STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE PLUS FUND ANNOUNCES Q4 2021 RESULTS INCLUDING NOI 4.5% AHEAD OF FORECAST DRIVEN BY STRONG RENT GROWTH

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Toronto – **March 8, 2022** – Starlight U.S. Multi-Family (No. 2) Core Plus Fund (TSXV: SCPT.A and SCPT.U) (the "Fund") announced today its results of operations and financial condition for the three months ended December 31, 2021 ("Q4-2021") and the period from January 8, 2021 (date of formation) to December 31, 2021 ("YTD-2021"), which includes 276 days of operating activity (the "Initial Reporting Period") from the closing date of the Fund's initial public offering on March 31, 2021 (the "Offering").

All amounts in this press release are in thousands of United States ("U.S.") dollars except for average monthly rent ("AMR") or unless otherwise stated. All references to "C$" are to Canadian dollars.

"The Fund continued to achieve strong operating results for the fourth quarter, including annualized rent growth of 7.2% and net operating income ahead of forecast by 4.5%," commented Evan Kirsh, the Fund's President. "The Fund also achieved rent growth in excess of 12% on new and renewal leases during January and February 2022 and strong physical occupancy of 95.3% as at March 7, 2022, positioning the Fund to take advantage of favorable market conditions."

Q4-2021 HIGHLIGHTS

- During Q4-2021, the Fund recorded a fair value gain on Hudson at East ("Hudson") and Montane (together, the "Properties") of $11,554, contributing to the cumulative $49,444 or 25.9% increase over the aggregate purchase price since the Properties were acquired by the Fund on March 31, 2021. The fair value gain during Q4-2021 was primarily driven by net operating income ("NOI") growth and capitalization rate compression from increasing demand in the investment market for multi-family properties across the markets in which the Fund operates.
- Significant increases in rent growth continued during Q4-2021 with the Fund achieving 7.2% annualized rent growth with in-place rents at the end of 2021 approximately 3.5% higher than forecasted. These increases were driven by growth in demand for multi-family suites due to the economic strength following the downturn created by coronavirus (SARS – CoV2) and its variants ("COVID-19") in the U.S. and the markets in which the Fund operates.
- The Fund had collected 99.1% of rents for Q4-2021 as at March 7, 2022, demonstrating the Fund's strong tenant profile.
- Net income for Q4-2021 was $4,028, ahead of the financial forecast included in the Fund's final long form prospectus dated March 19, 2021 ("Forecast") by $4,280.
- Adjusted funds from operations ("AFFO") for Q4-2021 was $1,017 or 1.7% ahead of Forecast, with the Fund's AFFO payout ratio at 83.6%, lower than the forecasted AFFO payout ratio of 85.4%, driven primarily by higher than forecasted NOI at the Properties.
- On October 25, 2021, the Fund refinanced the loan payable on Montane by entering into a new $92,000 first mortgage at an attractive all-in rate. Given the significant increase in the fair value of Hudson, the Fund is evaluating the potential refinancing of the associated loan

payable whereby the net proceeds of any such refinancing along with the Fund's cash on hand as at December 31, 2021 of $6,445 may provide sufficient liquidity for the Fund to acquire a third property.

- On December 16, 2021, the Fund entered into a variable rate collar contract to establish a guaranteed monthly exchange rate between C$1.2575 and C$1.3200 for the conversion of U.S. dollar funds to Canadian dollar funds amounting to C$312 per month from February 10, 2022 to July 12, 2022 and C$156 per month from August 10, 2022 to November 14, 2022. The contract was entered into to protect against the potential impact of any weakening of the U.S. dollar on the amounts required to pay the Fund's monthly Canadian dollar distributions and ensure a more favorable exchange rate for conversion of these funds when compared to the rate used to convert the proceeds from the Offering into U.S. dollars of C$1.252.

INITIAL REPORTING PERIOD HIGHLIGHTS

- The Fund completed the Offering on March 31, 2021 and raised gross subscription proceeds of $85,408, which were used to acquire the Properties on March 31, 2021, which included a total of 675 suites in Denver, Colorado and Orlando, Florida.
- NOI for YTD-2021 was $6,538 (Forecast - $6,386), representing an increase of $152 or 2.4% compared to the Forecast, primarily due to higher than forecasted revenue at the Properties.
- Net income for YTD-2021 was $23,770 (Forecast - loss of $696), an increase of $24,466 compared to Forecast.
- AFFO for YTD-2021 was $3,105 (Forecast - $3,072) with the Fund's AFFO payout ratio at 82.8%, lower than Forecast by approximately 90 basis points driven primarily by higher than forecasted NOI.

COVID-19 IMPACT

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic. Although COVID-19 has resulted in a volatile economy, the Fund believes it is well positioned to navigate through this challenging time and continues to undertake proactive measures at the Fund's properties to combat the spread of COVID-19, assist tenants where needed and implement other measures to minimize business interruption. The Fund intends to actively monitor any continued impact COVID-19 may have on the Fund's operating results in future periods specifically as they relate to rent collections, occupancy, rent growth, ancillary fees and expenses incurred for preventative measures in response to COVID-19.

COVID-19 vaccination programs continue across the U.S. to varying degrees in different states and jurisdictions with the immunization efforts widely considered to have been successful to date relative to other countries globally and the approval of a third COVID-19 booster by the U.S. Food and Drug Administration to help further advance immunization efforts in preventing the spread of COVID-19. However, there is a risk that delays in the timely administration, changing strains of the virus, including the occurrence of new variants of COVID-19 (such as the Omicron variant), or reluctance to receive vaccinations could prolong the impacts of COVID-19 and have the potential to cause further adverse economic conditions. According to the U.S. Department of Labor, unemployment rates for December 2021 declined to 3.9% (from a peak of approximately 15% in April 2020) with such employment gains broadly diversified across many industries and driven by the continued economic reopening linked to the successful vaccination program across the U.S. The sustained rollout of the vaccination program is expected to continue to improve economic growth and employment throughout the U.S., although there can be no certainty with respect to the timing of these improvements. Further disclosure surrounding the impact of COVID-19 is included in the Fund Management's Discussion and Analysis ("MD&A") in the "COVID-19" and "Future Outlook" sections for YTD-2021 under the Fund's profile, which is available on www.sedar.com.

FINANCIAL CONDITION AND OPERATING RESULTS

Highlights of the financial and operating performance of the Fund as at December 31, 2021 and for Q4-2021 and YTD-2021 is provided below:

	As at December 31, 2021
Operational Information (1)	
Number of properties	2
Total suites	675
Economic occupancy (2)	93.6%
AMR (in actual dollars)	$ 1,617
AMR per square foot (in actual dollars)	$ 1.67
Summary of Financial Information	
Gross book value	$ 255,200
Indebtedness	$ 131,063
Indebtedness to gross book value	51.4%
Weighted average interest rate - as at period end (3)	2.49%
Weighted average loan term to maturity	4.86 years

	Q4-2021 (4)	Forecast Q4-2021 (4)	YTD-2021 (4)	Forecast YTD-2021 (4)
Summarized Income Statement				
Revenue from property operations	$ 3,391	$ 3,255	$ 10,104	$ 9,869
Property operating costs	$ (855)	$ (779)	$ (2,464)	$ (2,348)
Property taxes (5)	$ (342)	$ (377)	$ (1,102)	$ (1,135)
Adjusted income from operations / NOI	$ 2,194	$ 2,099	$ 6,538	$ 6,386
Finance costs (including non-cash items) (6)	$ (1,567)	$ (896)	$ (3,533)	$ (2,705)
Distributions to unitholders of the Fund ("Unitholders")	$ (850)	$ (854)	$ (2,570)	$ (2,571)
Distributions to preferred shareholders	$ (4)	$ (4)	$ (8)	$ (8)
Fund and trust expenses	$ (305)	$ (259)	$ (859)	$ (780)
Unrealized foreign exchange (loss) gain	$ (5)	$ -	$ 12	$ -
Realized foreign exchange gain (loss)	$ 4	$ -	$ 3	$ -
Fair value adjustment on investment properties	$ 11,554	$ -	$ 49,444	$ -
Provision for carried interest	$ (3,301)	$ -	$ (11,211)	$ -
Deferred income taxes	$ (3,692)	$ (338)	$ (14,046)	$ (1,018)
Net income (loss) and comprehensive income (loss)	$ 4,028	$ (252)	$ 23,770	$ (696)
Other Selected Financial Information				
Funds from operations ("FFO") (7)	$ 348	$ 944	$ 2,290	$ 2,901
FFO per unit of the Fund ("Unit") - basic and diluted (7)	$ 0.03	$ 0.09	$ 0.21	$ 0.27
AFFO	$ 1,017	$ 1,000	$ 3,105	$ 3,072
AFFO per Unit - basic and diluted	$ 0.09	$ 0.09	$ 0.28	$ 0.28
Weighted average interest rate - average during period (8)	2.48%	2.49%	2.46%	2.49%
Interest coverage ratio	2.29 x	2.33 x	2.34 x	2.35 x
Indebtedness coverage ratio	2.29 x	2.33 x	2.34 x	2.35 x
Distributions to Unitholders	$ 850	$ 854	$ 2,570	$ 2,571
FFO payout ratio (7)	244.3%	90.5%	112.2%	88.6%
AFFO payout ratio	83.6%	85.4%	82.8%	83.7%
Weighted Average Units Outstanding (000s) - basic/diluted	10,902	10,902	10,902	10,902

(1) The Fund commenced operations following the acquisition of the Fund's properties on March 31, 2021.

(2) Economic occupancy for Q4-2021.

(3) The weighted average interest rate on loans payable is presented as at December 31, 2021 reflecting the prevailing index rate, U.S. 30-day London Interbank Offered Rate ("LIBOR") or U.S. 30-day Secured Overnight Financing Rate ("SOFR"), as applicable to each loan, as at that date.

(4) Figures represent the actual results of Q4-2021 and YTD-2021 with Forecast Q4-2021 and Forecast YTD-2021 representing the Forecast adjusted for Q4-2021 and the Initial Reporting Period.

(5) Property taxes were adjusted to exclude the International Financial Reporting Interpretations Committee Interpretation 21, Levies ("IFRIC 21") fair value adjustment and treat property taxes as an expense that is amortized during the fiscal year for the purpose of calculating NOI. These amounts have been reported under Fair value adjustment IFRIC 21 under the Fund's consolidated financial statements for the period from January 8, 2021 (date of formation) to December 31, 2021.

(6) Finance costs include interest expense on loans payable as well as non-cash amortization of deferred financing costs, fair value changes in derivative financial instruments as well as any loss on the early extinguishment of loans payable.

(7) Basic and diluted FFO and FFO per Unit for Q4-2021 and YTD-2021 were lower than Forecast primarily due to the loss on early extinguishment of debt related to expensing the unamortized deferred financing costs associated with the refinancing of the Montane loan payable in October 2021.

(8) The weighted average interest rate on loans payable presented reflects the average prevailing index rate, LIBOR or SOFR as applicable to each of the loans payable, throughout each period presented.

NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

The Fund's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain terms that may be used in this press release including AFFO, AFFO payout ratio, AMR, economic occupancy, FFO, FFO payout ratio, gross book value, indebtedness, indebtedness coverage ratio, indebtedness to gross book value, interest coverage ratio and NOI (collectively, the "Non-IFRS Measures") as well as other measures discussed elsewhere in this press release, do not have a standardized definition prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. Gross book value is defined as the fair market value of the investment properties as determined in accordance with IFRS. Indebtedness is defined as the principal amount of loans payable outstanding as at a specific reporting date. AFFO payout ratio is calculated by taking distributions declared and dividing by AFFO in a given reporting period. FFO payout ratio is calculated by taking distributions declared and dividing by FFO in a given reporting period. The Fund uses these measures to better assess the Fund's underlying performance and financial position and provides these additional measures so that investors may do the same. Further details on Non-IFRS Measures are set out in the Fund's MD&A in the "Non-IFRS Financial Measures" section for YTD-2021 and are available on the Fund's profile on SEDAR at www.sedar.com.

A reconciliation of the Fund's interest coverage ratio and indebtedness coverage ratio are provided below:

Interest and indebtedness coverage ratios	Q4-2021 (1)	Forecast Q4-2021 (1)	YTD-2021 (1)	Forecast YTD-2021 (1)
Net loss and comprehensive loss	$ 4,028	$ (252)	$ 23,770	$ (696)
Add: non-cash or one-time items and distributions (2)	$ (2,964)	$ 1,299	$ (20,519)	$ 3,913
Adjusted net income and comprehensive income	$ 1,064	$ 1,047	$ 3,251	$ 3,217
Interest coverage ratio (3)	2.29x	2.33x	2.34x	2.35x
Indebtedness coverage ratio (4)	2.29x	2.33x	2.34x	2.35x

(1) Figures represent the actual results of Q4-2021 and YTD-2021 with Forecast Q4-2021 and Forecast YTD-2021 representing the Forecast adjusted for Q4-2021 and the Initial Reporting Period.

(2) Non-cash or one-time items consist of deferred taxes, amortization of financing costs and loan premiums, fair value adjustments on derivative instruments, and unrealized foreign exchange gains and losses.

(3) Interest coverage ratio is calculated as adjusted net income and comprehensive income plus interest expense divided by interest expense.

(4) Indebtedness coverage ratio is calculated as adjusted net income and comprehensive income plus interest expense divided by interest expense and mandatory principal payments on the Fund's loans payable.

CASH PROVIDED BY OPERATING ACTIVITIES RECONCILIATION TO FFO and AFFO

The Fund was formed as a "closed-end" limited partnership with an initial term of three years, a targeted yield of 4.0% and a targeted minimum 11% pre-tax investor internal rate of return across all classes of Units.

AFFO and AFFO per Unit for Q4-2021 were $1,017 and $0.09, respectively (Forecast - $1,000 and $0.09), representing an increase in AFFO of $17 or 1.7%, primarily due to higher than forecasted NOI at the Properties, partially offset by higher than forecasted interest expense on the loans payable and higher than forecasted fund and trust expenses during YTD-2021.

AFFO and AFFO per Unit for YTD-2021 were $3,105 and $0.28, respectively (Forecast - $3,072 and $0.28), representing an increase of $33 or 1.1%, primarily due to the same reasons described above for Q4-2021.

A reconciliation of the Fund's cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for YTD-2021 is provided below:

		Q4-2021		YTD-2021
Cash provided by operating activities	$	2,531	$	6,276
Less: interest costs		(825)		(2,424)
Cash provided by operating activities - including interest costs	**$**	**1,706**	**$**	**3,852**
Add / (Deduct):				
Change in non-cash operating working capital		37		(978)
Change in restricted cash		(675)		384
Amortization of financing costs		(103)		(351)
Loss on early extinguishment of debt		(617)		(617)
FFO	**$**	**348**	**$**	**2,290**
Add / (Deduct):				
Amortization of financing costs		103		351
Loss on early extinguishment of debt		617		617
Sustaining capital expenditures and suite renovation reserves		(51)		(153)
AFFO	**$**	**1,017**	**$**	**3,105**

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including the overall financial performance of the Fund and its Properties, including the impact of the COVID-19 global pandemic on the business and operations of the Fund.

Forward-looking information is provided for the purposes of assisting the reader in understanding the Fund's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, the impact of COVID-19 on the Properties as well as the impact of COVID-19 on the markets in which the Fund operates and the trading price of the Fund's TSX Venture Exchange listed and unlisted Units, acquisitions including a third property, financing including the refinancing of Hudson, performance, achievements, events, prospects or opportunities for the Fund or the real estate industry and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, occupancy levels, AMR, taxes, and plans and objectives of or involving the Fund. Particularly, matters described in "COVID-19" and "Future Outlook" are forward-looking information. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking statements involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities may not be achieved. Those risks and uncertainties include: the impact of COVID-19 on the Properties as well as the impact of COVID-19 on the markets in which the Fund operates and the trading price of the Units and unlisted Units; changes in government legislation or tax laws which would impact any potential income taxes or other taxes rendered or payable with respect to the Properties or the Fund's legal entities; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19 or otherwise; the availability of debt financing for any future financing requirements of the Fund; and the availability and price at which any potential future acquisitions may be acquired including a third property. A variety of factors, many of which are beyond the Fund's control, affect the operations, performance and results of the Fund and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

Information contained in forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the impact of COVID-19 on the Fund's portfolio as well as the impact of COVID-19 on the markets in which the Fund operates and the trading price of the Units; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19 or otherwise; the realization of property value appreciation and timing thereof; the inventory of multi-family real estate properties; the availability of properties for potential future acquisition, if any, and the price at which such properties may be acquired; the price at which Properties may be disposed and the timing thereof; closing and other transaction costs in connection with the acquisition and disposition of Properties; the availability of mortgage financing and current interest rates; the extent of competition for properties; the growth in NOI and the ability of the Fund to benefit from its light value-add initiatives; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; expenditures and fees in connection with the maintenance, operation and administration of the Properties; the ability of Starlight Investments US AM Group LP or its affiliates (the "Manager") to manage and operate the Properties; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws. Given this unprecedented period of uncertainty, there can be no assurance regarding: (a) the impact of COVID-19 on the Fund's business, operations and performance or the volatility of the Units; (b) the Fund's ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) that the Manager or any of its affiliates, will continue its involvement as asset manager of the Fund in accordance with its current asset management agreement; and (e) other risks inherent to the Fund's business and/or factors beyond its control which could have a material adverse effect on the Fund.

The forward-looking information included in this press release relate only to events or information as of the date on which the statements are made in this press release. Except as specifically required by applicable Canadian securities law, the Fund undertakes no obligation to update or revise publicly any forward-looking information, whether because of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

About Starlight U.S. Multi-Family (No. 2) Core Plus Fund

The Fund is a limited partnership formed under the *Limited Partnerships Act* (Ontario) for the primary purpose of indirectly acquiring, owning and operating a portfolio of value-add, income producing rental properties in the U.S. multi-family real estate market. The Fund currently owns interests in two properties, consisting of 675 suites with an average year of construction in 2019.

For the Fund's complete audited consolidated financial statements for the period from January 8, 2021 to December 31, 2021 as well as the MD&A for the three months ended December 31, 2021 and for the period from January 8, 2021 to December 31, 2021 and any other information related to the Fund, please visit www.sedar.com. Further details regarding the Fund's unit performance and distributions, market conditions where the Fund's properties are located, performance by the Fund's properties and a capital investment update are also available in the Fund's March 2022 Newsletter which is available on the Fund's profile at www.starlightus.com.

Please visit us at **www.starlightus.com** and connect with us on LinkedIn at **www.linkedin.com/company/starlight-investments-ltd-**

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