NEWSLETTER | February 2021

Starlight U.S. Multi-Family (No. 1) Core Plus Fund (the “Fund”) is listed on the TSX Venture Exchange (TSXV: SCPO.UN). The Fund currently owns 2,219 suites in seven apartment communities (the “Properties”) and is asset managed by Starlight Investments US AM Group LP (the “Manager”). The Fund was established in December 2019 to indirectly acquire, own, and operate a portfolio primarily comprised of income-producing Class "A", institutional quality multi-family real estate assets constructed in 1990 or newer, located in Arizona, California, Colorado, Florida, Georgia, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah, and Washington.

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 U.S.-based third-party property managers to implement net operating income growth by maximizing rental rates and ancillary revenue opportunities with rigorous operational controls to manage and reduce costs. The Fund’s presentation currency is United States (“U.S.”) dollars. Unless otherwise stated, dollar amounts expressed are in U.S. dollars.

LaVie Southpark (Charlotte, NC 2015)

Southpoint Crossing (Raleigh, NC 1999)

The Bluffs at Highlands Ranch (Denver, CO 1994)

401 Teravista (Austin, TX 2008)

Significant Events

The Fund completed the acquisition of The Bluffs at Highlands Ranch (“The Bluffs”) and LaVie Southpark (“LaVie”) on December 15, 2020, adding a total of 661 suites in Denver, Colorado and Charlotte, North Carolina. On completion of these acquisitions, the Fund completed the deployment of proceeds from the initial public offering (the “Offering”) having assembled a geographically diversified portfolio of 2,219 Class “A” multi-residential suites in high growth suburban markets.

During the three months ended December 31, 2020, the Fund commissioned independent appraisal valuations which resulted in an aggregate fair value for the Fund’s properties of $508,403,000 as at December 31, 2020, equating to an increase of $28,399,000 over the Fund’s aggregate purchase price (excluding acquisition costs) for the first five properties acquired by the Fund. The strong appreciation in the property valuations together with distributions paid results in an unrealized gross internal rate of return of approximately 16% for the Fund from the date of the Offering to December 31, 2020.

The Fund continued to realize solid operating results for the three months ended December 31, 2020 highlighting the resiliency of its portfolio in light of a more challenging operating environment created by the novel coronavirus global pandemic (“COVID-19”). For the three months ended December 31, 2020, the Fund achieved economic occupancy of 94.3% and collected approximately 98.1% of rents. The Fund also achieved significant reductions in interest expense on loans payable with a weighted average interest rate of 2.23% during the three months ended December 31, 2020.

On October 16, 2020, the Fund secured a $250,000,000 credit facility (the "Credit Facility") to strategically reposition its debt capital structure and obtained an initial draw of $127,650,000 to refinance the loans payable for each of Grand Oak at Town Park (“Grand Oak”), Southpoint Crossing (“Southpoint”), and 401 Teravista (“Teravista”) which resulted in net proceeds to the Fund of approximately $26,800,000. On December 15, 2020, the Fund expanded the committed availability on the Credit Facility by $50,000,000 and made an additional draw of $158,808,000 with the proceeds utilized to acquire The Bluffs and LaVie as well as refinance the existing loan of Autumn Vista Apartments (“Autumn Vista”). The Credit Facility has a four-year term with interest only payments until maturity at the U.S. 30-day Secured Overnight Financing Rate ("SOFR") plus 2.37%.

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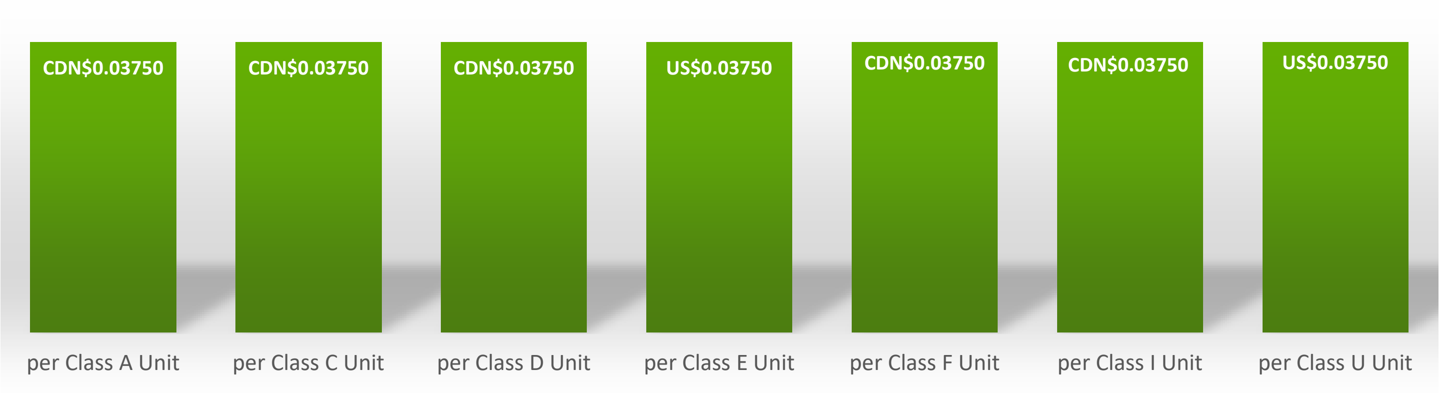
Unit Information and Distributions

Monthly Distributions

Since inception, the Fund has paid monthly distributions equal to 4.5% on an annualized basis on all outstanding unit classes. The following is a summary of the monthly distribution amounts for each outstanding unit class.



The Fund entered into a variable rate collar contract on March 9, 2020 which allows the Fund to establish a guaranteed monthly exchange rate between C$1.34 and C$1.425 for the conversion of U.S. dollar funds to Canadian dollar funds. The contract was entered into to protect against the potential impact of any weakening of the U.S. dollar on the amount required to fund 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$1.3371.

U.S. Multi-Family Market Trends

Since the onset of COVID-19, unemployment rates have increased significantly across the United States, however, the local markets where the Properties operate have maintained unemployment rates at or below the national average. As well, submarket occupancies and rent growth have held steady. The Manager continues to closely monitor national and local economic conditions as part of its response to COVID-19 (see below “COVID-19 and Outlook”).

National Unemployment Rates and Occupancy Levels

According to the U.S. Bureau of Labor Statistics[1], the U.S. unemployment rate decreased in November 2020 to 6.4%. 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. Apartment occupancy rates continued to be strong with MPF Research[2] (“MPF”) reporting Third Quarter 2020 U.S. apartment occupancy of 95.7%. Third Quarter 2020 year-over-year rent growth across the U.S. was marginally lower at -0.6%.

[1] December 2020 statics are currently unavailable.
[2] Fourth Quarter 2020 National Dataset is currently unavailable.

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Starlight™ U.S. Multi-Family

Metropolitan Market Information

The Fund owns 2,219 suites in seven cities across six states. The following highlights the key macroeconomic and property data in each city and sub-market.

Atlanta Market Trends

Employment

According to the U.S. Bureau of Labor Statistics[3], the Atlanta Metropolitan Area lost over 85,500 jobs from November 2019 to November 2020, a decrease of 3.0% primarily attributable to the impact of COVID-19. The unemployment rate in November 2020 was 5.4% in Atlanta, 100 basis points below the national average of 6.4%. It is expected that unemployment rates will improve as the overall economy recovers from the impact of COVID-19.

Occupancy Projections

According to MPF, Fourth Quarter 2020 occupancy levels for Atlanta were 95.5%. Annualized rental growth for the quarter was 1.5%, with year-over-year rent growth increasing to 2.1%. MPF's 2021 forecast for occupancy levels in Atlanta are projected to decrease slightly to 94.9%, with rental growth of 4.0%.

Atlanta Submarkets

According to MPF, the Atlanta submarket in which the Fund has invested – Southeast Gwinnett County – remained strong in occupancy during the Fourth Quarter 2020. Southeast Gwinnett County's occupancy rate was 96.5%, with annual rent growth of 5.7%. MPF expects occupancy rates to decrease slightly to 94.8% in 2021.

Austin Market Trends

Employment

According to the U.S. Bureau of Labor Statistics[4], the Austin Metropolitan Area lost over 12,800 jobs from November 2019 to November 2020, a decrease of 1.1% primarily attributable to the impact of COVID-19. The unemployment rate in November 2020 was 5.9% in Austin, 50 basis points below the national average of 6.4%. It is expected that unemployment rates in Austin will improve as the overall economy recovers from the impact of COVID-19.

Occupancy Projections

According to MPF, Fourth Quarter 2020 occupancy levels for Austin were 93.8%. Annualized rental growth for the quarter was -1.6%, with year-over-year rent growth of -4.9%. MPF's 2021 forecast for occupancy levels in Austin are for a slight increase to 95.0%, with rental growth of -1.8%.

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[3] December 2020 statistics are currently unavailable.
[4] December 2020 statistics are currently unavailable.

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Austin Submarkets

According to MPF, the Austin submarket in which the Fund has invested – Round Rock – remained strong in occupancy during the Fourth Quarter 2020. Round Rock's occupancy rate was 95.0%, with annual rent growth unchanged. MPF expects occupancy rates to remain at 95.0% in 2021.

Charlotte Market Trends

Employment

According to the U.S. Bureau of Labor Statistics[5], the Charlotte Metropolitan Area lost over 67,700 jobs from November 2019 to November 2020, a decrease of 5.4% primarily attributable to the impact of COVID-19. The unemployment rate in November 2020 was 5.9% in Charlotte, 50 basis points below the national average of 6.4%. It is expected that these unemployment rates will improve in Charlotte as the overall economy recovers from the impact of COVID-19.

Occupancy Projections

According to MPF, Fourth Quarter 2020 occupancy levels for Charlotte were 95.6%. Annualized rental growth for the quarter was 0.8%, with year-over-year rent growth of 1.5%. MPF's 2021 forecast for occupancy levels in Charlotte are for a slight decrease to 95.4%, with 2021 rental growth of -0.2%.

Charlotte Submarkets

According to MPF, the Charlotte submarket in which the Fund has invested – Myers Park – remained strong in occupancy during the Fourth Quarter 2020. Myers Park's occupancy rate was 95.1%, with annual rent growth of -1.2%. MPF expects occupancy rates to decline slightly to 94.6% in 2021.

Denver Market Trends

Employment

According to the U.S. Bureau of Labor Statistics[6], the Denver Metropolitan Area lost over 51,700 jobs from November 2019 to November 2020, a decrease of 3.3% primarily attributable to the impact of COVID-19. The unemployment rate in November 2020 was 6.4% in Denver, equal to the national average of also 6.4%. It is expected that Denver's unemployment rates will decline as the overall economy recovers from the impact of COVID-19.

Occupancy Projections

According to MPF, Fourth Quarter 2020 occupancy levels for Denver were 94.9%. Annualized rental growth for the quarter was -1.3%, with year-over-year rent growth of -1.6%. MPF's 2021 forecast for occupancy levels in Denver are for a slight decrease to 93.9%, with 2021 rental growth projected at 1.3%.

Denver Submarkets

According to MPF, the Denver submarket in which the Fund has invested – Highlands Ranch – had a Fourth Quarter occupancy rate of 95.0%, with annual rent growth of -1.0%. MPF expects occupancy rates to decrease to 93.1% in 2021.

[5] December 2020 statistics are currently unavailable.
[6] December 2020 statistics are currently unavailable.

Nashville Market Trends

Employment

According to the U.S. Bureau of Labor Statistics[7], the Nashville Metropolitan Area lost over 54,500 jobs from November 2019 to November 2020, a decrease of 5.1%, primarily attributable to the impact of COVID-19. The unemployment rate in November 2020 was 4.2% in Nashville, 220 basis points below the national average of 6.4%.

Occupancy Projections

According to MPF, Fourth Quarter 2020 occupancy levels for Nashville were 94.4%. Annualized rental growth for the Fourth Quarter 2020 was -1.6%, with year-over-year rent growth of -2.9% for the Fourth Quarter 2020. MPF's 2021 year-end forecast for occupancy levels in Nashville are projected to increase to 95.4%, with 2021 rental growth of -0.5%.

Nashville Submarkets

According to MPF, the Nashville submarket in which the Fund has invested – Murfreesboro/Smyrna – remained strong in occupancy and rental growth. Murfreesboro/Smyrna occupancy rate was 95.9%, with an annual rent growth of 2.4%. MPF expects occupancy rates to increase slightly to 96.1% in 2021.

Raleigh Market Trends

Employment

According to the U.S. Bureau of Labor Statistics[8], the Raleigh Metropolitan Area lost over 35,900 jobs from November 2019 to November 2020, a decrease of 5.4% primarily attributable to the impact of COVID-19. The unemployment rate in November 2020 was 5.3% in Raleigh, 110 basis points below the national average of 6.4%.

Occupancy Projections

According to MPF, Fourth Quarter 2020 occupancy levels for Raleigh were 95.1%. Annualized rental growth for the quarter was -0.3%, with year-over-year rent growth of 0.7%. MPF's 2021-year end forecast for occupancy levels in Raleigh are projected to decrease slightly to 94.5%, with 2021 rental growth in 2021 of 3.1%.

Raleigh Submarkets

According to MPF, the Raleigh submarket in which the Fund has invested – Southwest Durham – remained strong in occupancy and rental growth. Southwest Durham occupancy rate was 95.0%, with an annual effective rent growth of 0.1%. MPF expects occupancy rates to remain stable at 94.9% in 2021.

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[7] December 2020 statistics are currently unavailable.
[8] December 2020 statistics are currently unavailable.

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Tampa Market Trends

Strong Employment Growth

According to the U.S. Bureau of Labor Statistics[9], the Tampa Metropolitan Area lost over 56,400 jobs from November 2019 to November 2020, a decrease of 4.0% primarily attributable to the impact of COVID-19. The unemployment rate in November 2020 was 5.7% in Tampa, 70 basis points lower than the national average of 6.4%.

Occupancy Projections

According to MPF, Fourth Quarter 2020 occupancy levels for Tampa were 95.8%. Annualized rental growth for the quarter was 1.3%, with year-over-year rent growth of 3.1%. MPF's 2021 year-end forecast for occupancy levels in Tampa are for a slight decrease to 94.9%, with 2021-year end rental growth of 3.5%.

Tampa Submarkets

According to MPF, the Tampa submarket in which the Fund has invested – Town and Country/Westchase – had a fourth Quarter occupancy rate of 95.4%, with annual rent growth of 5.2%. MPF expects occupancy rates to decrease to 93.8% in 2021.

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 product in the Fund's metropolitan markets are approximately 3.5% to 4.5%, depending on the quality and location of the apartment community.

As at January 27, 2021, Ten Year U.S. Treasury bonds were yielding approximately 1.01% as at, U.S. 30-Day London Interbank Offered Rate was approximately 13 basis points and SOFR was 3 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

The Fund continues to evaluate each light value-add project in order to ensure the returns generated from the upgrades are consistent with the Fund's expectations. Operations for the value-add program returned to normal by the end of the Fourth Quarter of 2020.

The suite upgrade program at Tuscany Bay was reinstated in the Fourth Quarter 2020 after a temporary hold due to COVID-19. The Fund will continue to selectively upgrade suites to achieve the desired return on investment. The suite upgrade scope includes the addition of quartz countertops, stainless steel appliances, tile backsplashes in the kitchens, upgraded cabinetry, kitchen sinks and faucets, framed mirrors in the bathrooms, plank flooring and lighting upgrades throughout the suites. The Fund continued its preventative maintenance measures to maintain curb appeal and has introduced package lockers for a nominal monthly fee to assist tenants with managing home deliveries given the increasing presence of e-commerce.

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Grand Oak's suite upgrade program, which was put on hold in April 2020 due to COVID-19, recommenced in the Fourth Quarter of 2020. The suite upgrade scope includes the addition of plank flooring, tile backsplashes to the kitchen and framed mirrors in the bathrooms. The Fund also continued with various preventative maintenance measures and continued the LED lighting upgrades in the breezeways, pole lights, amenity spaces and suites. The Fund has also replaced two of the barbeques at the grilling station.

Autumn Vista continued its suite upgrade program which includes plank flooring throughout, updated lighting package, addition of quartz countertops, stainless steel appliances and tile backsplashes to the kitchens as well as new cabinetry, kitchen sinks and faucets. The Fund also continued the common area upgrades including completing stairway replacements, exterior wood replacements, flower installations and landscaping throughout the property, painting metal railings and LED installation in breezeways, gutter cleaning and pressure washing all breezeways. Upcoming improvements in 2021 include clubhouse renovations and the addition of package lockers to further solidify the property repositioning.

Southpoint continued its upgrade program on both unrenovated suites and previously renovated suites. Unrenovated suite upgrades include the addition of plank flooring, tiled backsplash, framed mirrors, quartz countertops, under mount sinks and stainless-steel appliances. Upgrades for previously renovated suites include the addition of plank flooring to the living rooms, tile backsplashes in the kitchens and framed mirrors in the bathrooms. In addition, the property has been adding washer and dryer appliances to all suites on turn. Pressure washing and irrigation repairs were completed as well as various preventative maintenance projects including sectional fence repair/replacement, sectional asphalt repair and parking lot sealing. The Fund anticipates the completion of pool and pool deck resurfacing and gutter replacement in the First Quarter of 2021.

Teravista's suite upgrade program was put on hold through the Fourth Quarter 2020 to focus on leasing previously renovated units. The suite renovation program is expected to restart in First Quarter of 2021 alongside common area capital projects to upgrade the community space. The program will include quartz countertops, luxury stainless steel appliances, tiled backsplashes, upgraded cabinet hardware and lighting kits. Preventative maintenance projects include the installation of new gutters, replacing metal fencing, and roof and balcony repairs.

The Bluffs suite renovation program will begin in the First Quarter of 2021 following the acquisition of the property at the end of the Fourth Quarter of 2021. The suite renovation program includes refinished cabinetry, tile backsplash, framed bathroom mirror, and vinyl-plank flooring throughout living areas. In addition to the suite renovation scope, smart home systems will be installed on select suites. The property will complete balcony, retaining walls, and HVAC repairs as well as upgrade street signage in the First Quarter of 2021.

LaVie was acquired at the end of the Fourth Quarter of 2020. The Fund has initiated the implementation of revenue management and portfolio contract pricing. Additional value add programs will be launched in the First Quarter of 2021, including the suite upgrades, installation of Dwelo smart systems in the suites and pressure washing and landscaping work.

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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. The Altman Companies, a third-party manager in the U.S. with local market expertise and experience in Tampa, provides property management for Tuscany Bay. High 5 Residential, a third-party manager in the U.S. with local market expertise in Nashville, provides property management for Grand Oak. RKW Residential, a third-party manager in the U.S. with local market expertise in Raleigh and Charlotte, provides property management for Southpoint in Raleigh, as well as LaVie in Charlotte. Greystar, the largest third-party manager in the U.S., provides property management for Autumn Vista in Atlanta. Bainbridge, a third-party manger with expertise in Austin provides property management for Teravista. Avenue 5, a third-party manager with local market expertise in Denver provides property management for The Bluffs.

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 explore additional ancillary fees opportunities.

COVID-19 and Outlook

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic. This has resulted in federal and state governments enacting emergency measures to combat the spread of the virus. 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.

- **Preventative measures:** As a result of COVID-19, leasing has increasingly moved to electronic platforms with in-person leasing tours being conducted only where requested. Access to common areas has been restricted where possible and increased sanitization has been integrated into the ongoing operations of the Fund's properties to combat the spread of the virus. The Fund has undertaken actions to mitigate the effect on the operations of the Fund including various preventative measures and ongoing coordination with on-site property management teams to mitigate the spread of the virus. The Fund is also following the directions provided by the Federal and State governments and public health authorities.

• **Collections and rent relief:** The Fund has provided rent relief to tenants experiencing financial hardship as a result of COVID-19 and has temporarily ceased evictions at the properties. The Fund is continuing to work with all on-site property managers to ensure open communication with all tenants regarding rent relief options available to assist tenants impacted by the outbreak of COVID-19 in a socially responsible manner.

The Fund is also closely monitoring rent collections to assess any potential increase in delinquency at the properties as a result of COVID-19. Fund rent collections for the Fourth Quarter of 2020 were strong at 98.1%.

• **Liquidity:** Upon completion of the acquisition of The Bluffs and LaVie, the Fund has completed the deployment of the proceeds of the Offering and as at December 31, 2020 had cash on hand of $6,291 as well as approximately $1,791 of additional liquidity available to draw from the capital line associated with the loan at Tuscany Bay. Subsequent to December 31, 2020, the Fund entered into a $15,000 unsecured credit facility to fund eligible capital expenditures at all of the Fund's properties with the exception of Tuscany Bay.

• **Governmental intervention:**
The duration of COVID-19 continues to be uncertain and as such, governmental intervention in the United States continues to evolve. Although there are no federal government rent relief programs for landlords in the United States or specific direct rent relief programs within the states in which the Fund owns properties, the United States government passed the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") on March 27, 2020, the largest economic stimulus bill in modern history. The CARES Act provided approximately $2.2 trillion in stimulus payments for qualified individuals, families, large and small businesses and state and local governments, which indirectly assisted unemployed tenants in making rent payments amongst other living necessities. The key benefits of the CARES Act expired on July 31, 2020.

In December 2020, a new $900B stimulus package was approved by the U.S Federal government to provide further economic stimulus to assist in the recovery from the impact of COVID-19. The package includes, among other things, direct stimulus payments to eligible individuals which are being administered and distributed, funding for enhanced unemployment benefits, funding for small business loans and rental assistance for certain individuals who have lost their job as a result of COVID-19. As part of the rental assistance program, the nationwide eviction moratorium has been extended by one month to January 31, 2021 and was subsequently extended by a further two months to March 31, 2021. The package is the second largest in U.S. history, behind the $2 trillion CARES Act which was the first stimulus package approved since the commencement of the COVID-19 pandemic.

A federal eviction moratorium has also been ordered by the Center for Disease Control and Prevention ("CDC") effective September 4, 2020 which prevents evictions of tenants hurt by job loss during the coronavirus pandemic. Prior to the implementation of this legislation, other legislation effectively prevented evictions from taking place at the Fund's properties during previous periods since the outbreak of COVID-19 and as a result, the Fund does not anticipate any significant change in collections as a result of the changes announced by the CDC. COVID-19 immunization programs have also commenced across the United States to varying degrees in different states and jurisdictions. These immunization programs are expected to assist with the economic recovery but there can be no guarantee that this is the case.

Subsequent to December 31, 2020, the U.S. government announced the American Rescue Plan ("ARP") which would provide an additional approximate $1.9 trillion for qualified individuals, families, large and small businesses and state and local governments, including but not limited to, stimulus payments, unemployment aid, rental assistance and eviction moratorium, an increase in minimum wage and subsidies for health insurance premiums. Rental assistance would extend the federal eviction moratorium to September 30, 2021, which is set to expire on March 31, 2021 based on the first extension noted above. Government stimulus plans will assist in mitigating risk, however there is a risk that any sustained economic hardship the virus has on the Fund's tenant base may impact future collections and delinquency rates.

• **Capital work:** Some capital expenditures planned at the properties have been delayed to preserve the Fund's liquidity and comply with applicable laws in light of COVID-19. The Fund continues to assess its value-add program by testing the market with a select number of upgrades while closely monitoring upgraded suite inventory as well as rent premiums to ensure the Fund's desired return can be achieved on each upgrade completed. There is a risk that should the pandemic be sustained, it may lead to an inability for the Fund to acquire materials required or labour disruptions may occur that impact the Fund's ability to complete capital work as intended by the Fund.

• **Distributions:** Distribution payments are expected to continue based on the targeted 4.5% distribution yield for the Fund in the foreseeable future, but the Manager continues to monitor the potential impact COVID-19 may have on distribution payments in future periods.

• **Future Outlook:** The ongoing response to COVID-19 varies by state and local jurisdictions and some of the state governments have implemented stay at home orders and other measures to minimize the spread of the virus. These uncertain economic conditions resulting from COVID-19 may adversely impact the demand for residential housing or rental collection rates in future periods. However, the markets in which the Fund operates have exhibited sustained job and population growth historically as a result of lifestyle choices as well as positive net migration. It is too early to assess the impact of COVID-19 on these favourable long term trends. COVID-19 has significantly disrupted active and new construction of comparable product in the Fund's markets which may create a temporary imbalance in supply of comparable, multi-suite residential properties. This imbalance 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 will continue to focus on optimizing occupancy, rent growth and collections during the COVID-19 outbreak.

Although COVID-19 has created a challenging operating environment with significant uncertainty, the Fund believes the high quality of its properties, their attractive suburban locations, geographical diversification and the benefit of having a tenant pool employed across a diverse job base will help to mitigate the potential impact on the Fund. Previous economic downturns have also led to favourable market conditions for U.S. multi-family real estate subsequent to the initial downturn. In addition, since the COVID-19 outbreak commenced, based on available investment sales information, capitalization rates in the markets which the Fund operates have compressed on average by approximately 25-50 basis points.

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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 ability to deploy the remaining proceeds from the Offering; 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.