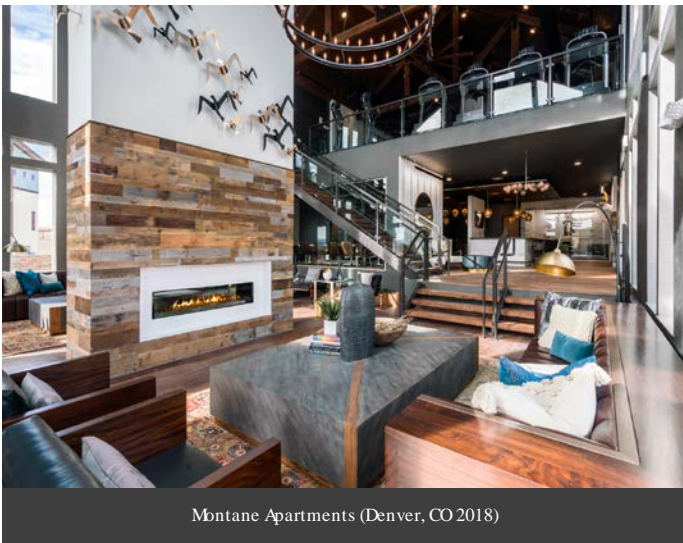


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Starlight U.S. Multi-Family (No. 2) Core Plus Fund (the “Fund”) is listed on the TSX Venture Exchange (TSXV: SCPT.A and SCPT.U). The Fund currently owns 675 suites in two apartment communities, Hudson at East and Montane Apartments (collectively, the “Properties”) and is asset managed by Starlight Investments US AM Group LP (the “Manager”). The Fund was established in February 2021 to indirectly acquire, own, and operate a portfolio primarily comprised of light value-add income-producing Class “A”, institutional quality multi-family real estate assets constructed in 1990 or newer, located in Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington (the “Primary Markets”).

The Fund’s core plus strategy is focused on achieving increases in rental rates through high return, light value-add capital expenditures to rental suites, clubhouses and amenities in targeted geographic locations experiencing compelling demand increases due to population and employment growth as well as lifestyle preferences. The light value-add strategy also includes active asset management utilizing reputable, best-in-class United States (“U.S.”) based third-party property managers to implement net operating income (“NOI”) growth by maximizing rental rates and ancillary revenue opportunities with rigorous operational controls to manage and reduce costs. The Fund’s presentation currency is U.S. dollars. Unless otherwise stated, dollar amounts expressed are in U.S. dollars.



Montane Apartments (Denver, CO 2018)



Hudson at East (Orlando, FL 2019)

Significant Events

During the three months ended September 30, 2021 (“Q3 2021”), the Fund recorded a fair value gain on investment properties of \$37,890, contributing to the cumulative 20.0% increase over the aggregate purchase price of the Properties. The fair value gain during Q3 2021 was primarily driven by continued capitalization rate compression from increasing demand in the investment market for multi-family properties across the Primary Markets and NOI growth.

Significant increases in rent growth and occupancy were achieved during Q3 2021 with the Fund reporting 12.2% annualized rent growth and economic occupancy of 95.7%, representing increases of 892 and 80 basis points above the three months ended June 30, 2021, respectively. These significant increases are being driven by overall demand for multi-family apartments as well as the continued economic recovery after the initial downturn created by the outbreak of the coronavirus (SARS – CoV2) global pandemic (“COVID-19”) in the U.S. and the Primary Markets (see “COVID-19 and Outlook”).

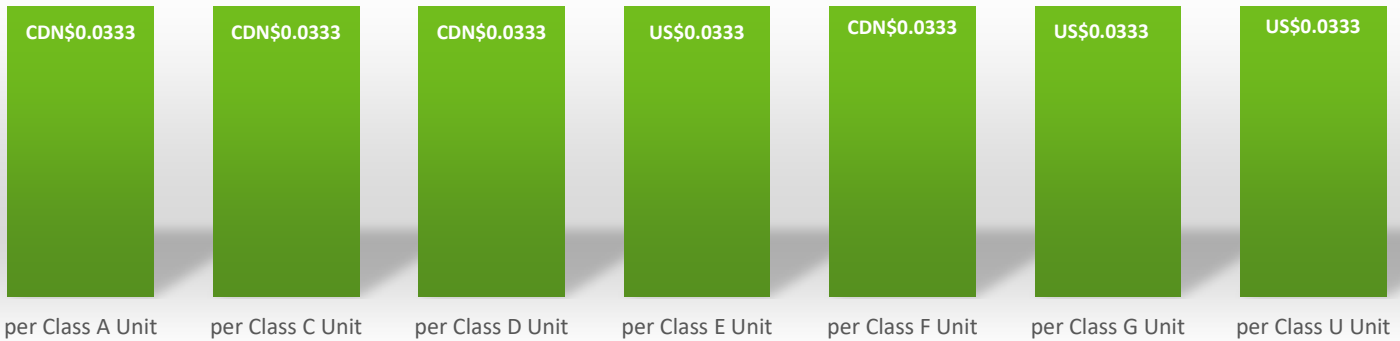
Revenue from property operations and NOI for Q3 2021 were \$3,473 and \$2,244, respectively, representing a 4.2% and 4.7% increase relative to the financial forecast included in the Fund’s prospectus dated March 19, 2021 (the “Forecast”), driven by strong revenue growth and cost management.

As at November 22, 2021, the Fund had collected 98.6% of rents for Q3 2021 with further amounts expected to be collected in future periods.

Unit Information and Distributions

Monthly Distributions

The Fund expects to pay monthly distributions equal to 4.0% on an annualized basis on all outstanding unit classes. The following is a summary of the monthly distribution amounts for each outstanding unit class.



U.S. Multi-Family Market Trends

Unemployment rates initially increased to a peak of approximately 15% in April 2020 due to COVID-19 followed by a steady decline driven by the continued economic recovery in the U.S. According to the U.S. Bureau of Labor Statistics, the U.S. unemployment rate decreased in September 2021 to 4.8%, with the local markets where the Properties operate have maintained unemployment rates in line with the national average. In Q3 2021, key multi-family fundamentals including submarket occupancies, rent growth and collection rates improved significantly, indicating the continued strengthening and recovery of the multi-family market in the U.S. and the Primary Markets. The Manager continues to closely monitor national and local economic conditions as part of its response to COVID-19 (see “COVID-19 and Outlook”) and is well positioned to take advantage of any continued improvement in the sector’s performance.

National Unemployment Rates and Occupancy Levels

According to the U.S. Census Bureau, the U.S. unemployment rate decreased in September 2021 to 4.8%. The Fund’s target demographic, the 20 to 34-year-old cohort, has continued to fuel apartment rental demand for newly constructed or renovated apartments.

Metropolitan Market Information

The Fund owns 675 suites in two cities across two states. The following highlights the key macroeconomic and property data in each city and sub-market.

Denver Market Trends

Employment

According to the U.S. Bureau of Labor Statistics, the Denver Metropolitan Area gained over 36,800 jobs from June 2021 to September 2021, primarily attributable to the rebound from COVID-19. The unemployment rate in September 2021 was 4.8% in Denver, a significant decrease from 6.3% in June 2021 and, in line with the national average of 4.8%. It is expected that Denver’s unemployment rates will continue to decline as the overall economy continues to recover from the impact of COVID-19.

Occupancy Projections

According to RealPage Market Analytics, Q3 2021 occupancy levels for Denver were 96.8%. Annualized rental growth for the quarter was 7.6%, with year-over-year rent growth at 12.8%. The 2022 forecast for occupancy levels in Denver is for a slight decrease to 95.5%, with 2022 rental growth projected at 11.5%.

Denver Submarkets

According to RealPage Market Analytics, the Denver submarket in which the Fund has invested – Parker/Castle Rock – had a Q3 2021 occupancy rate of 97.0%, with annual rent growth of 15.7%. Occupancy rates in this submarket are expected to slightly decrease to 96.0% in 2022.

Orlando Market Trends

Strong Employment Growth

According to the U.S. Bureau of Labor Statistics, the Orlando Metropolitan Area gained approximately 44,700 jobs from June 2021 to September 2021, primarily attributable to the rebound from COVID-19. The unemployment rate in September 2021 was 4.5% in Orlando, a significant decrease from 6.0% in June 2021 and better than the national average of 4.8%.

Occupancy Projections

According to RealPage Market Analytics, Q3 2021 occupancy levels for Orlando were 97.6%. Annualized rental growth for the quarter was 9.4%, with year-over-year rent growth of 16.6%. The 2022 forecast for occupancy levels in Orlando is for a slight decrease to 96.5%, with rent growth projected at 10.6% for 2022.

Orlando Submarkets

According to RealPage Market Analytics, the Orlando submarket in which the Fund has invested – East Orange Country – had a Q3 2021 occupancy rate of 97.0%, with annual rent growth of 22.9%. Occupancy rates in this submarket are expected to decrease to 95.6% in 2022.

Investment Market Update

Commercial real estate investment demand continues to be strong nationally. There is significant demand from real estate private equity firms that have recently raised equity. Capitalization rates for suburban, Class “A”, multi-family real estate in the Primary Markets are approximately 3.0% to 4.0%, depending on the quality and location of the apartment community.

As at November 17, 2021, Ten Year U.S. Treasury bonds were yielding approximately 1.60%, the U.S. 30-Day London Interbank Offered Rate was approximately nine basis points and U.S. 30-day Secured Overnight Financing Rate was five basis points. All-in interest rates continue to remain low versus historical levels while debt continues to be available at moderate leverage levels.

Property Improvements

Montane Apartments completed pet park upgrades, barbeque area upgrades, landscaping improvements, common area doors and security FOB upgrades, and installed smart home systems in select units to generate rent premiums during Q3 2021. Hudson at East completed curb appeal improvements including new fencing and landscaping projects. The Fund’s light value-add initiatives are expected to result in improvements to common areas, amenities and building exteriors.

Property Management and Rental Rates

Property Management

The Fund benefits from the local real estate expertise and market intelligence of best-in-class property managers. Bainbridge, a third-party manager with local market expertise in Orlando provides property management for Hudson at East. Avenue-5 Residential, a third-party manager with local market expertise in Denver provides property management for Montane Apartments.

Utilization of Yield Management Software

The Manager continues to utilize yield management software at all of its Properties. This software provides updated pricing on a daily basis, optimizing asking rents and renewal rents in real time, based on supply and demand for different suite types. This rental rate optimization system is similar to those employed by the hotel and airline industries to manage their room rates and flight prices.

Ancillary Services Update

The Manager continues to maximize ancillary revenue by ensuring all ancillary rates are at market levels and exploring additional ancillary fee opportunities.

COVID-19

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 is well positioned to navigate through this challenging time and continues to undertake proactive measures at the Properties to combat the spread, assist tenants where needed and implement other measures to minimize business interruption.

The Fund intends to actively monitor any 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 at the Fund's Properties.

COVID-19 immunization 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. However, there is a risk that delays in the timely administration, changing strains of the virus, including the current rise in the Delta variant strain of COVID-19, 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. Bureau of Labor Statistics, unemployment rates for September 2021 declined to 4.8% (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.

Future Outlook

During Q3 2021, key multi-family fundamentals improved significantly including strengthening occupancy, rent growth and collection rates which translated into the operating results of various owners of multi-family properties, including those in the Primary Markets. These trends, in conjunction with the Primary Markets exhibiting sustained job and population growth historically as a result of lifestyle choices as well as positive net migration, should continue to support further demand for multi-family apartments in future periods. In addition, previous economic downturns have

typically been followed by periods of above market rent growth for multi-family properties in the U.S. which have transpired in Q3 2021 with the Fund's Properties achieving rent growth on new leases in excess of 10%.

COVID-19 has also significantly disrupted active and new construction of comparable product in the markets the Fund operates in which may create a temporary imbalance in supply of comparable, multi-suite residential properties. This imbalance, alongside the continued economic recovery and improving fundamental statistics, could be supportive of favourable supply and demand conditions for the Properties and could result in future increases in occupancy and rent growth. The Fund believes it is well positioned to take advantage of these conditions should they transpire given the quality of its Properties and the benefit of having a tenant pool employed across a diverse job base. Since the COVID-19 outbreak commenced, based on available investment sales information, capitalization rates in the markets the Fund operates in have compressed on average by approximately 50-100 basis points.

Operating and investment fundamentals continue to be strong in the multi-family markets where the Fund's assets are located. The Fund is optimistic on future growth prospects and will continue to focus on increasing rental rates and net income at the properties and increasing value for investors.

For more information visit www.starlightus.com or contact:

Evan Kirsh
President
Starlight U.S. Multi-Family (No. 2) Core
Plus Fund
+1-647-725-0417
ekirsh@starlightus.com

Martin Liddell
Chief Financial Officer
Starlight U.S. Multi-Family (No. 2) Core
Plus Fund
+1-647-729-2588
mliddell@starlightinvest.com

Disclaimer

This Newsletter is intended for informational purposes only and is not, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities of the Fund, or investment advice to any individual. Particular investments should be evaluated relative to each individual's circumstances and individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Past performance may not be repeated and nothing in this Newsletter should be construed as an indication of future values of the Fund or future returns on any investment in the Fund.

This Newsletter is not intended for distribution in any jurisdiction that would require the filing of a prospectus, registration statement, offering memorandum or similar document under the applicable laws of such jurisdiction or would result in the Fund having any reporting or other obligation in such jurisdiction. Accordingly, neither the Fund nor the Manager has done anything that would permit the possession or distribution of this Newsletter in any jurisdiction where action for that purpose is required.

The Fund's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain terms used in this Newsletter do not have a standardized definition prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. 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. Details on Non-IFRS Measures are set out in the Fund's Management Discussion & Analysis and are available on the Fund's profile on SEDAR at www.sedar.com.

This Newsletter contains statements that may constitute forward-looking information within the meaning of Canadian securities laws and which reflect current expectations of the Fund's management regarding future events, including statements concerning 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 Fund's listed units, acquisitions, 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, average monthly rent, taxes, and plans and objectives of or involving the Fund. Particularly, matters described at "Future Outlook and COVID-19" 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.

The forward-looking statements involve risks and uncertainties, including those discussed in the Fund's materials filed with the Canadian securities regulatory authorities from time to time at www.sedar.com, which could cause the actual results and performance of the Fund to differ materially from the forward-looking statements contained in this Newsletter. Those risks and uncertainties include: 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 Fund's listed 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 Fund's Properties or the Fund's legal entities; and the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19 or otherwise. 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 Fund's listed Units; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19 or otherwise; the inventory of multi-family real estate properties; the availability of properties for acquisition and the price at which such properties may be acquired; the availability of mortgage financing and current interest rates; the extent of competition for properties; the ability of the Fund to benefit from its value-add program; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the ability of the Manager to manage and operate the properties of the Fund; 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 the COVID-19 on the Fund's business, operations and performance or the volatility of the Fund's units; (b) the Fund's ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) 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.

This newsletter contains statistical data, market research and industry forecasts that were obtained from government and industry publications and reports or are based on estimates derived from such publications and reports and the Manager's knowledge of, and experience in, the markets in which the Fund operates. Actual outcomes may vary materially from those forecast in such publications or reports. While the Fund and its Manager believe this data to be reliable, market and industry data cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed.