

Fund	YTD 2024	Q2 2024	1 Year	3 Year	5 Year	Incept*
Starlight Global Infrastructure Fund, Series F*	1.9%	0.0%	6.3%	1.2%	3.6%	5.6%

*Inception date October 2018. Source: Starlight Capital, as of June 30, 2024.

Performance Summary

- In the second quarter of 2024, Starlight Global Infrastructure Fund, Series F (the Fund) is up 0.03%. YTD, the Fund has returned 1.9%.
- Digital infrastructure and renewable energy, fueled by surging global demand for data centers, 5G networks, and clean energy solutions, were contributors to performance.
- The Fund's diversified portfolio and focus on high-quality infrastructure assets contributed to its resilience amidst a challenging market environment.

Contributors and Detractors

Q2 2024 Top Five Contributors		
Stock	Contribution to Return	Average Weighting
HELIOS TOWERS	+ 0.5%	2.5%
NEXTERA ENERGY	+ 0.5%	4.1%
NORTHLAND POWER	+ 0.3%	4.2%
MICROSOFT	+ 0.3%	3.5%
POWERSCHOOL HOLDINGS	+ 0.3%	0.7%

Q2 2024 Bottom Five Contributors		
Stock	Contribution to Return	Average Weighting
OPERA EVENT	- 1.3%	2.6%
NEW FORTRESS ENERGY	- 0.6%	2.0%
DIGITALBRIDGE GROUP	- 0.6%	1.9%
COGENT COMMUNICATIONS	- 0.3%	2.9%
CANADIAN NATL RAILWAY	- 0.3%	3.0%

Source: Starlight Capital & Bloomberg Finance L.P. As of June 30, 2024.

The Fund's return was driven by gains in companies like Helios Towers, a major player in telecommunications infrastructure in Sub-Saharan Africa and the Middle East, which delivered better than expected first quarter earnings and received credit rating upgrades from Moody's and Standard & Poors. Similarly, NextEra Energy, a Florida-based electric utility and leading renewable energy developer, announced the addition of 2.8 GW of renewables projects to its backlog. Northland Power, a Canadian independent power producer, raised \$205 million from the sale of an operating solar facility in Mexico and experienced strong generation from its offshore wind portfolio. Microsoft, the dominant global provider of cloud computing and enterprise software, continued progress on advancing its artificial intelligence offerings to the market. PowerSchool Holdings, a software provider for K-12 education, was acquired by private equity at \$22.80 per share, a 37% premium to its average share price in the month leading up to the announcement.

The performance of the top detractors in the period was driven by company-specific issues. Opera Event, a start-up provider of social media community management solutions, lost a significant customer which impaired the long-term outlook for their business. New Fortress Energy experienced a construction setback at its new Floating LNG facility in Altamira, Mexico. DigitalBridge, a private equity firm that specializes in digital infrastructure, deconsolidated two legacy subsidiaries that caused the market to reset its expectations for the company to that of a pure-play asset management firm. Cogent Communications, a global fibre optic network provider, experienced slower than expected integration with the Sprint fibre assets it acquired from T-Mobile last year. Canadian National Railway felt the impact of bottlenecks on their network and the possibility of labour disruptions. With the exception of Opera Event, we believe all of the issues experienced by these companies are transient in nature. We have added to the positions as we believe their ability to create long-term value remains intact.

Portfolio Update

Sector	Portfolio Weight %	Top %Q/Q Changes
Energy	17.6%	+ 4.0%
Consumer Staples	8.3%	+ 3.6%
Financials	7.1%	- 1.9%
Information Technology	4.1%	- 1.4%
Utilities	21.3%	- 1.3%

Source: Starlight Capital & Bloomberg Finance L.P. As of June 30, 2024.

The Fund's allocation to the Energy sector rose by 4.0 percentage points as two new positions were added in the first quarter. Midstream Energy sector in the US is extremely supply-constrained. Demand for energy processing, storage and transportation services has been robust post-COVID and regulatory barriers prevent more pipelines from coming online. Companies in the sector have strong balance sheets as they have used excess cash flow to reduce debt and are increasing dividends and share repurchases. Valuations remain attractive despite outperformance relative to the overall market over the last three years.

In Communication Services, we added a new position in Cellnex Telecom, a cell tower operator with a dominant footprint across major European markets. Additionally, the Fund's exposure to Cogent Communications was significantly increased as its valuations became more attractive.

Exposure to the Financials sector was reduced to fund additions to other relatively attractively valued opportunities.

In Information Technology, PowerSchool agreed to be acquired by a private equity firm and the position was eliminated close to the offer price.

The slight decrease in the Fund's allocation to Utilities is mainly attributed to the elimination of Enel and Superior Plus due to lower growth and higher capital costs expectations. The allocation was partially offset by additions to the two Alberta-based power producers, Capital Power and TransAlta. Within Utilities, the Fund is overweight independent power producers with significant plans to grow their renewable energy portfolios. As the global imperative to decarbonize the energy system plays out, we believe the long-duration cash flows they deliver will become more appreciated by the market over time. However, short-term expectations of higher interest rates continued to weigh on valuations in the sector.

Fund Outlook

We remain confident in the long-term total return prospects of infrastructure assets, an asset class that we believe provides portfolio stability and growth potential for any diversified portfolio. Our conviction is grounded from the Fund's focus on three transformative global trends: decarbonization, infrastructure renewal, and digital connectivity. These are not fleeting trends, but fundamental shifts reshaping our world and creating compelling investment opportunities in essential services that are vital to modern society.

As economies expand and populations grow, so does the demand for energy, transportation, and communication infrastructure. The Starlight Global Infrastructure Fund is well-positioned to capitalize on this growing demand, offering investors exposure to a resilient asset class characterized by stable cash flows and secure contracts, amidst market volatility.

The Fund's diversified portfolio, combined with our disciplined investment approach focused on high-quality infrastructure companies with strong fundamentals and attractive valuations, allows us to navigate market fluctuations while remaining focused on long-term value creation. For investors seeking a reliable income stream and a portfolio that can weather economic storms, infrastructure remains a compelling choice. In an ever-changing world, investing in the essential assets that underpin our society is a prudent strategy for achieving long-term total return potential.

Source: Starlight Capital

Invest With Us

For more information on our investment solutions, learn more at starlightcapital.com or speak to our Sales Team.



For more information, please visit StarlightCapital.com

Important disclaimer.

The views in this update are subject to change at any time based upon market or other conditions and are current as of July 15, 2024. While all material is deemed to be reliable, accuracy and completeness cannot be guaranteed. 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 Starlight Capital and the portfolio manager believe to be reasonable assumptions, neither Starlight Capital nor the portfolio manager can 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. Investment funds are not guaranteed, their values change frequently, and past performance may not be repeated. The content of this document (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it. Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the offering documents before investing. Investors should consult with their advisors prior to investing. Starlight, Starlight Investments, Starlight Capital and all other related Starlight logos are trademarks of Starlight Group Property Holdings Inc.

Starlight Capital
1400-3280 Bloor Street West
Toronto, Ontario, Canada M8X 2X3
info@starlightcapital.com
1-833-752-4683
[Starlightcapital.com](https://starlightcapital.com)

