

Starlight U.S. Residential Fund to Acquire Class “A” Institutional Quality Multi-Family Property in Austin, Texas Comprising 304 Suites



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Toronto – **December 14, 2021** – Starlight U.S. Residential Fund (TSXV: SURF.A / SURF.U) (the “**Fund**”) announced today that it has entered into a binding agreement to acquire Emerson at Buda (“**Emerson**”), a 304-suite Class “A” institutional quality multi-family property completed in 2021 and located in a suburb of Austin, Texas (the “**Acquisition**”).

Pursuant to a purchase and sale agreement (the “**Agreement**”) dated December 10, 2021, Buda Acquisition LLC, a wholly owned subsidiary of the Fund, has agreed to purchase Emerson unencumbered for approximately US\$80.0 million. The Agreement contains customary representations and warranties for a transaction of this nature and, subject to the satisfaction or waiver of conditions precedent, is scheduled to close on or about December 21, 2021. The Fund has waived its due diligence conditions from the Agreement and will be funding a deposit of US\$2.0 million. The Agreement is a material contract of the Fund.

Following completion of the transaction described above, the Fund intends to finance Emerson with first mortgage debt of approximately \$52.0 million. Proceeds from the financing will provide additional liquidity for the Fund to acquire additional multi-family and single-family properties. The Fund continues to evaluate opportunities to acquire such additional properties.

Emerson at Buda

Emerson consists of 22 garden-style buildings on a 16-acre site comprised of one, two and three-bedroom suites. Currently, suites feature granite countertops, stainless steel appliances, upgraded kitchen cabinetry, walk-in closets, wood-style plank flooring, and kitchen islands in select suites.

Amenities include a 24-hour fitness centre, co-working space with video conferencing facilities, resort-style pool with cabanas, sand volleyball court, pet park and dog spa, outdoor game area. As part of the Fund’s business plan for Emerson, the property will be further improved with additional upgrades to suite finishes.

Upon completion of the Acquisition, the Fund expects to retain Avenue5 Residential (“**Avenue5**”) to property manage Emerson. Avenue5 is a boutique property management company with over 80,000 suites under management, including the Fund’s Lyric Apartments property located in Las Vegas, Nevada.

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 ability to deploy the remaining proceeds from the initial public offering and the financial performance of the Fund and its properties, including the impact of COVID-19 on the business and operations of the Fund and Emerson. 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 acquisition and financing of Emerson; the ability to deploy the remaining proceeds from the initial public offering and any refinancing; the impact of COVID-19 on the Fund's portfolio, including Emerson, 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 Emerson; the property management of Emerson; 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 United States 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 Emerson; the ability to deploy the remaining proceeds from the initial public offering and any refinancing; the impact of COVID-19 on the Fund's portfolio, including Emerson, 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.

About Starlight U.S. Residential Fund

The Fund is a trust formed under the laws of Ontario for the primary purpose of indirectly acquiring, owning, and operating a portfolio of income producing multi-family and single-family residential rental properties in the U.S. residential real estate market located primarily in Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington. The Fund currently has interests in and operates a portfolio comprising interests in 1,133, Class “A” stabilized, income producing multi-family residential suites located in Tampa, Florida, Las Vegas, Nevada and Raleigh, North Carolina, and 45 single-family residential rental homes in Atlanta, Georgia.

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