, 2023

**Series Information (continued)**

The inception dates and management fees of each series are:

<b>Series</b>	<b>Inception date</b>	<b>Management fees</b>
Series T8	September 1, 2007	2.00 % <sup>1</sup>
Series A	November 1, 1995	2.00 % <sup>1</sup>
Series F	August 1, 2003	0.95 % <sup>1</sup>
Series I	August 1, 2019	– % <sup>2</sup>
Series R	July 30, 2020	2.50 %
Series R2	July 4, 2022	2.50 %
Series PTF	March 22, 2021	0.65 %

<sup>1</sup> Management fees in respect of Series A, T8, F securities are reduced at certain levels based on the amount invested. The applicable management fee rebate in connection with such an investment in the Fund are as follows:

	<b>\$250,000 to \$500,000</b>	<b>\$500,000 to \$1 million</b>	<b>\$1 million to \$2.5 million</b>	<b>Greater than \$2.5 million</b>
Series A, T8, F	0.05%	0.10%	0.15%	0.20%

<sup>2</sup> Series I securities are generally only available to eligible investors who make large investments in the Fund. Series I unitholders negotiate their own management fee that is paid directly to the Manager. The maximum rate of the management fee for series I securities is 0.95%.

The forward-looking information contained in this document is current only as of November 28, 2023. Certain statements in this document are forward-looking. Forward-looking statements (“FLS”) are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as “may,” “will,” “should,” “could,” “expect,” “anticipate,” “intend,” “plan,” “believe,” or “estimate,” or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what Starlight Capital believes to be reasonable assumptions, Starlight Capital cannot assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise. Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated.

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## CORPORATE INFORMATION

### MANAGER

STARLIGHT INVESTMENT CAPITAL LP  
1400 – 3280 Bloor Street West  
Centre Tower  
Toronto, Ontario, M8X 2X3

### AUDITOR

Deloitte LLP  
Bay Adelaide East  
8 Adelaide Street West, Suite 200  
Toronto ON M5H 0A9

### CUSTODIAN AND TRANSFER AGENT

RBC Investor Services Trust  
155 Wellington Street West,  
Toronto, ON M5V 3L3

### PTF SERIES REGISTRAR AND TRANSFER AGENT

TSX Trust Company  
100 Adelaide Street West, Suite 301  
Toronto, ON M5H 4H1

### Board of Directors, Audit Committee and Executive team

**DANIEL DRIMMER**  
Chairman of the Board, Chair of the Audit Committee

**LEONARD DRIMMER**  
Director

**NEIL FISCHLER**  
Director

**GRAEME LLEWELLYN**  
Director, Audit Committee Member, Chief Financial Officer  
and Chief Operating Officer

**DENNIS MITCHELL**  
Director, Audit Committee Member, Chief Executive Officer  
and Chief Investment Officer

### Investment Management Team

**DENNIS MITCHELL**  
Chief Executive Officer and Chief Investment Officer

**MICHAEL GIORDANO**  
Senior Portfolio Manager

**SEAN TASCATAN**  
Senior Portfolio Manager

**HISHAM YAKUB**  
Senior Portfolio Manager