Starlight™ CAPITAL
Focused Investing

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CEO & CIO

| Fund | Q1 2026 | 1 Year | 3 Year | 5 Year | Incept* |
|---|---|---|---|---|---|
| Starlight Global Real Estate Fund, Series F | 0.8% | 7.2% | 5.2% | 3.8% | 3.9% |

*Inception date October 2018. Source: Starlight Capital, as of March 31, 2026.

## Performance Summary

- Over the first quarter of 2026, Starlight Global Real Estate Fund, Series F (the Fund) returned 0.8%.
- Retail REITs, Health Care REITs and Health Care Facilities were the top contributors to performance, which was partially offset by a decline in Real Estate Operating Companies, Industrial REITs and Multi-Family Residential REITs.
- Global real estate markets had a positive start to 2026 before facing a rate-driven repricing amid geopolitical tensions and rising bond yields. Against this backdrop, health care real estate demonstrated relative resilience globally, underpinned by demographic demand and strong earnings, while retail properties also held up. Multi-family residential and real estate operating companies lagged as broader risk-off sentiment persisted.
- While near-term volatility may persist, the Fund is positioned to capitalize on a disconnect between stable asset-level fundamentals and discounted public market valuations. We believe that disciplined sector and geographic selection will be central to generating attractive returns as the macro environment develops.

## Market Overview

Global real estate markets had a positive start to 2026 before facing a sharp reversal in sentiment as the outbreak of war involving Iran disrupted energy markets and clouded the macroeconomic outlook. The closure of the Strait of Hormuz sent oil prices surging, pushing inflation expectations higher and forcing a significant repricing of interest rate expectations across both sides of the Atlantic. In the United States, the Fed rate cut expectations were abandoned, and markets began pricing in potential hikes, driving the 10-year Treasury yield sharply higher. In Europe, the impact was equally pronounced as a net energy importer already entering the quarter with historically low gas storage levels, the continent faced an acute supply shock. The European Central Bank postponed its planned rate reductions in March, and markets shifted to pricing in up to 0.50% of rate hikes by year-end, while 10-year sovereign bond yields rose across the eurozone and UK gilt yields approached levels not seen since 2008. Rising long-term rates and widening credit spreads created a challenging environment for European real estate, where higher discount rates weighed on valuations. Against this backdrop, health care real estate demonstrated relative resilience globally, underpinned by demographic demand and strong earnings, while retail properties also held up. Multi-family residential and real estate operating companies lagged as broader risk-off sentiment persisted.

## Contributors and Detractors

| Q1 2026 Top Five Contributors | | |
|---|---|---|
| Stock | Average Weighting | Contribution to return |
| **HELIOS TOWERS PLC** | 5.0% | 0.5% |
| **BPOCN 4.536 PERP** | 4.7% | 0.4% |
| **WELLTOWER INC** | 5.1% | 0.4% |
| **VENTAS INC** | 4.8% | 0.4% |
| **PRIMARIS REIT** | 3.2% | 0.4% |

| Q1 2026 Top Five Detractors | | |
|---|---|---|
| Stock | Average Weighting | Contribution to return |
| **CTP NV** | 1.6% | -0.7% |
| **TRITAX BIG BOX REIT PLC** | 1.8% | -0.4% |
| **GOODMAN GROUP** | 3.1% | -0.4% |
| **CELLNEX TELECOM SA** | 0.9% | -0.3% |
| **STORAGEVAULT CANADA INC** | 2.1% | -0.3% |

Source: Starlight Capital & Bloomberg Finance L.P. As of March 31, 2026.

**Helios Towers plc** was the largest contributor during the quarter. The company owns and operates tower infrastructure across Africa and the Middle East, benefiting from structural growth tailwinds driven by low mobile and data penetration and resilient demand from high-quality mobile network operator customers. Performance was supported by the company's attractive positioning — combining above-peer EBITDA growth with a material valuation discount to developed market tower peers — and was further reinforced by the initiation of a dividend, signalling the company's transition toward a cash-generative profile that drove positive investor sentiment.

**Brookfield Preferred** was also a top contributor to performance during the quarter, reflecting the Manager's ability to underwrite risk in the office space to generate strong returns when resilient underlying fundamentals drove improved investor sentiment.

**CTP N.V.** was the largest detractor during the quarter. The company is one of Europe's largest industrial and logistics real estate developers and operators, with a portfolio concentrated across Central and Eastern Europe. Performance was weighed down by a modest miss in 2026 EPS guidance relative to expectations, compounded by the introduction of capitalised interest, which reduced transparency around underlying earnings growth. While operational performance remained solid — including stable occupancy and continued rental growth — weaker forward indicators such as lower pre-letting levels and the slight guidance shortfall led to multiple compression over the period.

## Portfolio Update

| Sector | Portfolio Weight % | Top %Q/Q Changes |
|---|---|---|
| Real Estate Operating Company | 6.6% | 2.3% |
| Health Care REITs | 10.5% | 1.4% |
| Retail REITs | 9.4% | -1.4% |
| Specialized REITs | 4.6% | -2.7% |
| Mortgage REITs | 3.0% | -3.7% |

Source: Starlight Capital & Bloomberg Finance L.P. As of March 31, 2026. Excludes Cash and Cash Equivalents.

The Fund remains positioned across core real estate sectors, with Health Care REITs, Industrial/Logistics, Retail, and Residential representing the largest allocations. During the quarter, we actively repositioned the portfolio, reducing exposure to mortgage REITs while increasing allocations to higher-quality real estate operating companies.

We trimmed mortgage REITs given their greater sensitivity to interest rate volatility, funding costs, and spread compression, which creates a less attractive risk-reward profile in the current environment relative to equity real estate. In contrast, we added to the Fund's positions in Tritax Big Box REIT and CTP, taking advantage of share price weakness that we believe was driven more by technical and macro-related factors than by any deterioration in underlying fundamentals. Both companies continue to demonstrate solid operational performance, supported by resilient tenant demand, embedded rental growth, and attractive development pipelines.

Outside of these sectors, we continued to maintain our conviction positions in Welltower Inc. and VICI Properties Inc., where structural demand tailwinds remain intact. We also initiated a position in Boardwalk REIT to increase exposure to Canadian residential real estate, where near-zero apartment vacancy in Calgary and Edmonton is enabling above-inflation rent growth on unit turns. At the portfolio level, cash declined over the quarter as capital was deployed into high-conviction real estate opportunities across all five structural supercycles.

## Fund Outlook

The Starlight Global Real Estate Fund enters 2026 with compelling fundamental tailwinds across all five of its structural investment supercycles, and we believe the convergence of these forces creates one of the most attractive long-term risk-adjusted return environments the asset class has seen in years — even as near-term volatility tied to geopolitical uncertainty persists.

The **AI & Data Generation** supercycle continues to accelerate as AI compute demand drives global data centre power consumption toward more than double its current level by 2030, according to the International Energy Agency (IEA) — with hyperscalers including Amazon, Google, and Microsoft signing 15–20 year data centre leases at record pace with vacancy below 2% in prime global markets. The Fund's tower and data centre holdings, including Equinix and Helios Towers, are direct beneficiaries of this structural demand with multi-year contracted occupancy and pricing power.

The **Global Trade & E-Commerce** supercycle is being reshaped by tariff-driven deglobalization at an accelerating pace. Global e-commerce sales are projected to reach $8 trillion by 2027, requiring three times more logistics space per unit sold versus traditional retail, while US tariff policy and nearshoring trends are driving manufacturing relocation into Central & Eastern Europe (CEE) and U.S. Sunbelt markets requiring new purpose-built industrial parks at scale. Grade-A logistics vacancy remains below 5% in 80% of major global markets, providing Prologis, CTP, and Tritax Big Box REIT with sustained rental growth and development returns.

The **Aging Demographics & Healthcare** supercycle is underpinned by one of the most powerful demographic forces in modern history: 73 million US Baby Boomers are turning 80 over the next decade. The US 80+ population will grow 56% by 2035 while senior housing starts remain 60% below 2019 levels due to construction cost inflation and labour shortages, creating structural undersupply across North America. Welltower's revenue grew 52% to $10.8 billion in 2025, and healthcare REITs continue to trade at 20–30% discounts to Net Asset Value (NAV) relative to private market transactions, representing exceptional long-term value.

The **Urban Living & Experiential Retail** supercycle reflects the structural irreplaceability of premium physical real estate in an increasingly digital world. Experiential consumption is replacing goods spending — premium Class A malls generate $800–$1,200 in sales per square foot, three to four times the level required to justify rent — while VICI Properties' gaming real estate portfolio, underpinned by 30–40 year triple-net leases with annual escalators on assets including Caesars Palace and the Venetian, has grown its dividend at 6.6% annually since 2018, three times the REIT sector average.

The **Housing Shortage** supercycle remains structurally underpinned by the most severe residential supply deficit in modern North American history. Canada needs 3.5 million new homes by 2030 to restore affordability against construction capacity of 250,000–280,000 starts annually, while record immigration — 485,000 permanent residents admitted in 2025 — continues to drive acute apartment demand. Boardwalk REIT is raising rents 8–12% on unit turns with near-zero apartment vacancy in Calgary and Edmonton, demonstrating the pricing power available to owners of well-located residential real estate in supply-constrained Canadian markets.

The near-term outlook remains closely tied to how the Iran conflict evolves and its effect on energy prices, inflation, and the path of monetary policy. Any credible move toward a resolution could rapidly unwind the rate hike expectations that have built up in markets, providing meaningful relief to real estate valuations. Until that clarity emerges, elevated volatility is likely to persist. Against a backdrop where listed global real estate valuations remain deeply discounted relative to both history and broader equities, with global REITs trading at approximately 15.0% discounts to Net Asset Value despite significant M&A activity, we believe the Fund is well-positioned to generate compelling total returns in 2026. Current valuations represent an attractive entry point as the structural demand tailwinds underpinning each of the five supercycles remain fully intact.

The Starlight Global Real Estate Fund Series F currently yields 6.89% and in 2025 almost 70.0% of these distributions were treated as return of capital for tax purposes. The Fund experienced 20 distribution increases averaging 5.0% delivered across the portfolio in 2025.

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