Hisham Yakub, CFA
Senior Portfolio Manager

Fund	YTD 2025	Q2 2025	1 Year	3 Year	5 Year	Incept*
Starlight Global Infrastructure Fund, Series F	6.0%	3.2%	15.9%	7.1%	6.0%	7.1%

*Inception date October 2018. Source: Starlight Capital, as of June 30, 2025.

Performance Summary

- Over the second quarter of 2025, Starlight Global Infrastructure Fund, Series F (the Fund) returned 3.2%.
- Industrials, Energy, and Utilities were the top contributors to performance, which was slightly offset by a decline in Communication Services and Real Estate.

Market Overview

Turbulence driven by geopolitical and trade tensions continued to characterize the market through the second quarter of 2025. The quarter began with Liberation Day in the US causing equity markets to plunge following President Trump's tariff announcement followed by subsequent tariff pauses, deals and extensions which resulted in a broad market bounce. Publicly-listed infrastructure remained resilient through the turmoil and proved to be a safe haven for market participants, outperforming global equities during the period. The relative stability of Western Europe attracted fund flows, causing it to deliver +11% return, the strongest among all regions represented in the S&P Global Infrastructure Index.

The AI theme continued to drive interest in infrastructure as the pace of data centre development accelerates. Utilities are seeing long queues to interconnect large loads to their respective grids, which is driving higher capital expenditure spending at utilities globally. Utilities in Canada returned a healthy +4.8% (S&P/TSX Utilities Index), exceeding the U.S. utility sector's return of +2% (S&P 500 Utilities Index).

Midstream had a quarter that was substantially weaker than its strong historical trend level, returning -2% in Canada and -5% in the US. The US midstream sector has delivered an average annual return of +25% over the last 5 years driven by strong energy production in the US and constrained capacity to store, process and transport hydrocarbons.

Looking ahead, the portfolio remains tilted toward high-quality infrastructure businesses with earnings durability and exposure to the key themes of AI-driven energy demand growth, and infrastructure renewal. The manager is selectively adding positions in idiosyncratic opportunities arising from growing energy demand, including companies that improve electric grid resiliency, provide complex engineering services for nuclear power plants and provision connection technologies enabling electrification.

Contributors and Detractors

June 2025 Top Five Contributors		
Stock	Average Weighting	Contribution to return
GAZTRANSPORT ET TECHNIGA SA	2.3%	0.6%
SBM OFFSHORE NV	2.3%	0.5%
BLOOM ENERGY CORP- A	3.4%	0.5%
MICROSOFT CORP	2.1%	0.4%
EIFFAGE	2.5%	0.4%

June 2025 Top Five Detractors		
Stock	Average Weighting	Contribution to return
COGENT COMMUNICATIONS HOLDINGS INC	3.0%	-0.8%
TARGA RESOURCES CORP	1.9%	-0.3%
CMS ENERGY CORP	2.3%	-0.3%
PEMBINA PIPELINE CORP	2.3%	-0.2%
WEC ENERGY GROUP INC	2.4%	-0.2%

Source: Starlight Capital & Bloomberg Finance L.P. As of June 30, 2025.

Three of the top five contributors to performance were European-listed companies, which continued to outperform as US-led trade disruption crested during the quarter.

GazTransport is a France-based supplier of containment systems used to transport and store liquefied gases. In Q1 2025, the Company reported a 32% increase in revenue over the prior year and added 16 units to its backlog of orders.

SBM Offshore continues to see strong demand for their floating production solutions from the energy sector and delivered first quarter revenue that was 27% above last year. The Company continued returning cash to shareholder and reconfirmed it's objective of delivering $1.7 bn to shareholders by 2030.

Eiffage increased its backlog of projects by 11% over last year, mainly driven by its Infrastructure and Energy Systems business units. Along with robust operating performance, the Company's management continues to exhibit strong capital discipline by withdrawing from a potentially expensive acquisition and increasing the dividend by 15%.

Cogent Communications and Targa Resources were the top detractors from performance. Cogent acquired Sprint's fiber business in the second quarter of 2023 with the intention of building out a wavelength business that provides high-bandwidth, low-latency, long-haul data transport. The Sprint network is highly complementary to Cogent's existing network but after a period of integration, new business has not yet materialized in a meaningful way. At the end of the first quarter, Cogent had 3,433 orders to fulfill with the capability of provisioning new circuits in as little as two weeks. We expect the backlog of wavelength orders to convert to revenue over the next few quarters.

Targa Resources delivered performance in-line with expectations in the first quarter and maintained its outlook for the year. Shares declined due to the challenged macroeconomic backdrop, which led to analyst's lowering Targa's profit forecasts for the year. We remain constructive of Targa's growth potential underpinned by its dominant position in the Permian basin.

Portfolio Update

Sector	Portfolio Weight %	Top %Q/Q Changes
Industrials	18.6%	3.2%
Energy	21.4%	1.4%
Communication Services	8.5%	0.4%
Real Estate	1.9%	-0.8%
Utilities	20.0%	-6.4%

Source: Starlight Capital & Bloomberg Finance L.P. As of June 30, 2025. Excludes Cash and Cash Equivalents.

Energy underperformed in the second quarter and we took it as an opportunity to average down on a number of positions that represented good value. We also continued to build our position in Secure Waste Infrastructure, a Western Canadian waste management company that recently acquired a key regional rival. That acquisition has driven economies of scale that are in the process of being realized by management.

Three new positions were initiated in the Industrial sector. Aecon is a Canadian engineering and infrastructure development company that is in process of running off some unprofitable projects. We believe the market is not appreciating the company's lower risk business model that has driven project backlog to record levels, particularly including attractive opportunities in nuclear power and utility infrastructure.

Trade uncertainty has weighed on the valuations of SATS Ltd, a Singapore-based global provider of air cargo handling solutions and InPost, a Dutch provider of delivery services across Europe. We believe share price declines of both companies are over-discounting the impact of the tariffs on trade, enabling us to add quality transportation platforms to the Fund at attractive valuations.

Exposure to utilities decreased as we exited Essential Utilities, a Pennsylvania-based water and gas utility, and RWE, a German independent power provider, to fund other opportunities that represented a better risk/reward proposition.

Fund Outlook

Markets have showed signs of moving past the almost daily trade-related commentary put forward by the US administration. While the possibility of a global trade war continues to loom over markets, strong employment and growth has driven markets to new all-time highs. We are now in an environment that is rife with risks that are probably not being discounted by the market. Infrastructure is uniquely positioned in this environment because of strong secular tailwinds, hard asset underpinning, contracted/regulated asset base and long duration. We expect that the market will appreciate these defensive characteristics to shield capital from risk in other areas of the market.

As second quarter earnings gets underway, we are listening intently for management's commentary on the growth outlook. We remain prepared to act tactically in response to volatility while maintaining a disciplined investment strategy focused on the intersection of quality and value within global listed infrastructure.

Source: Starlight Capital

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Starlight Capital
1400-3280 Bloor Street West
Toronto, Ontario, Canada M8X 2X3
info@starlightcapital.com
1-833-752-4683
Starlightcapital.com

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