



## **Starlight Dividend Growth Class (formerly Stone Dividend Growth Class)**

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Annual Management Report of Fund Performance  
For the 15-month period ended March 31, 2023

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This annual management report of fund performance contains financial highlights but does not contain the complete 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.sedar.com.

Shareholders 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**

June 26, 2023

This management discussion of Starlight Dividend Growth Class (formerly Stone Dividend Growth Class) (the "Fund") performance presents the views of the portfolio management team at Stone Asset Management Limited ("SAM" 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 SAM'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 January 1, 2022 to March 31, 2023 (the "Period"). On January 27, 2023, the fiscal year-end of the Fund was changed to March 31 from December 31. 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 achieve above-average long-term capital growth that is consistent with a conservative investment philosophy encompassing a diversified portfolio approach. The Fund invests primarily in equity securities of Canadian companies that demonstrate financial strength and good growth potential.

The Fund will invest in companies that offer potential for strong growth and have the ability to provide stable dividend payments. When evaluating the investment potential of a particular company, the Manager may assess the financial condition and management of the company, analyze financial data and other information sources to compare revenue acceleration, earnings and cash flows and conduct company interviews.

Investment selections are broadly diversified among all market segments; the Manager does not have a bias towards any particular sector. A portion of the assets of the Fund may also be invested in foreign securities. Under normal market conditions, it is anticipated that the Fund will invest approximately 30% of its assets in foreign securities in accordance with its performance benchmark, although the Fund's investments in foreign securities may be above this level from time to time.

### **Risk**

The overall long-term risk of the Fund is as described in the most recent simplified prospectus. No material changes occurred that would significantly increase the risk associated with an investment in the Fund during the Period.

### **RESULTS OF OPERATIONS**

#### **Macroeconomic Update**

During the Period global market and sector specific market declines resulted in decreases in the Fund's investments and the Fund's NAV.

Financial conditions globally are tightening as the European Central Bank and the Bank of Canada are tapering bond purchases and the Federal Reserve Bank is set to join them. With few exceptions, most central banks continue to raise rates to combat domestic inflation.

Global growth remains above the long-term average for 2022 and 2023. However, the absolute level of growth is declining as we move beyond comparisons to the pandemic lows and fiscal stimulus rolls off. Several impediments to global growth have emerged that are contributing to the slow-down. Wage inflation has returned with lightly-skilled workers now having significant negotiating leverage. 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.

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## Market Overview and Impact on the Fund

Markets bounced higher in 2023 after a difficult 2022 year. There was no shortage of bad news from inflation, aggressive interest rate increases, China's lockdown policy, supply chain challenges, the Russia-Ukraine war and slowing corporate profits.

Stubborn inflation has caused central banks to continue raising interest rates and these higher rates have caused its first line of casualties. Some banks had mismatched their liquidity needs and were forced to take sizable losses. Silicon Valley Bank was one of the banks that took in a sizable number of deposits and invested them in longer term held-to-maturity (HTM) assets. When clients requested their deposits back, the bank was forced to sell those HTM assets at significant losses. Since interest rates have spiked over the past year, the value of the HTM assets declined in value causing the bank to take a capital loss on its balance sheet. The US Federal Deposit Insurance Committee was forced to step in and save the bank. Signature Bank also suffered the same fate. The aftershocks of these two significant banking failures have reverberated to other banks and areas of the markets. Other banks have since been under severe stress and forced to merge (in the case of Credit Suisse and UBS Bank) or fail.

Real estate is another casualty of higher interest rates. The stability of commercial real estate has come into question as vacancy rates for office property nears the highs reached during the global financial crisis. Operating fundamentals across other real estate sectors continue to do well. Industrial and residential real estate are very stable with expectations for continued rental growth.

Central bankers continue to battle stubbornly high inflation. Core prices of inflation continue to be over 5% (CPI at 5.3% in Canada and 5.9% in the US) and this lines up the Federal Reserve to continue hiking 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.

During the Period equity markets continued to gain, after recovering most if not all the losses incurred in the COVID-19 related bear market earlier in the calendar year of 2020. Cash levels remained elevated at year-end due to market volatility and weakening macroeconomic conditions.

## Performance

The Fund' Series F class was down 3.87%, underperforming its benchmark of -1.99%. The underperformance is contributed to our high cash balance of 16.4%.

Within our pure total return and income mandates, companies that we believe are either highly leveraged or at risk of cutting their dividends have been sold. 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.

We continue to take a conservative stand with the portfolio. The 16.4% weight in cash allows us to be opportunistic and make purchases of companies that meet our criteria.

We are underweight in the energy sector (4.53% weight vs the 15.43% benchmark weight) and weakness in the energy sector has allowed us to add to the relative returns. Our holdings in energy include the fully integrated Suncor Energy Inc. (30.98% in the Period) and the pipeline company Pembina Pipeline Corp. (+17.67%). These names are less volatile than the pure-play exploration and production companies. We did exit Pembina Pipeline Corp. and subsequent to Period end TC Energy Corp. leaving Suncor Energy Inc. as our only holding in the energy space.

We are also underweight in the materials sector (1.13% vs benchmark of 10.05%). The rally in the gold price over the period resulted in our missing some of the rally in the gold equity names.

We are overweight in the financial sector with a 34.51% weight relative to the benchmark weight of 28.83%. The Fund's Financial sector holdings held up well as we avoided exposure to U.S. regional banks and focused on the Canadian banks. Royal Bank of Canada was a positive contributor (+0.8%) while the negative contributors were Canadian Imperial Bank of Canada (-13.76%), TD Bank (-9.93%) and Bank of Nova Scotia (-16.06%). We reduced our investment in some of our Canadian bank positions in the Period.

Industrials was also a large weight at 11.19% (inline with the benchmark 11.76%) with strong gains in Stantec Inc. (+10.13%), TFI International Inc. (+12.20%) and Waste Connections Inc. (+8.21%), which offset losses from Cargojet Inc. (-27.63%) and Ecolab Inc. (-19.02%).

Health Care weighting in the Fund continues to be high at 7.85% (vs benchmark of 3.25%), but softness in some individual holdings dropped the overall returns. The best performing Fund holding in the sector was Stryker Corp. (+12.75%) while the laggard was Abbott Laboratories (-17.47%).

The Technology sector performed in line with most other sectors generating positive returns over the Period. The Fund's 6.96% weighting to the sector allowed us to capture some of the upside from the sector. Gains in Oracle Corp. (+13.09%) were offset by losses in Microsoft Corp. (-5.70%).

One of our companies was taken over in the hot industrial real estate sector. Summit Industrial REIT was bought out for cash. We also sold our positions in Granite REIT and Choice REIT. Since we have investments in the Real Estate private pools, we decided to sell our publicly-listed real estate companies.

Our U.S. exposure was increased to make up 31% of the total portfolio.

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## Portfolio Outlook

At March 31, 2023, the Fund held 44 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 greater capacity to pass through rising input costs to customers.

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

The Manager continues to invest in companies with stable and predictable cash flows which allow for their ability to pay dividends to shareholders. The Manager believes that companies that pay dividends are more disciplined in their use of capital and give a signal to investors that they are confident in their ability to generate consistent profits over the long-term.

The Manager continues to hold a basket of Financials with limited exposure to the U.S. financial sector. Canadian banks and life insurance companies are stable, from a regulatory and capital perspective, compared to the volatility in the global financial industry. The Manager believes that adding non-bank financials is an excellent way to diversify the financials exposure, without directly taking on banking risk.

Technology 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 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, transportation, building products, aerospace & defense, and construction & engineering.

The allocation to the consumer sector is more on the stable side with such strong brand names that 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.

We remain underweight in the energy sector. The Fund has its energy exposure in the more stable and dividend paying pipelines, 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 high quality integrated energy producers.

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.

## Recent Developments

On June 16, 2023, the Manager re-designated Series T8C shares as Series T8A.

On June 21, 2023, the manager of the Fund was changed to Starlight Capital. The Fund's name was also changed to Starlight Dividend Growth Class and Series O shares were renamed Series I shares.

On June 28, 2023, the PTF series ticker symbol will be changed from "SAM" to "SC".

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**Fund Overview**

The Fund's NAV decreased from \$388.5 million at December 31, 2021 to \$313.4 million at March 31, 2023. The change in NAV was mainly from net redemptions of \$38.7 million, a decrease in market value of \$30.9 million and net distributions of \$5.5 million. Net investment expenses were \$9.5 million (2021 - \$7.8 million) during the Period, primarily from management fees and securityholder reporting costs.

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

	Total dividends during the Period	Number of monthly dividends	Monthly dividend rate per share 2023	Annualized Cash-on-cash dividend yield*
<b>Series T8A</b>	0.84	15	0.0476	11.72%
<b>Series T8B</b>	0.78	15	0.0436	11.80%
<b>Series T8C</b>	0.78	15	0.0441	11.81%
<b>Series A</b>	0.39	15	0.0491	2.62%
<b>Series B</b>	0.34	15	0.0444	2.57%
<b>Series C</b>	0.34	15	0.0445	2.56%
<b>Series F</b>	0.44	15	0.0638	2.30%
<b>Series L</b>	0.39	15	0.0592	2.17%
<b>Series O</b>	0.28	15	0.0353	2.57%
<b>Series PTF</b>	0.30	15	0.0424	2.31%

\* Based on March 31, 2023 respective NAVs

**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 \$8 million were incurred by the Fund during the Period (\$7 million during the year ended December 31, 2021). The amount owing but unpaid to the Manager as at March 31, 2023 was \$0.5 million (December 31 2021 - \$0.6 million). 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 O) 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 O**

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

Series	A	B	C	F	L
<b>Annual Fee (%)</b>	<b>2.00</b>	<b>2.50</b>	<b>2.50</b>	<b>0.95</b>	<b>2.50</b>

Series (continued)	O	PTF	T8A	T8B	T8C
<b>Annual Fee (%)</b>	<b>-</b>	<b>0.65</b>	<b>2.00</b>	<b>2.50</b>	<b>2.50</b>

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

Series	A	B	C	F	L
Dealer Compensation (%)	50	20	30	-	20
Investment and Fund Management (%)	50	80	70	100	80
<b>Total (%)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Series (continued)	O	PTF	T8A	T8B	T8C*
Dealer Compensation (%)	-	-	50	20	30
Investment and Fund Management (%)	-	100	50	80	70
<b>Total (%)</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\* On June 16, 2023, Series T8C were redesignated as Series T8A.

**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 shares 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 periods indicated. 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 shares outstanding during the period and all other numbers being based on actual shares outstanding at the relevant point in time.

### The Fund's Net Assets Per Security<sup>1, 2, 4, 5</sup>

As at	Net assets, beginning of period <sup>2</sup>	Increase (decrease) from operations <sup>2</sup> (All figures in (\$))					Dividends <sup>2,3</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 dividends <sup>3</sup>
<b>Series A</b>												
Commencement of operations November 14, 1957												
Mar 2023	16.61	0.47	(0.50)	2.85	(4.26)	(1.44)	—	(0.15)	—	(0.24)	(0.39)	14.84
Dec 2021	13.43	0.36	(0.39)	0.44	3.01	3.42	—	(0.24)	—	—	(0.24)	16.61
Dec 2020	12.63	0.33	(0.33)	1.00	—	1.00	—	(0.24)	—	—	(0.24)	13.43
Dec 2019	10.87	0.30	(0.32)	(0.14)	2.19	2.03	—	(0.24)	—	—	(0.24)	12.63
Dec 2018	11.37	0.28	(0.33)	0.42	(0.60)	(0.23)	—	(0.24)	—	—	(0.24)	10.87
Dec 2017	11.07	0.28	(0.33)	1.23	(0.64)	0.54	—	(0.24)	—	—	(0.24)	11.37
<b>Series B†</b>												
Commencement of operations August 1, 2003												
Mar 2023	15.07	0.41	(0.55)	2.48	(3.81)	(1.47)	—	(0.13)	—	(0.21)	(0.34)	13.38
Dec 2021	12.25	0.33	(0.43)	0.42	2.72	3.04	—	(0.21)	—	—	(0.21)	15.07
Dec 2020	11.58	0.30	(0.37)	0.94	(0.09)	0.78	—	(0.21)	—	—	(0.21)	12.25
Dec 2019	10.01	0.28	(0.36)	(0.13)	2.08	1.87	—	(0.21)	—	—	(0.21)	11.58
Dec 2018	10.53	0.26	(0.36)	0.42	(0.49)	(0.17)	—	(0.21)	—	—	(0.21)	10.01
Dec 2017	10.30	0.25	(0.37)	1.16	(0.60)	0.44	—	(0.21)	—	—	(0.21)	10.53
<b>Series C‡</b>												
Commencement of operations August 1, 2003												
Mar 2023	15.13	0.43	(0.55)	2.61	(3.90)	(1.41)	—	(0.13)	—	(0.21)	(0.34)	13.43
Dec 2021	12.29	0.33	(0.43)	0.42	2.73	3.05	—	(0.21)	—	—	(0.21)	15.13
Dec 2020	11.62	0.30	(0.37)	0.92	(0.02)	0.83	—	(0.21)	—	—	(0.21)	12.29
Dec 2019	10.04	0.28	(0.36)	(0.13)	2.07	1.86	—	(0.21)	—	—	(0.21)	11.62
Dec 2018	10.56	0.26	(0.36)	0.40	(0.52)	(0.22)	—	(0.21)	—	—	(0.21)	10.04
Dec 2017	10.32	0.26	(0.37)	1.15	(0.59)	0.45	—	(0.21)	—	—	(0.21)	10.56
<b>Series F</b>												
Commencement of operations August 1, 2003												
Mar 2023	21.28	0.63	(0.36)	3.86	(5.62)	(1.49)	—	(0.17)	—	(0.27)	(0.44)	19.35
Dec 2021	16.97	0.46	(0.27)	0.55	3.83	4.57	—	(0.25)	—	—	(0.25)	21.28
Dec 2020	15.73	0.41	(0.24)	1.20	0.19	1.56	—	(0.25)	—	—	(0.25)	16.97
Dec 2019	13.33	0.38	(0.23)	(0.16)	2.64	2.63	—	(0.25)	—	—	(0.25)	15.73
Dec 2018	13.76	0.35	(0.23)	0.47	(0.82)	(0.23)	—	(0.25)	—	—	(0.25)	13.33
Dec 2017	13.18	0.33	(0.23)	1.42	(0.69)	0.83	—	(0.25)	—	—	(0.25)	13.76
<b>Series L</b>												
Commencement of operations September 1, 2007												
Mar 2023	20.06	0.56	(0.74)	3.38	(5.12)	(1.92)	—	(0.15)	—	(0.24)	(0.39)	17.87
Dec 2021	16.25	0.44	(0.58)	0.62	3.53	4.01	—	(0.21)	—	—	(0.21)	20.06
Dec 2020	15.30	0.40	(0.50)	1.24	(0.10)	1.04	—	(0.21)	—	—	(0.21)	16.25
Dec 2019	13.17	0.37	(0.48)	(0.17)	2.70	2.42	—	(0.21)	—	—	(0.21)	15.30
Dec 2018	13.79	0.34	(0.48)	0.54	(0.70)	(0.30)	—	(0.21)	—	—	(0.21)	13.17
Dec 2017	13.42	0.33	(0.49)	1.49	(0.75)	0.58	—	(0.21)	—	—	(0.21)	13.79
<b>Series O*</b>												
Commencement of operations August 1, 2019												
Mar 2023	11.63	0.32	(0.01)	1.97	(2.93)	(0.65)	—	(0.11)	—	(0.17)	(0.28)	10.73
Dec 2021	10.00	0.18	(0.01)	0.03	1.48	1.68	—	(0.11)	—	—	(0.11)	11.63
Dec 2020	10.00	—	—	—	—	—	—	—	—	—	—	10.00
Dec 2019	10.00	—	—	—	—	—	—	—	—	—	—	10.00
<b>Series PTF§</b>												
Commencement of operations September 3, 2019												
Mar 2023	14.04	0.37	(0.18)	2.24	(3.62)	(1.19)	—	(0.11)	—	(0.17)	(0.28)	12.87
Dec 2021	11.15	0.30	(0.13)	0.36	2.50	3.03	—	(0.17)	—	—	(0.17)	14.04
Dec 2020	10.29	0.26	(0.11)	0.19	1.83	2.17	—	(0.17)	—	—	(0.17)	11.15
Dec 2019	10.00	0.06	(0.03)	0.01	0.48	0.52	—	(0.04)	—	—	(0.04)	10.29
<b>Series T8A</b>												
Commencement of operations September 1, 2007												
Mar 2023	8.75	0.24	(0.25)	1.47	(2.17)	(0.71)	—	(0.33)	—	(0.51)	(0.84)	7.19
Dec 2021	7.49	0.20	(0.21)	0.25	1.61	1.85	—	(0.47)	—	(0.13)	(0.60)	8.75
Dec 2020	7.51	0.19	(0.19)	0.60	(0.11)	0.49	—	(0.14)	—	(0.46)	(0.60)	7.49
Dec 2019	6.81	0.19	(0.20)	(0.08)	1.34	1.25	—	(0.11)	—	(0.44)	(0.55)	7.51
Dec 2018	7.58	0.18	(0.21)	0.27	(0.39)	(0.15)	—	(0.08)	—	(0.53)	(0.61)	6.81

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As at	Net assets, beginning of period <sup>2</sup>	Increase (decrease) from operations <sup>2</sup> (All figures in (\$))				Total increase (decrease) from operations <sup>2</sup>	Dividends <sup>2,3</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		Net investment income (excluding dividends)	Capital gains	Return of capital	Total dividends <sup>3</sup>		
Dec 2017	<b>7.83</b>	0.19	(0.23)	0.84	(0.44)	<b>0.36</b>	(0.06)	–	(0.57)	<b>(0.63)</b>	<b>7.58</b>	
<b>Series T8B†</b>												
Commencement of operations September 1, 2007												
Mar 2023	<b>8.07</b>	0.20	(0.28)	1.22	(1.92)	<b>(0.78)</b>	–	(0.31)	–	(0.47)	<b>(0.78)</b>	<b>6.58</b>
Dec 2021	<b>6.96</b>	0.18	(0.24)	0.25	1.49	<b>1.68</b>	–	(0.44)	–	(0.12)	<b>(0.56)</b>	<b>8.07</b>
Dec 2020	<b>7.02</b>	0.18	(0.22)	0.56	(0.05)	<b>0.47</b>	–	(0.13)	–	(0.43)	<b>(0.56)</b>	<b>6.96</b>
Dec 2019	<b>6.41</b>	0.17	(0.23)	(0.08)	1.32	<b>1.18</b>	–	(0.10)	–	(0.41)	<b>(0.51)</b>	<b>7.02</b>
Dec 2018	<b>7.18</b>	0.17	(0.24)	0.27	(0.33)	<b>(0.13)</b>	–	(0.08)	–	(0.49)	<b>(0.57)</b>	<b>6.41</b>
Dec 2017	<b>7.46</b>	0.18	(0.26)	0.82	(0.41)	<b>0.33</b>	–	(0.05)	–	(0.55)	<b>(0.60)</b>	<b>7.18</b>
<b>Series T8C†</b>												
Commencement of operations September 1, 2007												
Mar 2023	<b>8.15</b>	0.19	(0.28)	1.20	(1.96)	<b>(0.85)</b>	–	(0.31)	–	(0.47)	<b>(0.78)</b>	<b>6.64</b>
Dec 2021	<b>7.01</b>	0.18	(0.23)	0.25	1.47	<b>1.67</b>	–	(0.44)	–	(0.12)	<b>(0.56)</b>	<b>8.15</b>
Dec 2020	<b>7.07</b>	0.18	(0.21)	0.55	(0.01)	<b>0.51</b>	–	(0.13)	–	(0.43)	<b>(0.56)</b>	<b>7.01</b>
Dec 2019	<b>6.45</b>	0.18	(0.22)	(0.08)	1.32	<b>1.20</b>	–	(0.11)	–	(0.41)	<b>(0.52)</b>	<b>7.07</b>
Dec 2018	<b>7.21</b>	0.17	(0.24)	0.26	(0.34)	<b>(0.15)</b>	–	(0.08)	–	(0.50)	<b>(0.58)</b>	<b>6.45</b>
Dec 2017	<b>7.49</b>	0.18	(0.26)	0.81	(0.43)	<b>0.30</b>	–	(0.05)	–	(0.55)	<b>(0.60)</b>	<b>7.21</b>

### Explanatory Notes:

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

<sup>2</sup> Net assets and dividends 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.

<sup>3</sup> Dividends were paid in cash and/or reinvested in additional securities of the Fund.

<sup>4</sup> This schedule is not a reconciliation of NAV since it does not reflect shareholder 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 March 31 and for the periods ended December 31.

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**Financial Highlights (Continued)**

**Ratios And Supplemental Data**

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 14, 1957							
Mar 2023	137,104	9,236,686	2.52	2.53	0.03	19	14.84
Dec 2021	177,435	10,684,147	2.50	2.50	0.01	12	16.61
Dec 2020	146,193	10,887,462	2.54	2.55	0.04	24	13.43
Dec 2019	148,280	11,739,928	2.55	2.55	0.01	–	12.63
Dec 2018	144,439	13,293,262	2.67	2.67	0.05	11	10.87
<b>Series B</b>							
Commencement of operations August 1, 2003							
Mar 2023	12,326	921,253	3.11	3.11	0.03	19	13.38
Dec 2021	17,576	1,166,133	3.10	3.10	0.01	12	15.07
Dec 2020	16,738	1,366,246	3.13	3.13	0.04	24	12.25
Dec 2019	19,589	1,691,486	3.13	3.13	0.01	–	11.58
Dec 2018	24,195	2,416,692	3.26	3.26	0.05	11	10.01
<b>Series C</b>							
Commencement of operations August 1, 2003							
Mar 2023	4,977	370,554	3.09	3.10	0.03	19	13.43
Dec 2021	6,530	431,733	3.08	3.08	0.01	12	15.13
Dec 2020	5,866	477,214	3.10	3.11	0.04	24	12.29
Dec 2019	6,134	528,022	3.13	3.13	0.01	–	11.62
Dec 2018	6,775	674,676	3.24	3.24	0.05	11	10.04
<b>Series F</b>							
Commencement of operations August 1, 2003							
Mar 2023	100,800	5,208,056	1.38	1.39	0.03	19	19.35
Dec 2021	113,465	5,331,139	1.36	1.36	0.01	12	21.28
Dec 2020	82,462	4,860,469	1.40	1.40	0.04	24	16.97
Dec 2019	66,071	4,201,095	1.41	1.41	0.01	–	15.73
Dec 2018	52,820	3,961,063	1.51	1.51	0.05	11	13.33
<b>Series L</b>							
Commencement of operations September 1, 2007							
Mar 2023	4,880	273,060	3.14	3.15	0.03	19	17.87
Dec 2021	6,813	339,556	3.13	3.13	0.01	12	20.06
Dec 2020	7,526	463,083	3.16	3.17	0.04	24	16.25
Dec 2019	8,751	571,928	3.17	3.17	0.01	–	15.30
Dec 2018	9,317	707,494	3.29	3.29	0.05	11	13.17
<b>Series O</b>							
Commencement of operations August 1, 2019							
Mar 2023	226	21,057	–	–	0.03	19	10.73
Dec 2021	158	13,585	–	–	0.01	12	11.63
Dec 2020	–	1	–	–	–	–	10.00
Dec 2019	–	1	–	–	–	–	10.00
<b>Series PTF</b>							
Commencement of operations September 3, 2019							
Mar 2023	8,156	633,865	1.01	1.02	0.03	19	12.87
Dec 2021	12,481	888,852	0.99	0.99	0.01	12	14.04
Dec 2020	7,130	639,253	0.96	0.97	0.04	24	11.15
Dec 2019	4	352	0.97	0.97	0.01	–	10.29



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**Financial Highlights (Continued)**  
**Ratios And Supplemental Data**

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 T8A</b>							
Commencement of operations September 1, 2007							
Mar 2023	39,647	5,516,026	2.48	2.49	0.03	19	7.19
Dec 2021	45,775	5,233,327	2.47	2.47	0.01	12	8.75
Dec 2020	41,016	5,478,508	2.52	2.52	0.04	24	7.49
Dec 2019	48,093	6,406,238	2.53	2.53	0.01	–	7.51
Dec 2018	45,366	6,657,144	2.64	2.64	0.05	11	6.81
<b>Series T8B</b>							
Commencement of operations September 1, 2007							
Mar 2023	4,496	683,321	3.12	3.12	0.03	19	6.58
Dec 2021	7,031	870,890	3.11	3.11	0.01	12	8.07
Dec 2020	7,888	1,133,924	3.15	3.15	0.04	24	6.96
Dec 2019	10,162	1,447,305	3.15	3.15	0.01	–	7.02
Dec 2018	12,468	1,943,790	3.28	3.28	0.05	11	6.41
<b>Series T8</b>							
Commencement of operations September 1, 2007							
Mar 2023	755	113,680	3.05	3.06	0.03	19	6.64
Dec 2021	1,213	148,884	3.02	3.02	0.01	12	8.15
Dec 2020	1,404	200,192	3.04	3.05	0.04	24	7.01
Dec 2019	1,728	244,412	3.04	3.04	0.01	–	7.07
Dec 2018	1,897	293,998	3.16	3.16	0.05	11	6.45

**Explanatory Notes:**

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

<sup>2</sup> MER for each series is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period.

<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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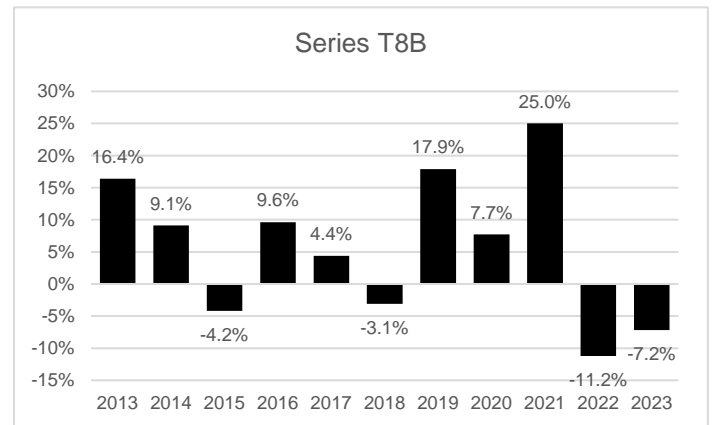
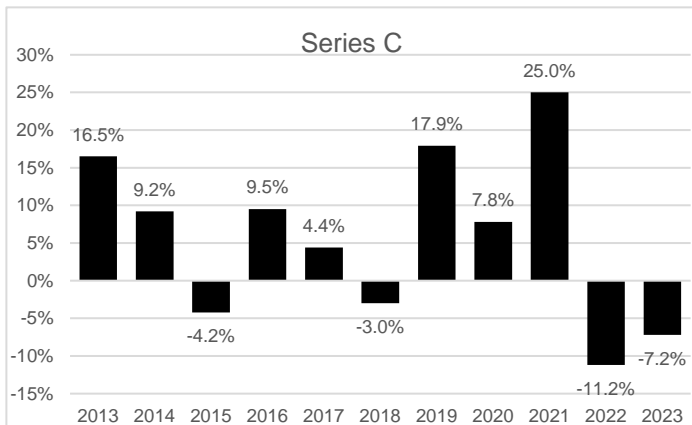
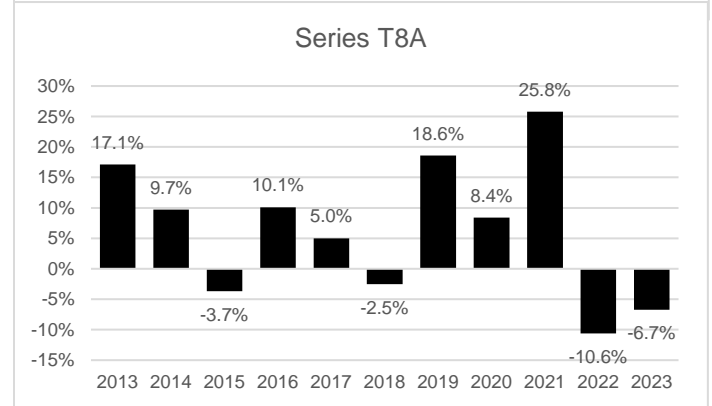
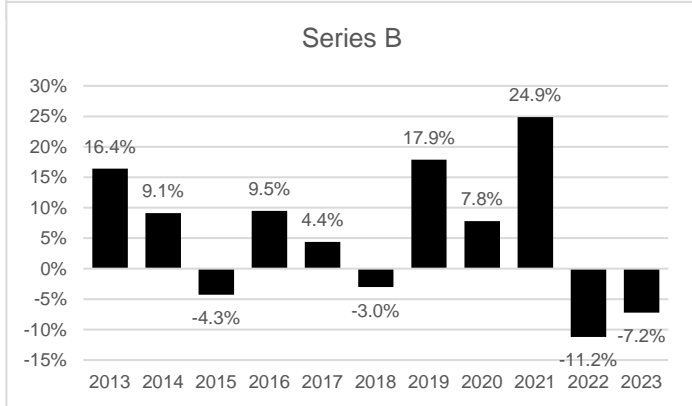
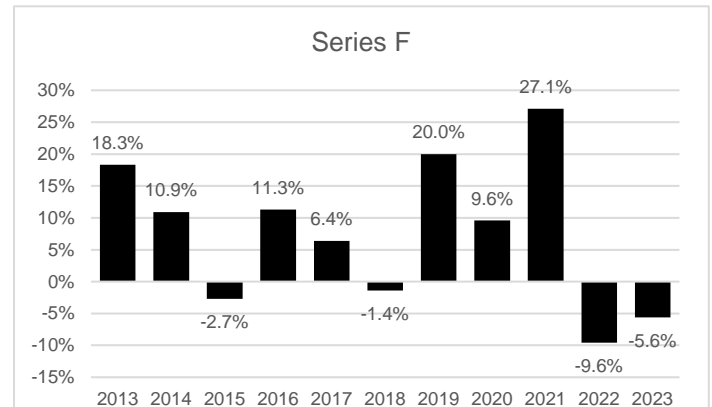
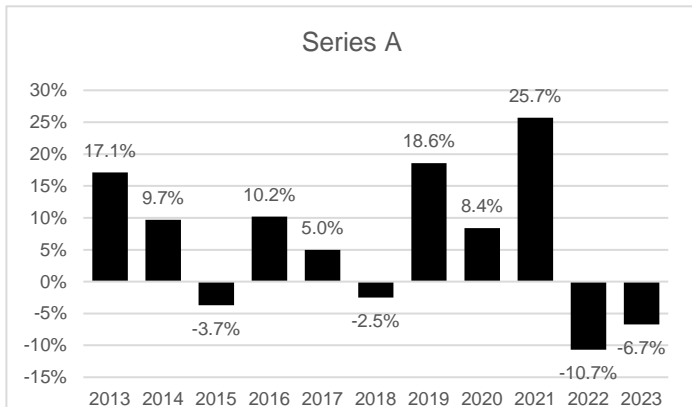
**Past Performance**

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. See Series Information for the management fees and see Financial Highlights for the MER for each series of the Fund.

**Year-by-year returns**

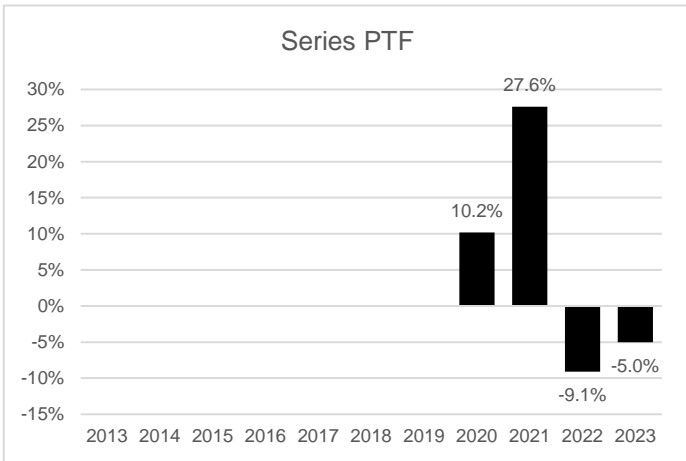
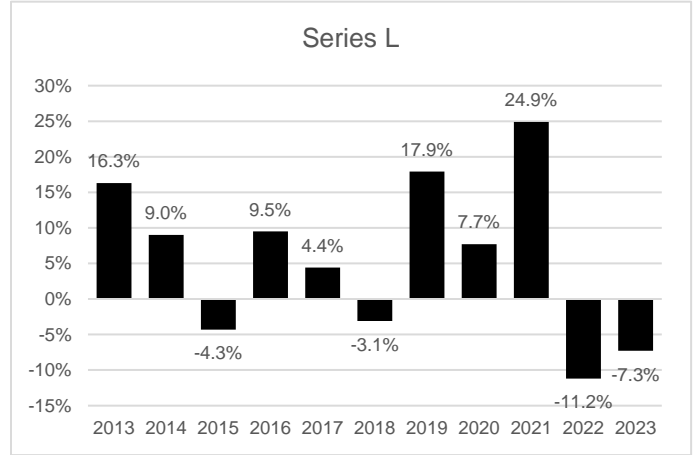
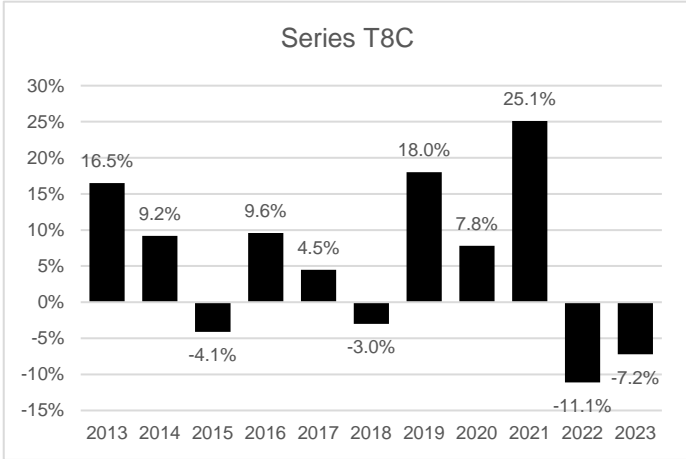
The following charts present the Fund's performance for each of the periods shown and illustrate how the Fund's performance varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each fiscal period, or the series inception date, as applicable, 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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**Past Performance (continued)**

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



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**Past Performance (continued)**

**Annual Compound Returns**

This table shows the annual compound return of each series of units of the Fund for each indicated period ended on March 31, 2023. The annual compound total return is also compared to the Fund's benchmark. A benchmark is usually an index or a composite of more than one index. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

The Morningstar® Canada IndexSM is a rule-based, float market capitalization weighted index designed to cover 97% of the equity market capitalization of the Canada market.

	1 YEAR (%)*	3 YEARS (%)	5 YEARS (%)	10 YEARS (%)	SINCE INCEPTION (%)	INCEPTION DATE
Series A	-6.7	12.6	7.7	6.9	n/a	1957/11/14
Benchmark	-2.0	17.8	9.6	9.5	n/a	1957/11/14
Series B	-7.2	11.9	7.1	6.3	8.0	2003/08/01
Benchmark	--2.0	17.8	9.6	9.5	8.9	2003/08/01
Series C	-7.2	11.9	7.1	6.3	8.0	2003/08/01
Benchmark	-2.0	17.8	9.6	9.5	8.9	2003/08/01
Series F	-5.6	13.9	9.0	8.1	9.5	2003/08/01
Benchmark	-2.0	17.8	9.6	9.5	8.9	2003/08/01
Series L	-7.3	11.9	7.1	6.3	6.8	2011/09/01
Benchmark	-2.0	17.8	9.6	9.5	n/a	2011/09/01
Series O	4.30	n/a	n/a	n/a	11.24	2021/05/04
Benchmark	--2.0	17.8	n/a	n/a	n/a	2021/05/04
Series PTF	-5.1	14.3	n/a	n/a	8.9	2019/09/03
Benchmark	--2.0	17.8	n/a	n/a	n/a	2019/09/03
Series T8A	-6.7	12.6	7.8	6.9	6.00	2007/09/01
Benchmark	-2.0	17.8	9.6	9.5	n/a	2007/09/01
Series T8B	-7.3	11.9	7.1	6.3	5.4	2007/09/01
Benchmark	-2.0	17.8	9.6	9.5	n/a	2007/09/01
Series T8C	-7.2	12.0	7.2	6.4	5.4	2007/09/01
Benchmark	-2.0	17.8	9.6	9.5	n/a	2007/09/01

\*This information is for a 15-month period from January 1, 2022 to March 31, 2023.

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For the Period ended March 31, 2023

## Summary of Investment Portfolio

As at March 31, 2023

### Portfolio Breakdown

Sector	% of NAV
Financials	27.0
Cash & Cash equivalents	16.4
Industrials	9.9
Information Technology	9.8
Health Care	8.6
Consumer Staples	7.8
Funds	7.3
Utilities	4.6
Communication Services	4.3
Energy	2.4
Materials	1.2
Consumer Discretionary	1.1
Other Assets (Liabilities)	(0.4)
<b>Total</b>	<b>100.0</b>

Regional	% of NAV
Canada	53.9
United States of America	30.1
Cash & Cash Equivalents	16.4
Other Assets (Liabilities)	(0.4)
<b>Total</b>	<b>100.0</b>

Net Currency Exposure	% of NAV
Canadian Dollar	69.5
United States Dollar U.S. Dollar	30.5
<b>Total</b>	<b>100.0</b>

### Top 25 Holdings

Name of Security	% of NAV
Cash & Cash equivalents	16.4
Royal Bank of Canada	5.8
Starlight Private Global Real Estate Pool, Series 'I'	3.7
Microsoft Corp.	3.6
Starlight Global Private Equity Pool, Series 'I'	3.6
Brookfield Corp.	3.5
Waste Connections Inc.	3.5
Bank of Nova Scotia	3.4
Visa Inc., Class 'A'	3.2
Costco Wholesale Corp.	3.0
Stryker Corp.	3.0
UnitedHealth Group Inc.	3.0
Toronto-Dominion Bank	2.9
Stantec Inc.	2.6
Bank of Montreal	2.4
TELUS Corp.	2.3
Brookfield Infrastructure Partners L.P.	2.2
Oracle Corp.	2.2
Power Corp. of Canada	2.2
Jamieson Wellness Inc.	2.1
Sun Life Financial Inc.	2.1
BCE Inc.	2.0
Suncor Energy Inc.	1.9
Broadcom Inc.	1.7
Coca-Cola Co.	1.7
<b>Total</b>	<b>84.0</b>

**Total net asset value of the Fund** **\$313,367**

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.sedar.com](http://www.sedar.com) or at [www.starlightcapital.com](http://www.starlightcapital.com).

**Starlight Dividend Growth Class**  
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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 T8A	Series T8A securities are available to all investors who meet the applicable minimum investment amount. Series T8A Securities are only available under the ISC option.
Series T8B	Series T8B securities are closed to new purchases. Series T8B securities were available to all investors who meet the applicable minimum investment amount.
Series A	Series A securities are available to all investors who meet the applicable minimum investment amount.
Series B	Series B securities are closed to new purchases. Series B Securities were available under a DSC option.
Series C	Series C securities are closed to new purchases. Series C Securities were available under a DSC option.
Series F	Series F securities are generally only available to investors who have a fee-based account with their dealers and who meet the applicable minimum investment amount.
Series L	Series L securities are closed to new purchases. Series L Securities were available under a DSC option.
Series O	Series O securities are generally only available to institutional investors who invest a minimum of \$5,000,000 in Series O securities or an amount at the Manager's discretion, and who are approved by the Manager. Series O 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 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).

**Starlight Dividend Growth Class  
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For the Period ended March 31, 2023

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**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 T8A	September 1, 2007	2.00%
Series T8B	September 1, 2007	2.50%
Series T8C	September 1, 2007	2.50%
Series A	November 14, 1957	2.00%
Series B	August 1, 2003	2.50%
Series C	August 1, 2003	2.50%
Series F	August 1, 2003	0.95%
Series L	September 1, 2011	2.50%
Series O	August 1, 2019	–%
Series PTF	September 3, 2019	0.65%

The forward-looking information contained in this document is current only as of June 26, 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 SAM believes to be reasonable assumptions, SAM 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

### ETF & 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

Vice-President and Senior Portfolio Manager

#### SEAN TASCATAN

Senior Portfolio Manager

#### HISHAM YAKUB

Senior Portfolio Manager