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## Condensed Interim Financial Statements

For the three and six months ended June 30, 2019  
(unaudited)

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**Starlight Hybrid Global Real Assets Trust**

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**Starlight Hybrid Global Real Assets Trust**

Statements of Financial Position	1
Statements of Comprehensive Income	2
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units	3
Statements of Cash Flows	4
Schedule of Investment Portfolio	5-6
Notes to the Financial Statements	7-13

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**NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

Starlight Investment Capital GP Inc., the General Partner of the Trust, appoints independent auditors to audit the Trust's Annual Financial Statements.

The Trust's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

# Starlight Hybrid Global Real Assets Trust

## Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018 (audited)

(In Canadian dollars)

	Notes	June 30, 2019 (unaudited)	December 31, 2018 (audited)
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash		26,761	516,514
Investments (Cost: June 30, 2019 - \$28,117,117, December 31, 2018 - \$27,800,000)		28,665,200	27,795,664
Other assets		13,835	-
		<b>28,705,796</b>	<b>28,312,178</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Distributions payable		122,071	-
Accounts payable and accrued liabilities		101,484	497,061
Total Liabilities (excluding net assets attributable to unitholders of redeemable units)		<b>223,555</b>	<b>497,061</b>
<b>Net assets attributable to holders of redeemable units per series</b>			
Series A		20,959,572	19,085,354
Series C		7,522,669	7,370,787
Series F		-	1,358,976
		<b>28,482,241</b>	<b>27,815,117</b>
<b>Number of redeemable units outstanding</b>			
	4		
Series A		2,179,671	2,034,901
Series C		750,000	750,000
Series F		-	141,000
<b>Net assets attributable to holders of redeemable units per unit</b>			
Series A		9.62	9.38
Series C		10.03	9.83
Series F		-	9.64

Approved on behalf of the Board of Trustees

Signed "Denim Smith"

Trustee

Signed "Harry Rosenbaum"

Trustee

The accompanying notes are an integral part of the condensed interim financial statements.

# Starlight Hybrid Global Real Assets Trust

## Statements of Comprehensive Income

For the three and six months ended June 30, 2019 (unaudited) (see Note 1)

(In Canadian dollars)

	Three months	Six months
	\$	\$
<b>Investment gain</b>		
Interest for distribution purposes	554	3,375
Distributions from Partnership	507,926	707,926
Net realized gain on sale of investments	330,867	330,867
Net change in unrealized appreciation (depreciation) of investments	(724,360)	552,419
<b>Total gain</b>	<b>114,987</b>	<b>1,594,587</b>
<b>Expenses</b>		
Legal expenses	49,314	129,249
Miscellaneous expenses	36,668	45,047
Management fees	21,878	38,145
Harmonized sales tax and other taxes	15,541	29,675
Trustee fees	7,479	14,712
Filing fees	4,114	12,614
Audit fees	6,233	12,260
Insurance fees	5,800	11,472
Administration fees	7,480	10,399
Transfer agency fees	8,562	9,827
Custodian fees	2,992	4,270
	<b>161,239</b>	<b>317,670</b>
<b>Net investment gain (loss)</b>	<b>(46,252)</b>	<b>1,276,917</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>(46,252)</b>	<b>1,276,917</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series</b>		
Series A	(10,857)	903,221
Series C	(23,645)	312,930
Series F	(11,750)	60,766
	<b>(46,252)</b>	<b>1,276,917</b>
<b>Weighted average number of units for the period</b>		
Series A	2,179,655	2,110,077
Series C	750,000	750,000
Series F	-	141,000
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Series A	-	0.43
Series C	(0.03)	0.42
Series F	-	0.43

The accompanying notes are an integral part of the condensed interim financial statements.

## Starlight Hybrid Global Real Assets Trust

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2019 (unaudited) (see Note 1)

(In Canadian dollars)

	Notes	Series A \$	Series C \$	Series F \$	Total \$
<b>Net assets attributable to holders of redeemable units at beginning of period</b>		<b>19,085,354</b>	<b>7,370,787</b>	<b>1,358,976</b>	<b>27,815,117</b>
Increase in net assets attributable to holders of redeemable units per series		903,221	312,930	60,766	<b>1,276,917</b>
<b>Distributions to holders from redeemable units</b>					
Return of capital		(448,984)	(161,048)	-	<b>(610,032)</b>
		<b>(448,984)</b>	<b>(161,048)</b>	-	<b>(610,032)</b>
<b>Redeemable unit transactions</b>					
Redesignation of units	4	1,419,742	-	(1,419,742)	-
Reinvestments		239	-	-	<b>239</b>
		-	-	-	-
		<b>1,419,981</b>	-	<b>(1,419,742)</b>	<b>239</b>
Net increase (decrease) in net assets attributable to holders of redeemable units		1,874,218	151,882	(1,358,976)	<b>667,124</b>
<b>Net assets attributable to holders of redeemable units at end of period</b>		<b>20,959,572</b>	<b>7,522,669</b>	-	<b>28,482,241</b>

The accompanying notes are an integral part of the condensed interim financial statements.

# Starlight Hybrid Global Real Assets Trust

## Statements of Cash Flows

For the three and six months ended June 30, 2019 (unaudited) (see Note 1)

(In Canadian dollars)

	Three months	Six months
	\$	\$
<b>Operating activities</b>		
Increase in net assets attributable to holders of redeemable units from operations	(46,252)	1,276,917
Adjustments:		
Purchase of investments	(7,720,497)	(7,720,497)
Proceeds from disposition of investments	7,734,247	7,734,247
Net realized (gain) loss from investment transactions	(330,867)	(330,867)
Net change in unrealized (appreciation) depreciation on investments	724,360	(552,419)
	360,991	407,381
Net change in non-cash working capital	(95,336)	(409,412)
	265,655	(2,031)
<b>Financing activities</b>		
Distributions paid to holders of redeemable units	(243,895)	(487,722)
	(243,895)	(487,722)
Net increase (decrease) in cash	21,760	(489,753)
Cash at beginning of period	5,001	516,514
<b>Cash at end of period</b>	<b>26,761</b>	<b>26,761</b>
Interest received	554	3,375
Distributions received from Partnership	507,926	707,926

The accompanying notes are an integral part of the condensed interim financial statements.

## Starlight Hybrid Global Real Assets Trust

### Schedule of Investment Portfolio

As at June 30, 2019 (unaudited)

(In Canadian dollars)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets %
	<b>Fund(s)</b>			
2,039,665	Starlight Global Real Assets Limited Partnership	20,396,620	20,944,703	
		20,396,620	20,944,703	73.53
	<b>Private Placements</b>			
550	EagleCrest Infrastructure Canada LP	5,500,000	5,500,000	
22,205	Starlight Canadian Residential Growth Fund (Series C)	2,220,497	2,220,497	
		7,720,497	7,720,497	27.11
	<b>Total Investments</b>	28,117,117	28,665,200	
	Other assets less liabilities		(182,959)	(0.64)
	<b>Total Net Assets</b>		<b>28,482,241</b>	<b>100.00</b>

## Starlight Global Real Assets Limited Partnership

Schedule of Investment Portfolio of underlying partnership as at June 30, 2019 (unaudited)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets* %
	<b>Real Estate</b>			
3,295	Alexandria Real Estate Equities Inc	535,153	607,495	
12,248	Americold Realty Trust	491,420	518,883	
63,021	Aroundtown SA	711,504	679,549	
23,357	Brookfield Property Partners Limited Partnership	623,674	577,852	
3,915	Camden Property Trust	495,510	534,050	
13,518	Canadian Apartment Properties REIT	620,194	653,730	
54,599	Dream Global Real Estate Investment Trust	699,360	745,276	
11,678	Duke Realty Corporation	478,242	482,374	
15,600	Goodman Group	214,942	215,010	
6,883	Granite Real Estate Investment Trust	396,474	414,976	
14,139	Hudson Pacific Properties Inc.	581,121	614,699	
4,187	Kilroy Realty Corporation	418,117	403,840	
33,704	Minto Apartment Real Estate Investment Trust	632,828	633,972	
25,325	New Residential Investment Corporation	534,912	509,306	
6,329	Prologis Inc.	545,074	662,458	
17,400	Segro PLC	217,820	211,304	
15,393	Starwood Property Trust Inc.	421,634	457,007	
10,815	Vonovia SE	698,298	675,948	
		9,316,277	9,597,729	45.82

The accompanying notes are an integral part of the condensed interim financial statements.

# Starlight Hybrid Global Real Assets Trust

## Schedule of Investment Portfolio

As at June 30, 2019 (unaudited)

(In Canadian dollars)

### Starlight Global Real Assets Limited Partnership

Schedule of Investment Portfolio of underlying partnership as at June 30, 2019 (unaudited) (Continued)

Number of Shares	Description	Average Cost \$	Fair Value \$	Net Assets* %
<b>Industrials</b>				
4,000	Brookfield Business Limited Partnership	204,495	203,960	
2,375	Canadian Pacific Railway Limited	618,295	732,521	
7,225	Cargojet Inc.	573,722	608,056	
5,100	CSX Corporation	455,032	515,625	
10,811	Deutsche Post AG	425,891	464,944	
2,884	Eiffage SA	350,811	373,123	
20,957	Ferrovial SA	617,557	702,008	
30,796	Transurban Group	348,386	416,261	
4,375	Vinci SA	507,943	586,337	
3,460	Waste Connections Inc.	352,600	432,846	
		4,454,732	5,035,681	24.04
<b>Utilities</b>				
40,503	Borex Inc.	746,101	797,504	
12,210	Brookfield Infrastructure Partners Limited Partnership	624,253	685,347	
3,936	CMS Energy Corporation	269,232	297,851	
1,141	NextEra Energy Inc.	264,120	305,446	
24,940	Northland Power Inc.	573,068	635,970	
2,595	Sempra Energy	400,208	466,060	
		2,876,982	3,188,178	15.22
<b>Energy</b>				
13,300	Enbridge Inc.	622,260	629,090	
13,197	Pembina Pipeline Corporation	648,889	643,354	
		1,271,149	1,272,444	6.08
<b>Financials</b>				
7,940	Brookfield Asset Management Inc.	504,543	497,441	
		504,543	497,441	2.38
<b>Communication Services</b>				
9,075	Comcast Corporation	431,077	501,386	
		431,077	501,386	2.39
	Brokerage commissions	(21,697)	-	
	<b>Total Investments</b>	<b>18,833,063</b>	<b>20,092,859</b>	<b>95.93</b>
	Other assets less liabilities		851,844	4.07
	<b>Total Net Assets</b>		<b>20,944,703</b>	<b>100.00</b>

\* Percentage of net assets shown relates to the amounts at fair value to the Partnership's net assets attributable to holders of redeemable securities.



# Starlight Hybrid Global Real Assets Trust

## Notes to the Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019

(In Canadian dollars)

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### 1. Establishment of the Trust

Starlight Hybrid Global Real Assets Trust (the "Trust") is an investment trust established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust amended and restated dated as of December 13, 2018. Starlight Global Real Assets LP (the "Public Portfolio LP") is a limited partnership formed pursuant to a Limited Partnership Agreement dated November 28, 2018, governed by the laws of the Province of Ontario. The Trust will be the only limited partner of the Public Portfolio LP. The Trust is authorized to issue an unlimited number of Series A, Series F and Series C units (the "Units"). The Trust can also issue preferred units ("Preferred Units") from time to time after the later of (i) January 1, 2021 and (ii) the net asset value of the Trust reaches \$500 million. The Trust was inactive until, pursuant to a final prospectus dated November 28, 2018, the Trust offered a minimum of 2,000,000 and a maximum of 10,000,000 Series A units and/or Series C units and/or Series F units to the public (the "Offering"). See Note 4 *Redeemable Units*.

Concurrent with the Offering, the original declaration of trust dated October 11, 2018 was amended and restated effective December 13, 2018.

The manager and investment manager of the Trust is Starlight Investments Capital GP Inc. (the "Manager") and Starlight Investments Capital LP (the "Investment Manager"), respectively. The Investment Manager is responsible for providing investment management advice, including advice in respect of the Trust asset mix and security selection for the public portfolio in the Public Portfolio LP, subject to the Trust's investment restrictions.

The Trust is listed on NEO Exchange Inc. (the "Exchange") under the symbol SCHG.UN. The Trust's registered address is 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3. RBC Investor Services Trust acts as custodian and administrator of the Trust. The Trust is currently offered in Canadian-dollar-denominated units.

The Trust's investment objective is to provide unitholders with stable monthly cash distributions and long-term capital appreciation through exposure to institutional quality real assets in the global real estate and global infrastructure sectors.

### **Financial Reporting date**

The information provided in these financial statements and notes thereto is as at June 30, 2019 or for the three and six months ended June 30, 2019. The prior period information is as at December 31, 2018. The Trust commenced operations on December 13, 2018 (the closing date of the Offering).

The Financial Statements were authorized for issuance by the Board of Trustees on August 13, 2019.

### 2. Statement of compliance and basis of presentation

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

These condensed financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Trust's annual financial statements for the year ended December 31, 2018, prepared in accordance with IFRS. These condensed interim financial statements follow the same accounting policies and methods of application as the annual financial statements for the year ended December 31, 2018.

### 3. Fair value disclosure

The Trust's financial assets measured at fair value have been categorized based upon a fair value hierarchy. The Trust has established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy are as follows.

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

## Starlight Hybrid Global Real Assets Trust

### Notes to the Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019

(In Canadian dollars)

#### 3. Fair value disclosure (continued)

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 - Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

There were no transfers between levels during the period ended June 30, 2019. The Trust's policy is to recognize transfers in and out and between Levels 1 and 2 as per the value at the end of the reporting period and for transfers in and out of Level 3 as per the value at the date of transfer.

	Level 1	Level 2	Level 3
	\$	\$	\$
Investments as at June 30, 2019	—	20,944,703	7,720,497
Investments as at December 31, 2018	—	27,795,664	—

All fair value measurements above are recurring. The carrying values of cash, dividends receivable approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The table below summarizes the movement in financial instruments classified as Level 3.

For the six months ended June 30, 2019:

	Balance at December 31, 2018	Purchases	Sales	Net transfers	Realized gain (loss)	Unrealized gain (loss)	Balance at June 30, 2019
	\$	\$	\$	\$	\$	\$	\$
Equities	—	7,720,497	—	—	—	—	7,720,497
<b>Total</b>	—	<b>7,720,497</b>	—	—	—	—	<b>7,720,497</b>

For the three months ended June 30, 2019:

	Balance at March 31, 2019	Purchases	Sales	Net transfers	Realized gain (loss)	Unrealized gain (loss)	Balance at June 30, 2019
	\$	\$	\$	\$	\$	\$	\$
Equities	—	7,720,497	—	—	—	—	7,720,497
<b>Total</b>	—	<b>7,720,497</b>	—	—	—	—	<b>7,720,497</b>

#### 4. Redeemable units

The Trust's outstanding Units are classified as a financial liability since the Trust has a contractual obligation to repurchase or redeem its Units for cash or another financial asset and to distribute their income to minimize taxes such that they have no discretion to avoid cash distributions.

The capital of the Trust is divided into an unlimited number of units of each series, initially consisting of Series A Units, Series C Units and Series F Units. The Trust may offer additional classes or series of units, including Preferred Units, at the discretion of the Manager, subject to any necessary regulatory approval.

## Starlight Hybrid Global Real Assets Trust

### Notes to the Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019

(In Canadian dollars)

#### 4. Redeemable units (continued)

In accordance with the objectives and the risk management policies outlined in the Financial Risk Management notes (Note 7), the Trust endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being managed by investing sufficient assets in investments that can be readily disposed.

##### *Redeemable unit transactions*

Series F Units were redesignated as Series A Units on March 29, 2019 at net assets value ("NAV"). Series F unitholders received 144,746 Series A Units with a NAV of \$9.81 in exchange for 141,000 Series F Units with a NAV of \$10.07.

Unit transactions of the Trust for the period ended June 30, 2019 and December 31, 2018 were as follows:

	June 30, 2019		
	Series A	Series C	Series F
Units outstanding, beginning of period	2,034,901	750,000	141,000
Units redesignated, during the period	144,746	—	(141,000)
Dividends reinvested	24	—	—
Units outstanding, end of period	2,179,671	750,000	—

  

	December 31, 2018		
	Series A	Series C	Series F
Units outstanding, beginning of period	—	—	—
Units issued, during the period	2,034,901	750,000	141,000
Units outstanding, end of period	2,034,901	750,000	141,000

#### 5. Commitments

As at December 31, 2018, the Trust had no commitments. As at June 30, 2019, the Trust had \$3.3 million in commitments.

On March 4, 2019, the Trust entered into a subscription agreement for a \$5.5 million commitment in the Private Portfolio to invest in Starlight Canadian Residential Growth Fund ("Starlight Residential Fund"). The commitment is callable on demand on a pro-rata basis with other investors. As of June 30, 2019, \$2.2 million has been called.

#### 6. Capital risk management

Units issued and outstanding are considered to be the capital of the Trust. The Manager manages the capital of the Trust in accordance with the Trust's investment objectives. The Trust does not have any specific externally imposed capital requirements.

#### 7. Financial risk management

The Trust's activities expose it to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The risks include market risk (including other price risk, currency risk, and interest rate risk), credit risk, liquidity risk and concentration risk. The Trust has established and maintains a governance structure that oversees the Trust's

## Starlight Hybrid Global Real Assets Trust

### Notes to the Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019

(In Canadian dollars)

#### 7. Financial risk management (continued)

investment activities and monitors compliance with the Trust's stated investment objective and guidelines. These risks and related risk management practices employed by the Trust and the Public Portfolio LP are discussed below.

##### (a) Market risk

Market risk represents the potential loss that can be caused by a change in the fair value of a financial instrument. The investments of the Trust are subject to normal market fluctuations and the risks inherent in investments in the global markets. The Public Portfolio LP's investment portfolio is monitored on a daily basis by the Investment Manager.

##### (b) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. The investments of the Trust are subject to market fluctuations and the risks inherent in financial markets. The maximum risk resulting from financial instruments held by the Trust is determined by the fair value of the financial instruments. The Investment Manager moderates this risk through a careful selection of securities within specified limits and the Trust's other price risk is managed through diversification of the Trust's investments. The Investment Manager monitors the Trust's overall market positions on a daily basis. As at December 31, 2018 the Public Portfolio LP's overall market exposure was \$nil. As at June 30, 2019 the overall market exposures of the Trust, including that of the Public Portfolio LP, were as follows:

	June 30, 2019	
	Fair Value \$	% of Total Net Assets
Investments	27,813,356	97.65
Total market exposure	<b>27,813,356</b>	<b>97.65</b>

As at June 30, 2019, had the prices on the respective stock exchanges for the Trust's securities increased or decreased by 5%, with all other variables held constant, net assets would have increased or decreased by approximately \$1,004,643 or 3.53% of total net assets (December 31, 2018 – \$nil or 0.0%).

In practice, the actual trading results may differ, and the difference could be material.

##### (c) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies, other than the functional currency of the Trust and the Public Portfolio LP, will fluctuate due to changes in foreign exchange rates. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Trust's functional currency in determining fair value.

The Public Portfolio LP holds assets and liabilities, including cash and investments in equities that are denominated in currencies other than the Canadian Dollar, the functional currency. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuate due to changes in exchange rates.

As at December 31, 2018 the Public Portfolio LP did not hold assets and liabilities that are denominated in currencies other than the Canadian Dollar, the functional currency.

## Starlight Hybrid Global Real Assets Trust

### Notes to the Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019

(In Canadian dollars)

#### 7. Financial risk management (continued)

As at June 30, 2019, the Trust indirectly bears the currency risk exposure of the Public Portfolio LP. The table below summarizes the Public Portfolio LP's exposure to currency risk as of June 30, 2019:

Currency type	June 30, 2019	
	Currency Exposure \$	% of Total Net Assets
United States Dollar	6,945,404	33.16
Euro	3,515,783	16.79
Australian Dollar	640,502	3.06
British Pound	211,304	1.01
	<b>11,312,993</b>	<b>54.01</b>

As at June 30, 2019, if the exchange rate between the Canadian Dollar and the foreign currencies increased or decreased by 1%, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$113,130 (December 31, 2018 - \$nil).

In accordance with the Trust's policy, the Investment Manager monitors currency positions as part of the overall portfolio construction and may hedge currencies.

#### (d) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Trust invests in interest-bearing financial instruments. The Trust is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Public Portfolio LP invests in equities and Real Estate Investment Trusts (REITs). An increase in interest rates would increase the borrowing cost on the investment properties and have an adverse effect on net income. Availability of financing and fluctuations in borrowing rates will also restrict the real estate companies' ability to acquire attractive properties and hinders their returns. This would indirectly impact distributions and dividends paid to the Public Portfolio LP.

The majority of the Trust's and Public Portfolio LP's financial assets and liabilities are non-interest bearing as at June 30, 2019 and December 31, 2018. As a result, the Trust is not subject to a significant amount of direct interest rate risk due to fluctuations in the prevailing level of market interest rates.

#### (e) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust or the Public Portfolio LP. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The credit risk related to the associated receivables is considered limited, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

As at June 30, 2019 and December 31, 2018 the Trust and the Public Portfolio LP had no significant investments in debt instruments and/or derivatives; therefore, credit risk is considered minimal.

#### (f) Liquidity risk

The Trust's main liquidity risk exposure is in meeting redemption and expense requirements on a monthly basis. The Trust's manager monitors cash needs on a regular basis. The Trust has daily liquidity with the Public Portfolio LP. Liquidity risk is managed

## Starlight Hybrid Global Real Assets Trust

### Notes to the Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019

(In Canadian dollars)

#### 7. Financial risk management (continued)

in the Public Portfolio LP by investing sufficient assets of the Public Portfolio LP in investments that are traded in an active market and can be readily disposed of. In addition, the Trust either directly or indirectly through the Public Portfolio LP aims to retain sufficient cash to maintain liquidity.

There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Thin trading in a security could make it difficult to liquidate holdings quickly. In addition, the Trust or Public Portfolio LP will, from time to time, enter into unlisted securities or may invest into over-the-counter derivative contracts, which are not traded in an organized market and may be illiquid. Securities for which a market quotation could not be obtained and may be illiquid are identified on the Schedule of Investment Portfolio. The proportion of illiquid securities to the NAV of the Trust is monitored by the Manager to ensure it does not significantly affect the liquidity required to meet the Trust's financial obligations. The proportion of illiquid securities to the NAV of the Public Portfolio LP is monitored by the Investment Manager to ensure it does not significantly affect the liquidity required to meet the Public Portfolio LP's financial obligations.

The Trust is exposed to monthly cash redemptions and beginning in June 2020 annual cash redemptions. However, the monthly redemptions are limited to a fixed dollar amounts and the annual redemption is limited to a fixed percentage of the Trust's assets reducing the liquidity requirements of the Trust. The Trust's investments in the Public Portfolio LP are considered readily realizable and highly liquid, therefore the Trust's liquidity risk is considered minimal.

As at June 30, 2019 the Trust's accounts payable and accrued liabilities are expected to be liquidated within 90 days.

The Trust's liquid investments are considered to be in excess of the redemption and expense requirements.

#### (g) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. As at June 30, 2019 and December 31, 2018, the Trust's exposure to concentration risk, including that of the Public Portfolio LP, is summarized in the table below.

Portfolio by Industry Classification	30-Jun-19	31-Dec-18
	% of Total Net Assets	% of Total Net Assets
Real Estate	33.70	—
Private Placements	27.11	—
Industrials	17.68	—
Utilities	11.19	—
Energy	4.47	—
Financials	1.75	—
Communication Services	1.76	—
Other assets less liabilities	2.35	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

## Starlight Hybrid Global Real Assets Trust

### Notes to the Condensed Interim Financial Statements (unaudited)

Three and six months ended June 30, 2019

(In Canadian dollars)

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#### 8. Interest in non-consolidated structured entities

	June 30, 2019	
	Fair value of investment in Underlying Funds \$	Percentage of ownership %
Non-consolidated structures entities		
Starlight Global Real Assets	20,944,703	100
	December 31, 2018	
	Fair value of investment in Underlying Funds \$	Percentage of ownership %
Non-consolidated structures entities		
Starlight Global Real Assets	27,795,664	100

#### 9. Related parties

##### (a) Management fees

The Trust's investment activities are managed by Starlight Investments Capital GP Inc. The management fees for the three and six months ended June 30, 2019 amounted to \$21,878 and \$38,145 respectively, with \$12,453 in outstanding accrued fees due to the Manager at June 30, 2019 and \$nil amount at December 31, 2018.

##### (b) Investments

To achieve its objectives, the Trust invests no less than 60% of the net capital raised into a related party, Starlight Global Real Assets LP. As at June 30, 2019 the fair value of investments in a related party amounted to \$23,165,200 (December 31, 2018 - \$27,795,664).

##### (c) Unit transactions with related parties

Officers, directors and related entities of the Manager invest in Units from time to time in the normal course of business on the same basis as arms-length investors. As at June 30, 2019, the Manager, including officers and directors, owned 510,000 (December 31, 2018 - 510,000) Units.