Sean Tascatan, CFA
Senior Portfolio Manager

Fund	YTD 2025	Q2 2025	1 Year	3 Year	5 Year	10 Year
Starlight North American Equity Fund, Series F	1.3%	4.3%	14.2%	18.2%	13.5%	9.8%

Source: Starlight Capital, as of June 30, 2025.

Performance Summary

- Over the second quarter of 2025, Starlight North American Equity Fund, Series F (the Fund) returned 4.3%.
- Information Technology, Industrials and Communication Services were the top contributors to performance, which was slightly offset by a decline in Energy and Consumer Staples.

Market Overview

The second quarter of 2025 saw a powerful equity market rally that defied a backdrop of geopolitical risk and economic anxiety. The S&P 500 climbed 10.9%, reaching new all-time highs. Canada's S&P/TSX Composite Index advanced approximately 8.5%, supported by steady performance in financials, technology and materials.

Investor sentiment was initially shaken by the April 2 "Liberation Day" tariff announcements, which reignited fears of a global trade war. However, markets stabilized after a 90-day pause on new tariffs was announced on April 9. Equity strength resumed despite continued concerns about the U.S. deficit and tensions in the Middle East, which caused a spike in oil prices.

Growth leadership dominated, with Technology and Communication Services sectors gaining over 23.7% and 18.5% respectively, as investors rewarded resilient earnings and AI-linked momentum. Small-cap and value stocks underperformed, while defensives like utilities and healthcare lagged. Sector dispersion widened significantly, reflecting investor preference for quality growth.

Corporate earnings were modestly ahead of expectations, with S&P 500 earnings up about 13.3 percent year-over-year. Despite macro risks, multiple expansion and increased risk appetite helped drive strong returns across large-cap equities.

Contributors and Detractors

June 2025 Top Five Contributors

Stock	Average Weighting	Contribution to return
BROADCOM INC	1.5%	0.7%
NVIDIA CORP	1.6%	0.6%
MICROSOFT CORP	2.2%	0.5%
META PLATFORMS INC-CLASS A	1.2%	0.5%
KINAXIS INC	1.9%	0.5%

June 2025 Top Five Detractors

Stock	Average Weighting	Contribution to return
BERKSHIRE HATHAWAY INC-CL B	1.6%	-0.2%
EOG RESOURCES INC	1.6%	-0.2%
COOPER COS INC/THE	0.9%	-0.2%
MOTOROLA SOLUTIONS INC	2.1%	-0.2%
ACCENTURE PLC-CL A	1.9%	-0.2%

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

Broadcom was the top contributor to performance this quarter, as shares surged following a strong earnings report in early June. The company reported better-than-expected revenue and raised full-year guidance, citing strength in its custom AI accelerators and resilient demand in its software segment, including VMware integration. Investor sentiment was buoyed by management's commentary that AI revenue could reach $19-$20 billion this year and over $30 billion in 2026.

NVIDIA continued its exceptional run, with the stock rallying sharply after posting another blowout quarter. Data center revenue almost doubled year-over-year, driven by surging demand for GPUs used in generative AI infrastructure. CEO Jensen Huang reinforced the company's dominant position in the AI supply chain, NVIDIA talked about line of sight into tens of gigawatts on AI factories including sovereign AI with 1GW, roughly $50B data center opportunity.

Berkshire Hathaway detracted from performance, as shares lagged broader market gains. The company's insurance and railroad segments showed modest growth, but investor concern focused on the subdued performance from its equity portfolio and slower capital deployment.

EOG Resources underperformed amid weaker crude oil prices and disappointing production guidance. The company's Q2 results missed expectations on both top- and bottom-line metrics. Management emphasized capital discipline and shareholder returns, but a cautious production outlook for the second half of 2025 triggered investor concern over the sustainability of their growth.

Portfolio Update

Sector	Portfolio Weight %	Top %Q/Q Changes
Information Technology	23.9%	4.6%
Communication Services	4.9%	2.0%
Industrials	14.6%	1.9%
Health Care	15.4%	0.7%
Financials	12.2%	0.6%

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

During the period We initiated new positions in:

- Meta Platforms Inc.: Added on renewed strength in digital advertising and rapid monetization of its Reels and AI-driven ad targeting. Management raised fiscal year 2025 revenue guidance, citing improved engagement across Family of Apps.
- Savaria Corp.: A new position was initiated in Savaria Corp a high-quality Canadian small cap with consistent earnings, strong free cash flow, and a growing international footprint in accessibility solutions.
- Jack Henry & Associates: Initiated to gain exposure to the U.S. financial technology sector, particularly community bank digital transformation. Management's strong focus on margin expansion and dependable recurring revenue provides a compelling foundation for long-term value creation.
- Dream Industrial REIT: Bought as a defensive play on North American logistics real estate, offering attractive valuation and a high-quality tenant base.
- Copart Inc.: Added after a valuation pullback, as long-term trends in salvage vehicle recovery, parts demand, and international growth remain compelling. The company operates in a duopoly in the U.S.

And fully exited our position in

- Steris: Sold as high valuation levels were no longer justified amid emerging concerns around hospital capex pressure.
- CAE Inc.: Exited due to softening civil segment outlook and full valuation. Defense segment's growth potential was considered fully priced in.
- Brookfield Business Partners: Sold following persistent underperformance in key portfolio companies and an increasingly challenged capital recycling outlook.

Fund Outlook

Our strategy is to consistently target high-quality businesses across all sectors. However, we also focus on secular growth trends like digitization, deglobalization, aging population, cybersecurity, and artificial intelligence.

We place a strong emphasis on profitability, market attractiveness, potential for revenue and earnings growth, and valuation compared to historical averages and peer groups.

Despite our sector-agnostic view, we find the most attractive growth opportunities in Healthcare and Information Technology, aligned with broad secular growth themes such as digitization, deglobalization, an aging population, cybersecurity, and artificial intelligence. With approximately 23% exposure to Information Technology and 15% to healthcare at the end of the quarter and our bottom-up approach to stock selection we are positive on the growth opportunities ahead for the Fund. In addition to our top sector exposures, the top 2 largest positions in the Fund are Amazon and Visa due to their strong fundamentals and growth potential in cloud services and payments and relevant value-added services.

Regardless of the macroeconomic or political climate, our guiding principle is to pursue high quality growth at a reasonable price.

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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