

STARLIGHT U.S. MULTI-FAMILY (NO. 1) CORE PLUS FUND ACQUIRES TWO CLASS “A” APARTMENT COMPLEXES AND COMPLETES FULL DEPLOYMENT OF INITIAL PUBLIC OFFERING PROCEEDS



Not for distribution to U.S. newswire services or for dissemination in the United States.

Toronto – **December 15, 2020** – Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX.V: SCPO.UN) (the “Fund”) announced today that it has acquired (the “Acquisitions”) The Bluffs at Highlands Ranch (“The Bluffs”) and LaVie Southpark (“LaVie”) (together, the “Acquired Properties”). The Bluffs is a 340-suite, Class “A”, garden-style, core-plus multi-family property completed in 1994 and located in the Metropolitan Area of Denver, Colorado, while LaVie is a 321-suite Class “A” mid-rise multi-family property completed in 2015 and located in Charlotte, North Carolina.

Pursuant to separate purchase and sale agreements with separate vendors, the Acquired Properties were purchased through wholly-owned indirect subsidiaries of the Fund (Bluffs Acquisition LLC for The Bluffs and LaVie Acquisition LLC for LaVie) unencumbered for a combined price of US\$185.75 million. In connection with the Acquisitions, the Fund has expanded the committed availability on its existing credit facility which matures November 1, 2024 by US\$50.0 million to US\$300.0 million, of which the Fund had drawn US\$127.65 million prior today’s date (the “Credit Facility”) and has drawn (i) an additional US\$122.6 million from the Credit Facility for the Acquisitions; and (ii) US\$36.2 million relating to the refinancing of the Fund’s Autumn Vista Apartments property. The Credit Facility carries interest only payments until maturity at the U.S. 30-day Secured Overnight Financing Rate (“SOFR”) + 2.37%. The Fund has also entered into a one year, open, unsecured loan on market terms for a loan of this nature of US\$6.4 million (the “Loan”) from Daniel Drimmer, a unitholder of the Fund as well as the Chief Executive Officer and a Director of the general partner of the Fund. Including the Loan, the weighted average interest rate for the financing of the Acquisitions is approximately 2.93%.

“We are delighted to complete the purchase of two high-quality properties in The Bluffs at Highlands Ranch and LaVie Southpark which will further diversify the Fund’s portfolio and present strong opportunities for growth in net operating income and value,” commented Evan Kirsh, the Fund’s President. “We are also pleased that the Fund has now completed the deployment of its initial public offering proceeds having assembled a geographically diversified portfolio of 2,219 multi-residential suites which the Fund will continue to diligently asset manage to maximize returns for our unitholders.”

The Bluffs at Highlands Ranch

The Bluffs consists of 37, three storey walk-up buildings on a 21.0-acre site comprised of one-bedroom, two-bedroom and three-bedroom suites, in addition to one two-storey clubhouse building. Currently, suites feature quartz countertops with undermounted sinks, upgraded plumbing fixtures, stainless steel appliances, updated lighting and upgrades to the flooring in entryways and wet areas (kitchen and bath) for all suites and additionally in the living areas of all ground floor suites. The suites also include a built-in dry bar area, balconies for every bedroom, gas fireplaces, washers and dryers, large bedroom closets and vaulted ceilings in select suites. Indoor amenities include an expansive clubhouse, state-of-the-art fitness centre with on-demand WEXER fitness classes and Peloton bikes, media room, business centre, recreation room with a shuffleboard, racquetball court, sauna and dog wash station. Outdoor amenities include a resort-style pool with spa and sundeck, outdoor fireplace and seating area, basketball court, tennis court, volleyball court, jogging trails, dog park, and package lockers. As part of the Fund’s business plan, The Bluffs will be further repositioned to a modern standard with additional upgrades to suite finishes, common areas and amenity spaces, and the property’s curb appeal will be improved.

The Fund has retained Avenue5 Residential (“Avenue5”) to property manage The Bluffs. Avenue5 is currently the 15th largest property management company in the United States with approximately 70,000 apartment units under management.

LaVie Southpark

LaVie consists of one, mid-rise five storey building on a 7.3-acre site comprised of studio, one-bedroom and two-bedroom suites. Currently, suites feature full size washers and dryers, fully wired fiber high speed internet, granite countertops, stainless steel appliances, undermounted sinks with gooseneck faucets, tile backsplash, high ceilings, walk-in closets, wood-style plank flooring, and kitchen islands in select suites. Indoor amenities include a clubroom, chef-quality demonstration kitchen, two-storey fitness centre with yoga studio, pet spa, coffee bar, secured access buildings and parking deck. Outdoor amenities include a

wooded dog park, nearby walking trails, saltwater swimming pool, spacious courtyard, outdoor kitchen, fireplace and elegant landscaping. As part of the Fund's business plan, LaVie will be further repositioned with additional upgrades to suite finishes, common areas and amenity spaces.

The Fund has retained RKW Residential ("RKW") to property manage LaVie. RKW is a boutique property management company with over 20,000 apartment units under management, including the Fund's Southpoint Crossing Apartments property located in Raleigh, North Carolina.

The Fund Portfolio

With the Acquisitions, the Fund has interests in and operates a portfolio comprising 2,219 multi-family suites in seven class "A" core-plus, income producing apartment communities located in Tampa, Florida; Atlanta, Georgia; Nashville, Tennessee, Charlotte and Raleigh, North Carolina; Austin, Texas; and Denver, Colorado.

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.

Securities Law

The Loan made by Daniel Drimmer to the Fund constitutes a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**"). The Fund relied on the exemptions from the formal valuation and minority approval requirements set out in subsection 5.5(b) and paragraph 5.7(1)(f) of MI 61-101, respectively. The Loan was approved by the Fund's Board of Directors (other than Daniel Drimmer, who declared his interest in the Loan and was recused from voting) in accordance with the Fund's second amended and restated limited partnership agreement dated as of February 6, 2020.

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 the financial performance of the Fund and its properties, including the impact of COVID-19 on the business and operations of the Fund and the Acquired Properties. 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: the operations of the Acquired Properties; the impact of COVID-19 on the Fund's portfolio, including the Acquired 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 listed units; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19; reliance on the Fund's manager; the expected benefits of the ownership of the Acquired Properties;; 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 financial performance of the Fund's portfolio including as a result of the acquisition and financing of the Acquired

Properties; the impact of COVID-19 on the Fund's portfolio, including the Acquired 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 listed units; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19; 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:

Evan Kirsh
President

Starlight U.S. Multi-Family (No. 1) Core Plus Fund
+1-647-725-0417

ekirsh@starlightus.com

Martin Liddell
Chief Financial Officer

Starlight U.S. Multi-Family (No. 1) Core Plus Fund
+1-647-729-2588

mliddell@starlightinvest.com