

**Starlight U.S. Multi-Family (No. 1) Core Plus Fund  
Announces Mailing of Management Information Circular for  
Special Meeting of Unitholders to be Held on October 19,  
2021**



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Toronto, Ontario – September 28, 2021 – Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX-V: SCPO) (the “Fund”) today announced the mailing of its management information circular (the “Circular”) and related voting materials in connection with the special meeting (the “Meeting”) of unitholders of the Fund (“Unitholders”) to approve the transaction (the “Transaction”), announced by the Fund on September 10, 2021, pursuant to which Sherrin U.S. Multi-Family (No. 1) Holding LP (the “Purchaser”), will acquire the Fund’s portfolio of seven class “A” institutional quality multi-family properties totaling 2,219 units located in the United States (the “Fund Portfolio”) that will provide all-cash consideration to the Unitholders. The Transaction has received unanimous approval of an independent special committee (the “Special Committee”) of the board of directors of Starlight U.S. Multi-Family (No. 1) Core Plus GP, Inc., the general partner of the Fund (the “Fund GP”), and the board of directors (with Mr. Drimmer recusing himself) of the Fund GP (the “Fund GP Board”). The Special Committee and the Fund GP Board unanimously recommend that Unitholders vote **IN FAVOUR** of the Transaction.

The Meeting is scheduled to be held at 10:00 a.m. (Toronto time) on October 19, 2021 and can be accessed online by going to <https://virtual-meetings.tsxtrust.com/1224>.

The Transaction is valued at approximately US\$600.0 million with gross cash consideration of approximately US\$269.6 million payable to the Fund after certain deductions (the “Purchase Price Deduction”). The Price Deduction will be equal to the amount of the Fund’s existing debt to be assumed by the Purchaser (estimated to be approximately US\$333.8 million at closing of the Transaction), less (i) the amount of the Fund’s working capital (estimated to be approximately US\$1.0 million at closing of the Transaction) and (ii) the amount of the Fund’s capital expenditures up to closing of the Transaction (estimated to be approximately US\$2.4 million).

As detailed below, the consideration per Unit to be received by Unitholders in connection with the Transaction represents a significant and attractive cumulative pre-tax internal rate of return (“IRR”) for Unitholders and a significant premium to the Fund’s targeted 12% pre-tax internal rate of return at or before the end of the Fund’s targeted three-year investment horizon.

Class of Units	Issue Price per Unit	Pre-US Tax Expected Consideration <sup>1</sup>	Target IRR	Pre-US Tax Expected IRR	Post-US Tax Expected Consideration <sup>1</sup>
Class A	C\$10.00	C\$13.44	12.0%	28.2%	C\$12.31
Class C	C\$10.00	C\$14.22	12.0%	28.1%	C\$13.03
Class D	C\$10.00	C\$13.44	12.0%	28.2%	C\$12.31
Class E	US\$10.00	US\$14.54	12.0%	31.7%	US\$13.31
Class F	C\$10.00	C\$13.88	12.0%	28.1%	C\$12.72
Class I	C\$10.00	C\$14.79	12.0%	31.1%	C\$13.60
Class U	US\$10.00	US\$14.07	12.0%	31.7%	US\$12.88

<sup>1</sup> The consideration that holders of Canadian dollar denominated Units will be entitled to receive will ultimately be subject to the actual applicable rate(s) of exchange to be determined in connection with closing of the Transaction. The estimated distribution amounts set out in this news release are based on the Bank of Canada average daily exchange rate on September 9, 2021 of US\$1.00 to C\$1.2654. Each Unitholder will be allocated their portion of the foreign tax paid by the Fund in relation to the sale of the U.S. real property interests in accordance with the second amended and restated limited partnership agreement of the Fund. In addition, in the event the Purchase Price Deduction is less than approximately US\$330.4 million, the Fund may make one or more special distributions to Unitholders to account for the difference between the estimated Purchase Price Deduction and the actual Purchase Price Deduction.

The net proceeds of the Transaction, after deducting applicable taxes required to be withheld in respect of the Transaction, will be distributed as a special distribution to Unitholders as part of the cancellation of issued and outstanding Units, other than the Units beneficially owned and controlled by Daniel Drimmer.

At closing of the Transaction, Mr. Drimmer, Chief Executive Officer and Director of the general partner of the Fund, will beneficially own and control approximately 10% of the limited partnership interests in the Purchaser.

Any United States taxes paid from the Fund's proceeds of disposition are generally expected to be recognized as having been paid by the Unitholders for purposes of the foreign tax credit and foreign tax deduction rules in the Income Tax Act (Canada), subject to the detailed rules and limitations therein.

The Transaction is expected to close on or about October 26, 2021, subject to the satisfaction or waiver of certain closing conditions including: Unitholder approval of the Transaction as described below, Fund lender consents, approval of the Transaction from the TSX-V and certain other customary closing conditions.

In order to facilitate completion of the Transaction, inter-class Unit conversions by Unitholders will not be permitted after October 15, 2021.

Letters of transmittal will be delivered to registered Unitholders providing instructions with respect to the delivery of Unit certificates for cancellation in connection with closing of the Transaction and payment of the cash distribution to Unitholders. Registered Unitholders are encouraged to deliver their Unit certificates, together with their letter of transmittal, to the Fund in accordance with the instructions in the letter of transmittal.

A copy of the Circular is available under the Fund's profile at [www.sedar.com](http://www.sedar.com) and at [www.starlightus.com](http://www.starlightus.com).

#### **How to Vote**

Each Unitholder's vote is important regardless of the number of Units owned. Unitholders are urged to vote **IN FAVOUR** of the Transaction well in advance of the proxy voting deadline for the Meeting of 10:00 a.m. (Toronto time) on Tuesday, October 15, 2021. Unitholders who have questions or need assistance voting should contact TSX Trust Company, the Fund's transfer agent, by telephone toll-free in North America at 1-866-600-5869 or if calling from outside North America at 1-416-342-1091 or by email at [TMXInvestorServices@tmx.com](mailto:TMXInvestorServices@tmx.com).

The Meeting is scheduled to be held at 10:00 a.m. (Toronto time) on October 19, 2021 and can be accessed online by going to <https://virtual-meetings.tsxtrust.com/1224>. Unitholders of record as of the close of business on September 15, 2021 are entitled to receive notice of and to vote at the Meeting.

#### **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 value-add, income producing rental properties in the U.S. multi-family real estate market. The Fund currently owns seven class "A" institutional quality multi-family properties totaling 2,219 units located in the United States, with an average year of construction of 2003.

For the Fund's complete consolidated financial statements and management's discussion and analysis ("MD&A") for the second quarter ended June 30, 2021 and any other information relating to the Fund, please visit [www.sedar.com](http://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 August 2021 Newsletter which is available on the Fund's profile at [www.starlightus.com](http://www.starlightus.com).

## Forward-looking Statements

*This press release contains forward-looking statements and information relating to expected future events and the Fund's financial and operating results and projections, including statements regarding the Fund's growth and investment opportunities and performance goals and expectations of its investees, including, in particular, targeted returns, that involve risks and uncertainties. Such forward-looking information is typically indicated by the use of words such as "will", "may", "expects" or "intends".*

*The forward-looking statements and information contained in this press release include, without limitation, statements regarding the Transaction; the meeting date for the Meeting; the expected timing for closing the Transaction; the timing and quantum of the proposed distribution of net proceeds of the Transaction to Unitholders; the estimated Purchase Price Deduction; the timing and quantum of expected investment returns and performance; the tax treatment of the U.S. taxes required to be withheld from the Fund's proceeds of disposition; and the benefits of the Transaction to the Unitholders generally. Such forward-looking information and statements involve risks and uncertainties and are based on Fund management's current expectations, intentions and assumptions in light of its understanding of relevant current market conditions, investee business plans, and the Fund's prospects. If unknown risks arise, or if any of the assumptions underlying the forward-looking information and statements prove incorrect, actual results may differ materially from management expectations as projected in such forward-looking information and statements. Examples of such risks and uncertainties include, but are not limited to, the occurrence of any event, change or other circumstances that could give rise to the termination of the Transaction; the outcome of any legal proceedings that may be instituted against the Purchaser or the Fund related to the Transaction; the inability to complete the Transaction due to the failure to satisfy the conditions to closing of the Transaction (including the failure to obtain the required vote of the Unitholders, the failure to obtain the required consents from the Fund's lenders or the failure to obtain required regulatory consents); the possibility of not receiving final approval from the TSX-V; the disruption of management's attention from the Fund's ongoing business operations due to the Transaction; the effect of the announcement of the Transaction on the Fund's relationships with its customers, operating results and business generally; unexpected expenses that arise prior to closing of the Transaction that reduces distributions to Unitholders; the effects of local and national economic, credit and capital market conditions, including changes in interest rates, foreign exchange rates, government regulations or in tax laws; and other risk factors described in the Circular and the Fund's continuous disclosure materials from time to time, available on SEDAR at [www.sedar.com](http://www.sedar.com). Accordingly, although management believes that the Fund's anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information. COVID-19 and any guidelines, recommendations, or measures to prevent its spread have cast additional uncertainty on the Fund's assumptions, expectations, future outlook, anticipated events and projections. There can be no assurance that such assumptions will continue to be valid, including if and to the extent COVID-19 or any guidelines, recommendations, or measures to prevent its spread impact the Transaction and closing of the Transaction. The Fund disclaims any intention or obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless required by applicable law.*

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

*For further information, please contact:*

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