



## **Starlight Global Balanced 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 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 Global Balanced 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 access to a global balanced fund seeking capital appreciation and a steady stream of current income.

The Fund will generally invest approximately 60% of its assets in equity securities and 40% of its assets in fixed income securities, which weightings may vary from time to time.

The equity portion of the Fund's assets will be allocated amongst the following three segments to achieve a diversified portfolio of common stocks:

- total-return stocks that seek to deliver a combination of capital appreciation and dividend income that trade on stock exchanges in North America.
- total-return stocks that seek to deliver a combination of capital appreciation and dividend income that trade on primary stock exchanges worldwide.
- growth-oriented stocks that primarily seek to deliver capital appreciation that trade on primary stock exchanges worldwide.

The fixed income segment will be invested in a diversified portfolio of sovereign debt securities and corporate obligations, which may include convertible securities. The fixed income portfolio will have the flexibility to allocate between developed markets in North American, European, Pacific and Emerging Market fixed-income securities.

## 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 (S&P/TSX Composite Index) total returns were -1.1%, 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%.

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

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 persistently higher 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.

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.

## Performance

The Fund's Series F units were down 1.1% for the period, underperforming its benchmark return of 0.4% (measured as 15% of the Morningstar Canada Index, 15% of the Morningstar US Large Cap Index, 30% Morningstar Developed Markets Large-Cap Index and 40% of the Morningstar Canada Liquid Bond Index).

The fixed income portfolio weight was gradually trimmed from 48.3% to 43.7% at the end of the period in anticipation of higher yields. The fixed income portfolio was down 3.6%, consistent with the benchmark returns of -3.6%.

The increase in yields at the long end of the interest rate curve came despite both the Federal Reserve and the Bank of Canada skipping a policy rate hike at their latest meetings. The recent bear steepening movement in rates has been driven by markets demanding a higher term premium.

The fixed income portfolio has an overweight allocation to corporate bonds which have outperformed their government counterparts. We continue to see scope to overweight corporate positions particularly in the belly of the curve. This positioning offers the greatest risk-reward opportunity and protects against downside vulnerability over the medium term.

The equity portfolio weight was gradually increased from 48.7% to 53.4% at the end of the period in anticipation of higher yields and a recovery in the equity markets. The equity portfolio was up 0.6%, underperforming its benchmark by 2.7%. The global portfolio weight decreased from 19.5% to 16.8% during the period and was up 0.1%. The North American dividend growth portfolio weight increased from 29.2% to 36.1% during the period and was up 0.7%.

## Portfolio Outlook

As the global economy experiences inflationary pressure and a weakening growth outlook, the Manager has focused on sectors with the greater capacity to pass through rising input costs to customers.

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 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.

The industrial weighting is positioned defensively while also capitalizing on the 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. Within the industrial weighting it remains overweight to more resilient industrial subsectors such as waste collection, aerospace & defense, and electrical components and equipment.

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The energy weighting of the portfolio continues to be low and the recent run up in the energy sector has detracted from the relative returns and we remain cautious on the sector. The Fund has its energy exposure in the more stable fully integrated oil majors rather than the volatile exploration and production companies. 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 high quality integrated energy producers.

The Manager continues to hold a basket of Financials with limited exposure to the U.S. financial sector. We also reduced our exposure to some of the Canadian banks during the period. Financials are a barometer of the overall economic health and the Manager believe that improving economic conditions will result in capital appreciation for banks and financials. The Manager believes that adding non-bank financials is an excellent way to diversify the financials exposure, without directly taking on banking risk.

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 decreased from \$36.7 million at March 31, 2023 to \$32.1 million at September 30, 2023. The change in NAV was mainly from net redemptions of \$3.5 million, decrease from operations of \$0.8 million and net distributions of \$0.3 million. Net investment expenses were \$0.5 million after expenses absorbed of \$73 thousand (June 30, 2022 - \$0.5 million after expenses absorbed of \$5 thousand) during the period, primarily from management fees and administration 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 AA</b>	\$0.06	6	\$0.0100	0.59%
<b>Series FF</b>	\$0.06	6	\$0.0100	0.51%
<b>Series FT6</b>	\$0.10	2	\$0.0500	2.10%
<b>Series FT8</b>	\$0.13	2	\$0.0667	2.74%
<b>Series I</b>	\$0.02	2	\$0.0100	0.42%
<b>Series T8</b>	\$0.20	6	\$0.0333	8.42%
<b>Series T8B</b>	\$0.19	6	\$0.0316	8.44%

\* Based on September 30, 2023 respective NAVs

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**Recent Developments**

On June 16, 2023, the Manager re-designated Series BB units as Series AA units, Series L units as Series AA units and Series T8C units as Series T8A.

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 Global Balanced Fund and Series O units were renamed Series I units and Series T8A units were renamed Series T8.

**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 \$0.3 million were incurred by the Fund during the period (\$0.4 million during the period ended June 30, 2022). The amount owing but unpaid to the Manager as at September 30, 2023 was \$51 thousand (March 31, 2023: \$38 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	AA	FF	FT6	FT8	I	T8	T8B
Annual Fee (%)	2.00	0.95	0.95	0.95	–	2.00	2.50

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

Series	AA	FF	FT6	FT8	I	T8	T8B
Dealer Compensation (%)	50	–	–	–	–	50	20
Investment and Fund Management (%)	50	100	100	100	–	50	80
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>–</b>	<b>100</b>	<b>100</b>

**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 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	Net assets, beginning of period <sup>2</sup>	Increase (decrease) from operations: (All figures in (\$))					Distributions <sup>3</sup>					Net assets, end 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 AA</b>												
Commencement of operations January 5, 2009												
Sep 2023	21.11	0.29	(0.26)	2.15	(2.73)	(0.55)	–	–	(0.03)	(0.03)	(0.06)	20.51
Mar 2023	25.06	0.66	(0.58)	1.64	(5.89)	(4.17)	–	–	(0.02)	(0.03)	(0.05)	21.11
Dec 2021	23.45	0.42	(0.48)	1.42	0.25	1.61	–	–	(0.02)	–	(0.02)	25.06
Dec 2020	21.77	0.37	(0.43)	3.64	(0.41)	3.17	–	–	(1.38)	–	(1.38)	23.45
Dec 2019	19.42	0.29	(0.32)	1.80	0.63	2.40	–	–	(0.02)	–	(0.02)	21.77
Dec 2018	19.93	0.29	(0.31)	0.67	(1.14)	(0.49)	–	–	–	(0.02)	(0.02)	19.42
<b>Series FF</b>												
Commencement of operations January 5, 2009												
Sep 2023	24.26	0.34	(0.18)	2.45	(3.06)	(0.45)	–	–	(0.03)	(0.03)	(0.06)	23.70
Mar 2023	28.46	0.77	(0.44)	1.90	(6.56)	(4.33)	–	–	(0.02)	(0.03)	(0.05)	24.26
Dec 2021	26.42	0.47	(0.33)	1.56	0.38	2.08	–	–	(0.02)	–	(0.02)	28.46
Dec 2020	23.54	0.40	(0.29)	4.07	(0.91)	3.27	–	–	(0.61)	–	(0.61)	26.42
Dec 2019	20.88	0.31	(0.22)	1.95	0.67	2.71	–	–	(0.02)	–	(0.02)	23.54
Dec 2018	21.31	0.31	(0.20)	0.72	(1.23)	(0.40)	–	–	–	(0.02)	(0.02)	20.88
<b>Series FT6<sup>6</sup></b>												
Commencement of operations August 1, 2023												
Sep 2023	–	0.04	(0.02)	0.02	(0.41)	(0.37)	(0.01)	–	(0.04)	(0.05)	(0.10)	9.54
<b>Series FT8<sup>6</sup></b>												
Commencement of operations August 1, 2023												
Sep 2023	–	0.04	(0.02)	0.02	(0.41)	(0.37)	0.01	(0.01)	(0.06)	(0.07)	(0.13)	9.50
<b>Series I7,<sup>8</sup></b>												
Commencement of operations August 1, 2019												
Sep 2023	–	0.12	–	0.05	(30.08)	(29.91)	–	–	(0.01)	(0.01)	(0.02)	9.54
Mar 2023	10.00	–	–	–	(10.00)	(10.00)	–	–	–	–	–	–
Dec 2021	10.00	–	–	–	–	–	–	–	–	–	–	10.00
Dec 2020	10.00	–	–	–	–	–	–	–	–	–	–	10.00
Dec 2019	10.00	–	–	–	–	–	–	–	–	–	–	10.00
<b>Series T8</b>												
Commencement of operations September 1, 2007												
Sep 2023	5.08	0.07	(0.06)	0.51	(0.65)	(0.13)	–	(0.01)	(0.09)	(0.10)	(0.20)	4.75
Mar 2023	6.76	0.16	(0.14)	0.40	(1.59)	(1.17)	–	(0.03)	(0.28)	(0.33)	(0.64)	5.08
Dec 2021	6.86	0.12	(0.13)	0.41	0.07	0.47	–	–	(0.05)	(0.50)	(0.55)	6.76
Dec 2020	7.02	0.11	(0.13)	1.16	(0.21)	0.93	–	–	(1.10)	–	(1.10)	6.86
Dec 2019	6.75	0.10	(0.11)	0.61	0.21	0.81	–	–	(0.35)	(0.19)	(0.54)	7.02
Dec 2018	7.51	0.11	(0.11)	0.24	(0.39)	(0.15)	–	–	–	(0.60)	(0.60)	6.75
<b>Series T8B</b>												
Commencement of operations September 1, 2007												
Sep 2023	4.82	0.07	(0.07)	0.48	(0.60)	(0.12)	0.01	(0.01)	(0.09)	(0.10)	(0.19)	4.50
Mar 2023	6.46	0.13	(0.18)	0.32	(1.60)	(1.33)	–	(0.03)	(0.27)	(0.31)	(0.61)	4.82
Dec 2021	6.57	0.11	(0.15)	0.40	0.03	0.39	–	–	(0.05)	(0.48)	(0.53)	6.46
Dec 2020	6.74	0.11	(0.15)	1.11	(0.22)	0.85	–	–	(1.04)	–	(1.04)	6.57
Dec 2019	6.50	0.09	(0.12)	0.59	0.24	0.80	–	–	(0.33)	(0.19)	(0.52)	6.74
Dec 2018	7.25	0.10	(0.13)	0.23	(0.34)	(0.14)	–	–	–	(0.58)	(0.58)	6.50

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

As at	Net assets, beginning of period <sup>2</sup>	Increase (decrease) from operations: (All figures in (\$))				Total increase (decrease) from operations <sup>2</sup>	Net investment income (excluding dividends)	Distributions <sup>3</sup>			Total distribution s <sup>3</sup>	Net assets, end of period <sup>4</sup>
		Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period			Dividends	Capital gains	Return of capital		

**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 distributions per unit do not include the management fee distribution.
- <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, 2023 (the series' inception date) to September 30, 2023.
- <sup>7</sup> The information shown in this column is for the period beginning August 1, 2019 (the series' inception date) to December 31, 2019.
- <sup>8</sup> On June 21, 2023, the Manager re-designated Series O units as Series I 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 <sup>1</sup> (\$)
<b>Series AA</b>							
Commencement of operations January 5, 2009							
Sep 2023	11,839	577,618	1.89	2.41	0.02	48.64	20.51
Mar 2023	12,139	575,026	2.29	2.32	0.01	64	21.11
Dec 2021	16,625	663,275	2.86	2.87	0.02	50	25.06
Dec 2020	16,044	684,244	3.13	3.13	0.06	88	23.45
Dec 2019	12,447	571,823	2.95	2.96	0.03	36	21.77
Dec 2018	11,260	579,792	2.94	2.95	0.06	50	19.42
<b>Series FF</b>							
Commencement of operations January 5, 2009							
Sep 2023	5,344	225,582	0.88	1.40	0.02	48.64	23.70
Mar 2023	6,221	256,417	1.38	1.42	0.01	64	24.26
Dec 2021	8,198	288,033	2.07	2.07	0.02	50	28.46
Dec 2020	6,856	259,551	2.40	2.40	0.06	88	26.42
Dec 2019	7,842	333,071	2.37	2.38	0.03	36	23.54
Dec 2018	7,949	380,627	2.36	2.37	0.06	50	20.88
<b>Series FT6</b>							
Commencement of operations August 1, 2023							
Sep 2023	1	101	-0.18	0.35	0.02	48.64	9.54
<b>Series FT8</b>							
Commencement of operations August 1, 2023							
Sep 2023	1	101	-0.17	0.35	0.02	48.64	9.50
<b>Series I</b>							
Commencement of operations August 1, 2019							
Sep 2023	1	101	0	0	0.02	48.64	9.54
Mar 2023	-	1	-	-	-	-	-
Dec 2021	-	1	-	-	0.02	50	10.00
Dec 2020	-	1	-	-	0.06	88	10.00
Dec 2019	-	1	-	-	0.03	36	10.00
<b>Series T8</b>							
Commencement of operations September 1, 2007							
Sep 2023	9,549	2,010,143	1.85	2.37	0.02	48.64	4.75
Mar 2023	9,780	1,926,310	2.02	2.06	0.01	64	5.08
Dec 2021	16,778	2,480,272	2.82	2.82	0.02	50	6.76
Dec 2020	17,348	2,530,515	3.09	3.09	0.06	88	6.86
Dec 2019	18,793	2,676,546	2.91	2.93	0.03	36	7.02
Dec 2018	18,504	2,740,798	2.91	2.92	0.06	50	6.75
<b>Series T8B</b>							
Commencement of operations September 1, 2007							
Sep 2023	5,333	1,186,571	2.35	2.87	0.02	48.64	4.50
Mar 2023	6,349	1,318,267	2.66	2.70	0.01	64	4.82
Dec 2021	15,414	2,387,250	3.22	3.22	0.02	50	6.46
Dec 2020	19,077	2,903,033	3.46	3.46	0.06	88	6.57
Dec 2019	21,195	3,146,235	3.19	3.20	0.03	36	6.74
Dec 2018	25,054	3,856,421	3.19	3.20	0.06	50	6.50

**Explanatory Notes:**

<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, of the Fund and the pro-rata share of any underlying Stone Funds 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.



**Starlight Global Balanced Fund**  
 Interim Management Report of Fund Performance  
 For the six-month period ended September 30, 2023

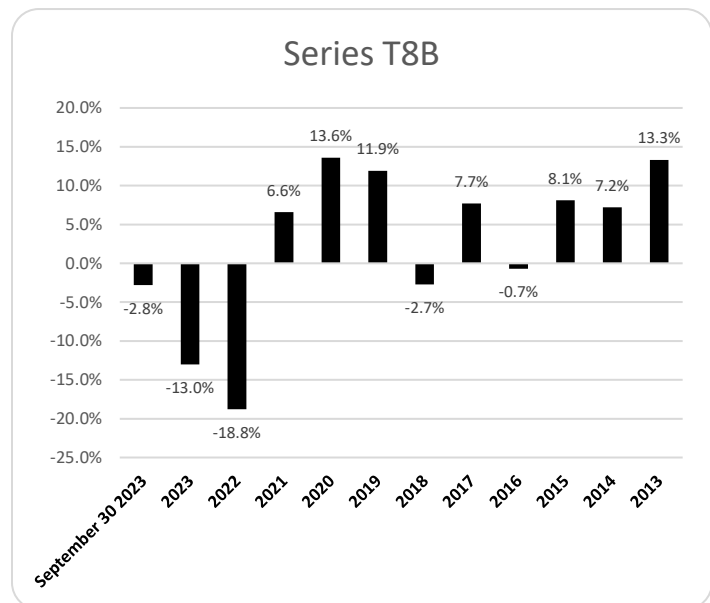
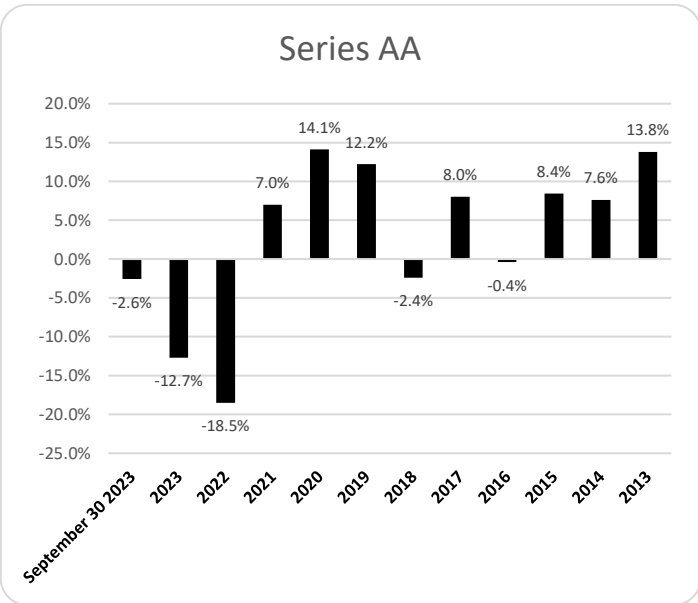
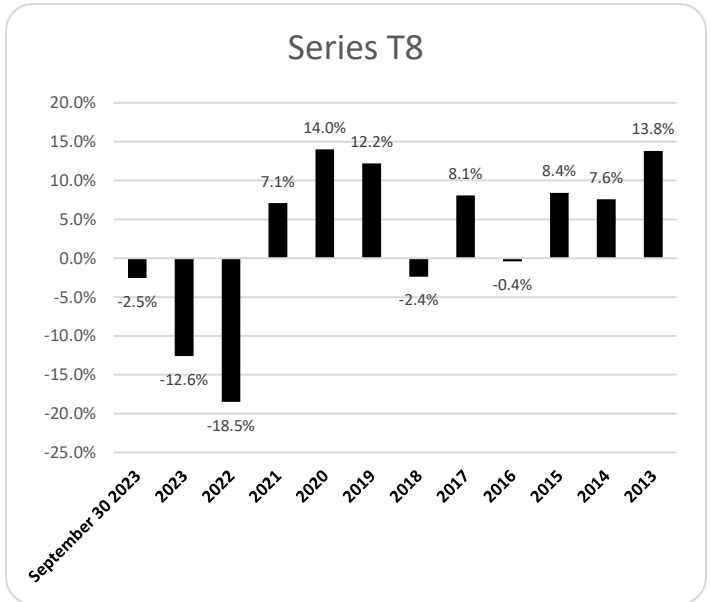
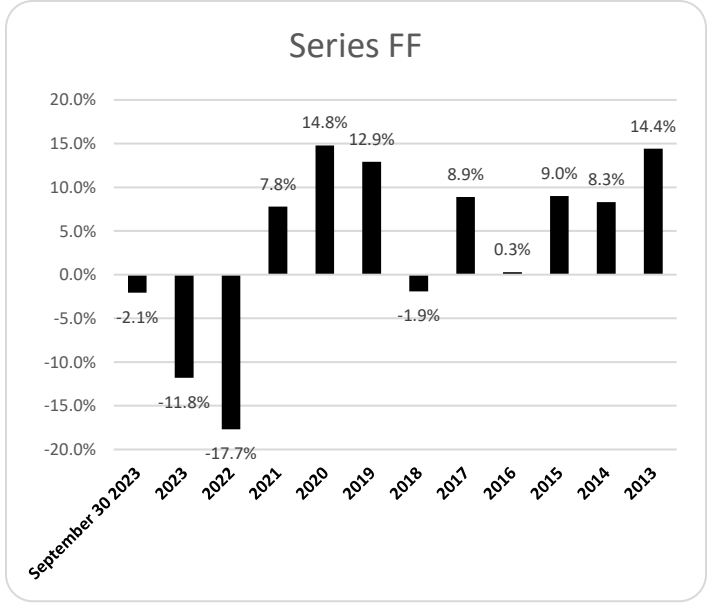
**Past Performance**

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 s 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.



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## Summary of Investment Portfolio

As at September 30, 2023

### Portfolio Breakdown

Asset Allocation	% of NAV
Bonds	43.7
Equities	31.9
Mutual Funds	21.5
Cash & Cash Equivalents	3.0
Other net assets (liabilities)	-0.1
<b>Total</b>	<b>100.0</b>

Sector	% of NAV
Corporate Bonds	30.1
Investment Funds	21.5
Financials	9.9
Provincial Bonds	7.2
Federal Bonds	6.4
Industrials	6.1
Information Technology	4.6
Health Care	4.2
Consumer Staples	3.1
Energy	1.2
Consumer Discretionary	1.1
Real Estate	0.8
Utilities	0.6
Communication Services	0.3
Cash & Cash Equivalents	3.0
Other Assets (Liabilities)	-0.1
<b>Total</b>	<b>100.0</b>

Net Currency Exposure	% of NAV
Canadian Dollar	84.2
United States Dollar	15.9
Euro	-0.1
<b>Total</b>	<b>100.0</b>

### Top 25 Holdings

Name of Security	% of NAV
Starlight Global Growth Fund, Class I	16.8
Starlight North American Equity Fund, Class I	4.6
Canada Housing Trust No 1, 4.150%, 2033/06/15	1.7
Royal Bank of Canada	1.6
UnitedHealth Group Inc.	1.6
Government of Canada, 4.000%, 2041/06/01	1.5
Government of Canada, 5.000%, 2037/06/01	1.5
Microsoft Corp.	1.5
Brookfield Corp.	1.3
Province of Quebec, 3.500%, 2048/12/01	1.3
Waste Connections Inc.	1.3
Stantec Inc.	1.2
Toronto-Dominion Bank	1.2
Bell Canada, 2.500%, 2030/05/14	1.1
Broadcom Inc.	1.1
CVS Health Corp.	1.1
Oracle Corp.	1.1
Province of Ontario, 2.300%, 2024/09/08	1.1
Suncor Energy Inc.	1.1
Toronto-Dominion Bank, 4.859%, 2028/01/18	1.1
Visa Inc., Class A	1.1
AT&T Inc., 4.000%, 2025/11/25	1.0
Bank of Nova Scotia	1.0
Costco Wholesale Corp.	1.0
Enbridge Inc., 3.100%, 2033/09/21	1.0
<b>Total</b>	<b>49.9</b>

**Total net asset value of the Fund** **\$32,068**

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).

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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 AA	Series AA securities are available to all investors under an initial sales charge option.
Series FF	Series FF securities are generally only available to investors who have a fee-based account with their dealers.
Series FT6	Series FT6 securities are generally only available to investors who have a fee-based account with their dealers. Series FT6 securities have the same attributes as Series F securities and provide investors with a targeted fixed monthly distribution.
Series FT8	Series FT8 securities are generally only available to investors who have a fee-based account with their dealers. Series FT8 securities have the same attributes as Series F securities and provide investors with a targeted fixed monthly distribution.
Series L	Series L securities are closed to new purchases. Series L Securities were available under a DSC option.
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 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 T8B	Series T8B securities are closed to new purchases. Series T8B securities have the same attributes as Series B securities and provide investors with a targeted fixed monthly distribution.

The inception dates and management fees of each series are:

<b>Series</b>	<b>Inception date</b>	<b>Management fees</b>
Series AA	November 14, 1957	2.00 %
Series FF	August 1, 2003	0.95 %
Series FT6	August 1, 2023	0.95 %
Series FT8	August 1, 2023	0.95 %
Series I	August 1, 2019	– % <sup>1</sup>
Series T8	September 1, 2007	2.00 %
Series T8B	September 1, 2007	2.50 %

<sup>1</sup>Series I securities are generally only available to eligible investors who make large investments in the Fund. Series I securityholders 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  
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Toronto, Ontario, M8X 2X3

### AUDITOR

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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