

Starlight Global Private Equity Pool 2024 Update

September 13, 2024



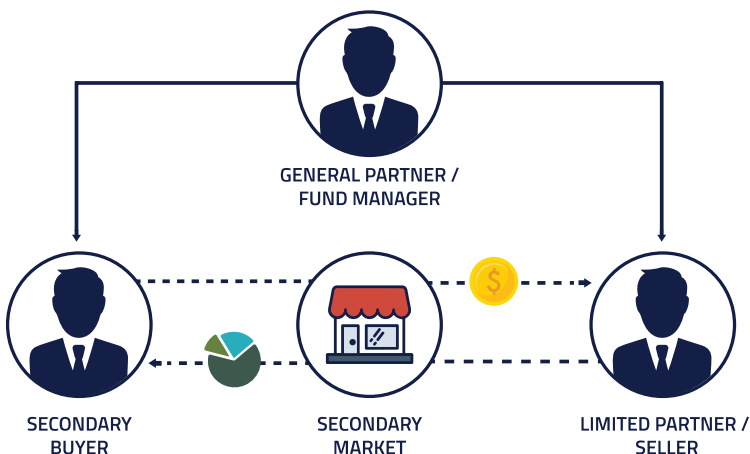
**Dennis Mitchell,
MBA, CFA, CBV**

Chief Executive Officer and
Chief Investment Officer

The Starlight Global Private Equity Pool is designed to provide accredited investors with access to institutional-quality, private assets in a solution that provides liquidity. The unique design (target 80% private asset funds, target 20% public listed securities) allows investors to partner with best-in-class, global institutional managers of private assets and invest alongside some of the largest pension funds, insurance companies and wealth managers in the world.

The secondary private equity market provides liquidity to investors in private equity. Pension plans, endowments, insurance companies and other large investors in private equity regularly require liquidity to rebalance allocations and fund additional private equity commitments. From 2009 through 2022, the private equity market has grown 4x to US \$1.2 trillion in new commitments. The secondary private equity market has grown 10x over that same period to US \$103 billion in new commitments.

Exhibit 1 – Private Equity Secondary Market



Source: Crystal Capital Partners.

Exhibit 2 – Attractive risk / return profile relative to traditional PE

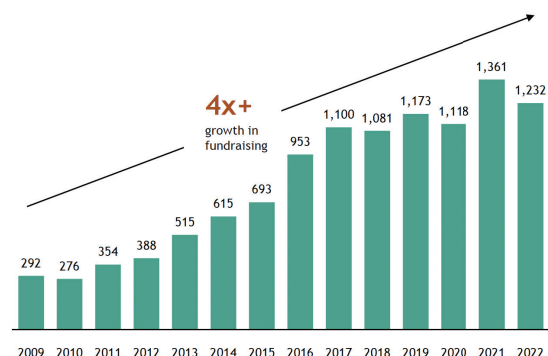
	Primary PE	Secondary PE
Assets Acquired	Blind pool	Identifiable assets
Year of Acquisition	At inception	4-10+
Cost Basis	Par	Usually discount to NAV
Return of Capital	Years 5-8	Years 1-5
Diversification	Low	High
Estimated Market Net MOIC	1.8-2.2x+	1.5-1.6x+
Estimated Market Net IRR	High teens	High teens

Source: Blackstone. Strategic Partners Secondaries Overview. Third Quarter 2023.

The small size of the secondary private equity market compared to the private equity market creates opportunities for secondary private equity strategies to acquire attractive assets and funds at discounts to their Net Asset Value. Historically, secondary private equity strategies have generated similar returns to private equity strategies with greater transparency, shorter durations, lower management and performance fees, greater diversification, less volatility and higher yields.

Exhibit 3 – Greater number of LPs allocating to alternatives in scale

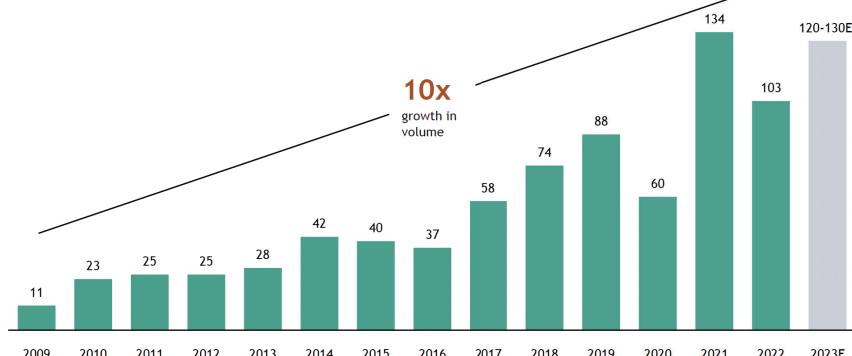
Primary Private Equity Commitments
(US\$ in billions)



Source: Blackstone. Strategic Partners Secondaries Overview. Third Quarter 2023.

Exhibit 4 – Secondary market growing but still a fraction of the size of the primary market

Secondary Market Volume
(US\$ in billions)



Source: Blackstone. Strategic Partners Secondaries Overview. Third Quarter 2023.

2024 Year to Date

The Starlight Global Private Equity Pool (“Pool”) has generated a 4.8% total return year to date.

Through the end of July, the listed securities portfolio delivered a 5.4% total return while generating 12 dividend and distribution increases with an average increase of 8.3%. Declining interest rates in both Canada and the United States have pushed market multiples up, positively impacting the valuation of the private assets.

Exhibit 5 - Starlight Private Equity Pool Performance

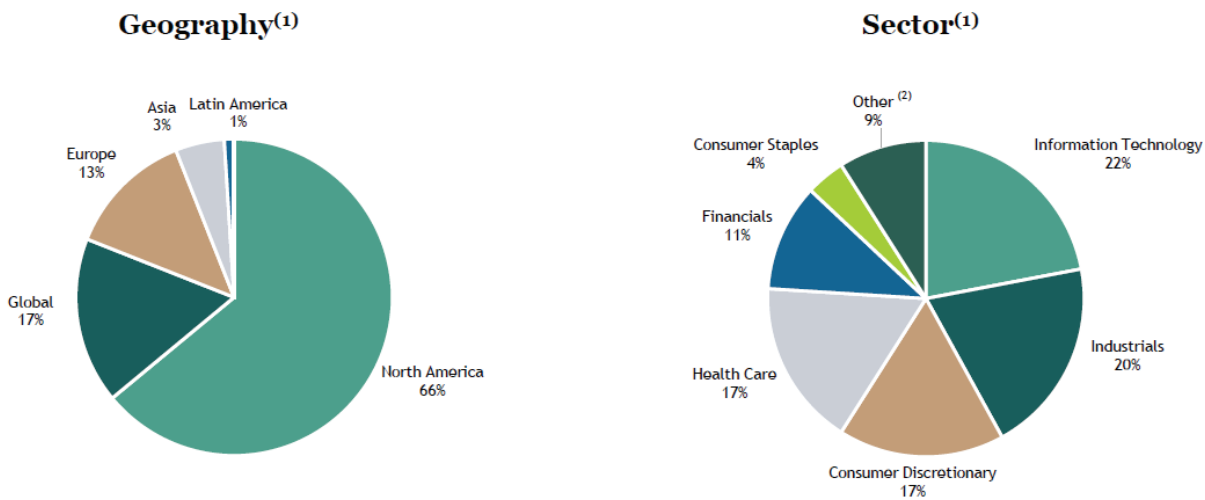
Private Equity Pool Performance					
	YTD	Q1	1 Year	3 year	Incept.
Starlight Global Private Equity Pool	4.8%	0.8%	4.7%	N/A	12.3%

Source: Starlight Capital. Inception date is September 2022 for Series F of the Starlight Global Private Equity Pool.

Blackstone Strategic Partners Fund IX

Blackstone Strategic Partners (“BSP”) is the largest global secondaries platform with \$68 billion of assets under management (“AUM”) across Private Equity (80% of AUM), Infrastructure, Real Estate and GP Solutions. BSP’s strategy is to acquire large pools of older vintage (6 – 8 years old), primary private equity strategies that generate higher yields with lower leverage and experience lower loss rates. BSP has historically acquired these positions at an average 20% discount to Net Asset Value, which historically accounts for 25% of BSP’s total returns. The additional returns are generated via appreciation of the underlying businesses and the premium achieved upon exit. **Over 20+ years the BSP platform has generated an aggregate 18.0% Net IRR and an aggregate 1.7x Net MOIC with a loss ratio of less than 1.0%.**

Exhibit 6 - BSP Fund IX Diversification



is capital
July 31,

Source: Blackstone. Strategic Partners IX. Q1 2024 Quarterly Update.

2024, BSP Fund IX has completed 210 transactions (average deal size \$100 million) covering 809 underlying funds that have been acquired at an average 21.0% discount to net asset value. The entire portfolio is carried at a discount to recent LBO multiples and market exits are consistently above carrying values. **BSP Fund IX has now generated a net MOIC of 1.2x and the Private Equity Pool has experienced a 14.7% Annualized Net IRR on this holding.**

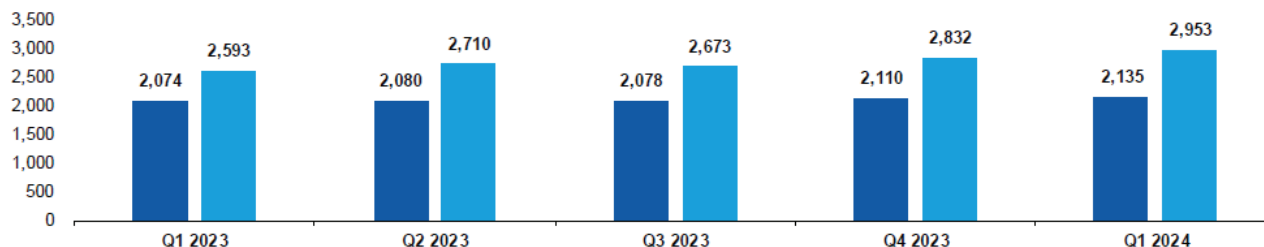
Morgan Stanley Ashbridge Transformational Strategies II

Ashbridge Transformational Strategies ("ATS") is Morgan Stanley's secondary private equity platform and it has invested over \$3.5 billion of capital. The ATS strategy is focused on GP-led, continuation strategies and offers a nice complement to the BSP Fund IX strategy. ATS teams up with the General Partner ("GP") of a private equity strategy and purchases controlling positions in individual businesses managed by that GP. ATS builds a concentrated portfolio of individual businesses out of existing private equity funds where they see the opportunity to drive continued value creation through additional investment. These businesses are acquired at small discounts to Net Asset Value and generally have lower EV/EBITDA and Net Debt/EBITDA multiples compared to the market. **Over 18+ years the Ashbridge platform has made over 35 investments and generated a Net IRR of 40.0% and a Net MOIC of 2.0x.**

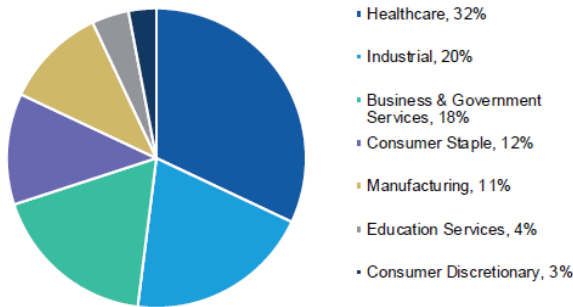
Exhibit 7 - Ashbridge II Portfolio Valuation by Quarter and Diversification

Ashbridge II Portfolio Valuation by Quarter

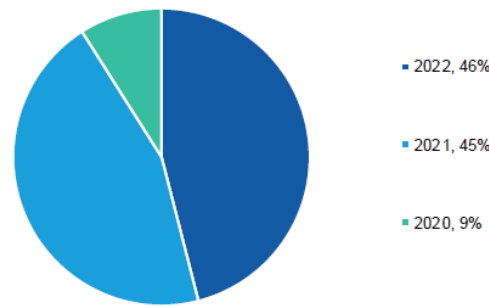
(All values in USD Millions)



Ashbridge II Industry Allocation⁽⁴⁾



Ashbridge II Investment Vintage Year Diversification⁽⁴⁾



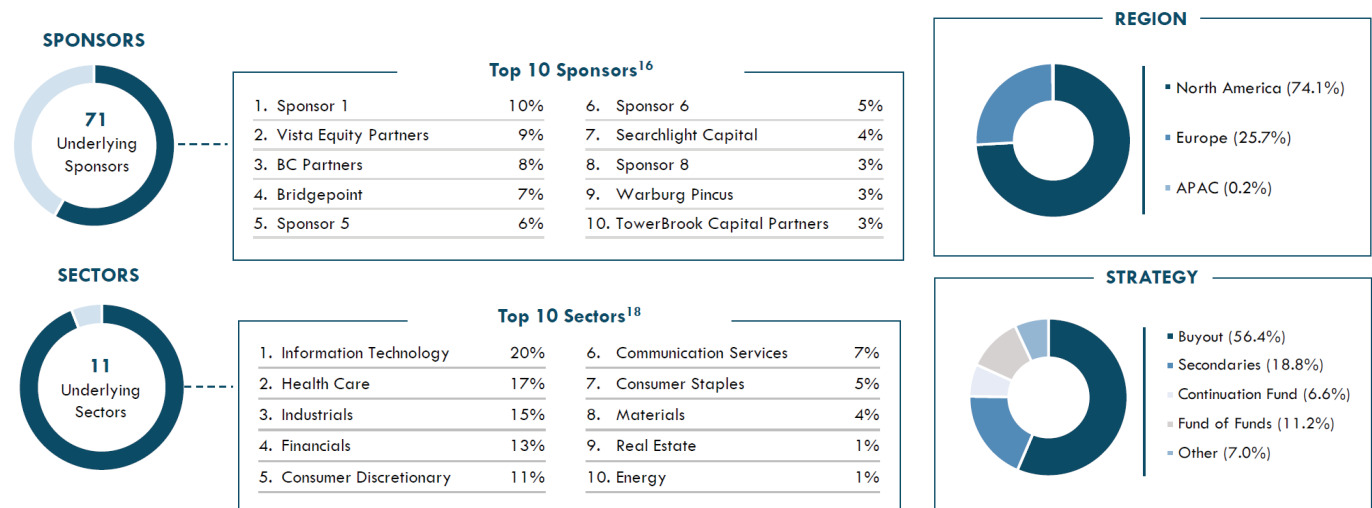
Source: Morgan Stanley, Ashbridge Transformational Secondaries Fund II, LP, Quarterly Fund Report, March 31, 2024.

The Private Equity Pool has allocated US \$20 million to Ashbridge Transformational Strategies Fund II (“ATS Fund II”) and as of July 31, 2024, 59.0% of this commitment has been called. ATS management advises that another 10.0% of our total commitment will be called this year. ATS Fund II has deployed \$2.1 billion to acquire 18 businesses (average deal size \$358 million) currently valued at \$3.0 billion. **ATS Fund II has now generated a net MOIC of 1.3x and our Annualized Net IRR is now 15.7% in the Private Equity Pool.**

Dawson Portfolio Finance 5

Dawson Partners (“Dawson”) is a unique secondary private equity firm that has deployed over \$24.7 billion since 2016. The strategy is focused on providing liquidity to both LP and GP investors in private equity through a preferred equity structure. Dawson Portfolio Finance 5 (“DPF 5”) aims to provide investors with resilient returns, muted volatility and consistent cash flows. This is accomplished by purchasing private equity investments with an initial outlay (approx. 65% of NAV) that attracts a minimum IRR and MOIC over time. After these return hurdles are met, Dawson is still entitled to a portion of the residual return on the investment. **This structure has allowed Dawson to generate a 11.7% Net IRR and 1.2x Net MOIC since inception.**

Exhibit 8 - DPF 5 Diversification



Source: Dawson, Portfolio Finance 5, 2024Q2 Report.

The Private Equity Pool has allocated US \$10 million to DPF 5 and as of December 31, 2023, 48.9% of this capital has been invested. We anticipate that another 20% of our total commitment to be called by year end. Through July 31, 2024, DPF 5 has invested in 18 structures including 95 transactions. Approx. 70% of the investments are LP solutions while the remaining 30% are GP solutions.

Dawson has contracted to advance 65.0% of the purchase price of these structures up front. Afterwards, DPF 5 is entitled to a priority on distributions until receiving the greater of an average 1.32x multiple and an 8.4% IRR, with 15.8% of any residual profits thereafter. The structures within DPF 5 are skewed towards fund positions that are four to six years in age, and since 2010, these private equity exits have generated uplifts of approx. 25.0%. **DPF 5 has now generated a net MOIC of 1.1x and our Annualized Net IRR is now 10.8% in the Private Equity Pool.**

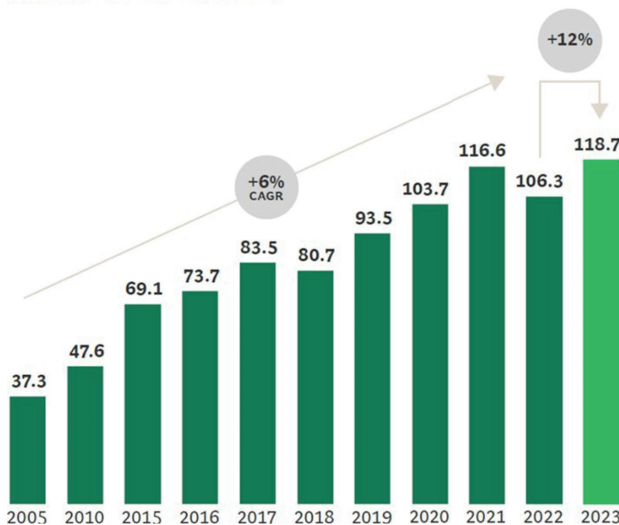
2024 Performance Outlook

Globally, institutions have taken their allocation to private assets to 27.0% in 2023, including 10.1% in private equity. Retail investors are lagging this allocation move as globally their allocation sits at 3.5%. The drivers for this allocation shift for institutions includes:

- The outperformance of private equity compared to listed equities
 - Private equity 14.5% annualized 10-year CAGR (listed equities 8.5%)
- The continued concentration of global equity market indices driving volatility higher
 - "Magnificent 7" stocks are 32.7% of the S&P 500
- The lack of representation of the global economy in the listed equity markets
 - 87% of US companies with > US \$100 million of annual revenue are private

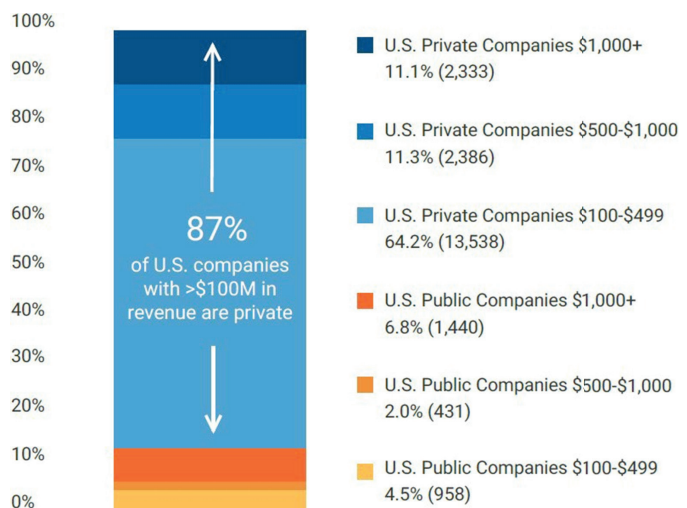
Exhibit 9 - Global Market AUM continues to rise

GLOBAL AUM (\$TRILLIONS)



Source: BCG, "AI and the Next Wave of Transformation" (May 2024).

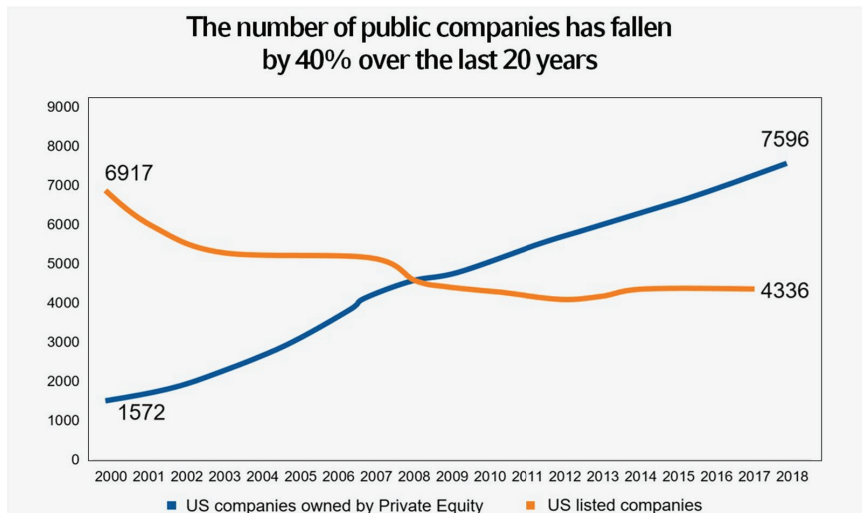
Exhibit 10 - Many of the largest US companies are private



Source: Capital IQ (January 2022).

The number of public companies has declined in the US from over 7,000 in 2000 to under 4,000 in 2020. In Europe, the number of public companies has fallen by 30% from 2007 through 2018. In contrast, the number of US companies owned by private equity has risen from less than 2,000 in 2000 to over 7,500 in 2018.

Exhibit 11 - The number of publicly-traded companies is declining



Source: Russel Investments, World Bank, World Federation of Exchanges, Pitchbook, Credit Suisse. As of 12/31/2017 for public companies; 3/31/2018 for private companies. For illustrative purpose only.

From December 31, 2022 through June 30, 2024, the Russell 3000 rose 40.0%, compared to only 14.0% for private equity (Burgiss). However, all of this outperformance was due to the multiple expansion of the public markets (16.6x EV/LTM EBITDA from 14.4x) compared to more conservative marks for private equity (14.2x from 13.5x). In fact, private equity earnings growth was superior to public market earnings growth over that time period (9.0% EBITDA growth compared to 5.0% for public companies). Confirmation of the valuation gap between private and public companies is found in the increase in “valuation pop” these private companies earned on exit. In Q1/24 valuation pops averaged 24%, rising to 25% in Q2/24 and 31% in Q3/24 so far.

The rate hiking cycle has not significantly impacted private equity earnings however, private equity trading multiples did decline. Many investors remain underweight private equity but as market volatility rises, we expect more investors to allocate capital to private equity secondary strategies.

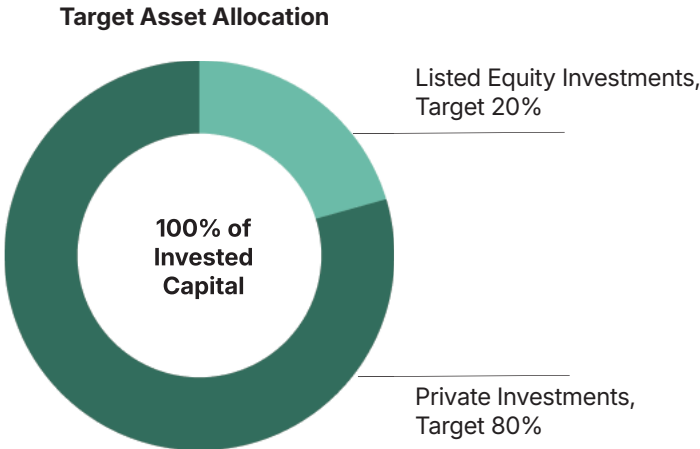
The Starlight Global Private Equity Pool was designed to generate 12.0%-14.0% annual total returns to investors. **Since inception (September 2022), the Pool Series F has generated an annualized total return of 12.3%. We anticipate that the Pool will continue to generate strong total returns in 2024 based on the continued deployment of capital and the continued appreciation of the existing underlying positions.**

We invite you to partner with us.

Starlight Global Private Equity Pool

Innovative Fund Structure

Access to a diversified portfolio of best-in-class private investment partners managing institutional-quality, private equity.



Total Return

- ✓ Target 12-14% Net IRR to investors
- ✓ Attractive long-term capital appreciation potential

Innovative Fund Structure

- ✓ Access to institutional private assets that provide uncorrelated returns and long-term capital appreciation
- ✓ Concentrated portfolio of actively managed global listed securities support yield and liquidity

Liquidity

- ✓ Monthly subscriptions with quarterly redemption privileges

Diversified Equities

Starlight Global Private Equity Pool

Inception - 2022

Investment Objective:

To achieve long-term capital appreciation by investing in a diversified global portfolio of private equity investments and publicly traded global equity securities.

Fund Codes

- Series A (SLC1104)
- Series F (SLC1204)
- Series I (SLC1904)

Distribution Frequency

N/A

Investment Management



Dennis Mitchell,
MBA, CFA, CBV
Chief Executive
Officer and Chief
Investment Officer

Dennis Mitchell joined Starlight Capital in March 2018 as Chief Executive Officer and Chief Investment Officer. He has over 20 years of experience in the investment industry and has held executive positions with Sprott Asset Management, serving as Senior Vice-President and Senior Portfolio Manager, and Sentry Investments, serving as Executive Vice-President and Chief Investment Officer.

Mr. Mitchell received the Brendan Wood International Canadian TopGun Award in 2009, 2010, and 2011 and the Brendan Wood International 2012 Canadian TopGun Team Leader Award. He also received the Afroglobal Television Excellence Award for Enterprise in 2020 and the Black Business and Professionals Association's Harry Jerome President's Award in 2021.

Mr. Mitchell holds the Chartered Financial Analyst and Chartered Business Valuator designations and earned a Master of Business Administration from the Schulich School of Business at York University in 2002 and an Honors Bachelor of Business Administration degree from Wilfrid Laurier University in 1998.

Mr. Mitchell currently sits on the Board of the Toronto Foundation and is Co-Founder and Director of the Black Opportunity Fund.

About Starlight Capital

Starlight Capital is an independent Canadian asset management firm with over \$1 billion in assets under management. We manage Global and North American diversified private and public equity investments across traditional and alternative asset classes, including real estate, infrastructure and private equity. Our goal is to deliver superior risk-adjusted, total returns to investors through a disciplined investment approach: Focused Business Investing. Starlight Capital is a wholly-owned subsidiary of Starlight Investments. Starlight Investments is a leading global real estate investment and asset management firm with over 360 employees and \$28B in AUM. A privately held owner, developer and asset manager of over 66,000 multi-residential suites and over 7 million square feet of commercial property space. Learn more at www.starlightcapital.com and connect with us on LinkedIn at www.linkedin.com/company/starlightcapital/

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

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