

STARLIGHT U.S. MULTI-FAMILY (NO. 1) CORE PLUS FUND TO ACQUIRE TWO APARTMENT COMPLEXES IN AUSTIN, TEXAS AND RALEIGH, NORTH CAROLINA



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Toronto – **March 20, 2020** – Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX.V: SCPO.UN) (the “Fund”) announced today that it has entered into agreements to acquire 401 Teravista (“Teravista”), a 320-unit, garden-style, core-plus multi-family property completed in 2008, that is located in Austin, Texas, and Southpoint Crossing Apartments (“Southpoint”), a 288-unit, garden-style, core-plus multi-family property completed in 1999, that is located in Raleigh, North Carolina from two separate vendors.

“The purchases of 401 Teravista and Southpoint Crossing Apartments provide the fund with a presence in two high-growth markets and enhance its geographical diversification. The properties have great potential for repositioning and are aligned well with the Fund’s overall strategy,” commented Evan Kirsh, the Fund’s President.

Pursuant to purchase and sale agreements effective March 2, 2020 and March 10, 2020, as may be amended from time to time, Teravista Acquisition LLC and Southpoint Acquisition LLC, respectively, have agreed to purchase Teravista and Southpoint unencumbered for an aggregate purchase price of approximately US\$110 million. The purchase agreements contain customary representations and warranties for transactions of this nature. Subject to the satisfaction or waiver of conditions precedent, the purchases of Teravista and Southpoint are scheduled to close on or about March 30, 2020 and April 17, 2020, respectively.

In connection with the acquisitions, new financings in the aggregate amount of approximately US\$72.00 million have been secured for six-month terms, comprised of US\$70.05 million of initial funding and US \$1.95 million of future funding for capital expenditures. Subject to certain conditions, the financings will be interest-only and will be payable at an annual rate of one-month LIBOR + 1.35%.

401 Teravista

Teravista consists of 19, three storey walk-up buildings on a 16.0-acre site comprised of one-bedroom, two-bedroom and three-bedroom suites in addition to one single-storey clubhouse building. Currently, apartment suites feature full-size washers and dryers, custom kitchen cabinetry, vinyl flooring, private patios or balconies, expansive walk-in closets and wood-burning fireplaces in select suites. The bathrooms are outfitted with vinyl flooring and select suites feature double vanity sinks and garden tubs. Indoor amenities include a clubhouse with a 24-hour fitness centre, social lounge, resident kitchen and business centre. Outdoor amenities include a resort-style pool, poolside pergolas and seating, outdoor grilling station with picnic tables, hammocks, two dog parks, gated community, and a pond with surrounding walking path. Approximately 70% of the suites have been upgraded from their original condition. As part of the Fund’s business plan, Teravista will continue to be repositioned to a modern standard with upgraded suite finishes and attractive common areas and amenity spaces. As of February 28, 2020, Teravista’s occupancy was 95.0%.

Following completion of the acquisition, the Fund will retain Alliance Residential (“Alliance”), a well-known property management company in the United States, to property manage Teravista. Alliance currently manages five multi-family communities for Starlight U.S. Multi-Family in the US, including Austin, Texas.

Southpoint Crossing Apartments

Southpoint consists of 13, three storey walk-up buildings on a 26.2-acre site comprised of one-bedroom, two-bedroom and three-bedroom suites. Currently, apartment suites feature kitchen breakfast bar, large pantry closets, private patio or balcony, and walk-in closets in select suites. The bathrooms are outfitted with ceramic tile showers and vinyl flooring in select suites. Indoor amenities include a clubhouse with a 24-hour fitness centre, business centre, and package locker. Outdoor amenities include a resort-style pool, poolside lounge, outdoor grilling station with picnic tables, playground, large pet park, gated community, complimentary bike exchange, and direct access to a 35-kilometre pedestrian and cycling trail. Approximately 83% of the suites have been upgraded from their original condition. As part of the Fund's business plan, Southpoint will continue to be repositioned to a modern standard with upgraded suite finishes and attractive common areas and amenity spaces. As of March 6, 2020, Southpoint's occupancy was 95.8%.

Following completion of the acquisition, the Fund will retain RKW Residential ("RKW"), a well-known property management company in the United States, to property manage Southpoint. RKW currently manages for Starlight U.S. Multi-Family in Raleigh, North Carolina.

The Fund Portfolio

Following the acquisition of Teravista and Southpoint, the Fund will have interests in and operate a portfolio comprising 1,558 multi-family suites in five core-plus, income producing apartment communities located in Tampa, Florida; Atlanta, Georgia; Nashville, Tennessee; Austin, Texas; and Raleigh, North Carolina.

About Starlight U.S. Multi-Family (No. 1) 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 income producing rental properties in the United States multi-family real estate market.

Forward-looking Statements

This news release contains statements that may constitute forward-looking statements within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including statements concerning the acquisition and financing of Teravista and Southpoint and the overall improvement of the financial performance of the Fund resulting from the acquisition of Teravista and Southpoint. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for Fund or the real estate industry are forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

The forward-looking statements in this news release involve risks and uncertainties, including those set forth in the Fund's materials filed with the Canadian securities regulatory authorities from time to time at www.sedar.com. Actual results could differ materially from those projected herein. Those risks and uncertainties include, among other things, risks related to: acquisition and financing of Teravista and Southpoint; reliance on the Fund's manager; the expected benefits of the ownership of Teravista and Southpoint; the property management of Teravista and Southpoint; the experience of the Fund's officers and directors; substitutes for residential real estate rental suites; reliance on property management; competition for real property investments and tenants; and U.S. market factors.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in developing such forward-looking statements 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 overall improvement of the financial performance of the Fund's portfolio resulting from the acquisition and financing of Teravista and Southpoint; the ability of the manager of the Fund to manage and operate the Fund's properties; the ability of the property managers selected to manage the Fund's properties; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws. Readers are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, none of the Fund or its manager undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

To learn more about the Fund, visit www.starlightus.com or contact:

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