

FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 1) VALUE-ADD FUND ANNOUNCES INITIAL REPORTING PERIOD RESULTS ABOVE FORECAST

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TORONTO, August 10, 2017 – Starlight U.S. Multi-Family (No. 1) Value-Add Fund (TSX.V: SUVA.A, SUVU.U) (the “Fund”) today announced its results of operations and financial condition for the period from April 24, 2017 to June 30, 2017, a 15-day operating period that commenced following the closing of the Fund’s initial public offering (the “Offering”) and the acquisitions of The Landing at Round Rock and Spectra South, (collectively the “Initial Properties”) on June 16, 2017 (the “Initial Reporting Period”).

All amounts in this press release are in thousands of United States dollars unless otherwise stated. All references to “C\$” are to Canadian dollars. The forecast figures below represent the financial forecast (the “Forecast”) as set out in the Fund’s final long form prospectus dated June 12, 2017.

Initial Reporting Period Highlights

- Completed the Offering on June 16, 2017 and raised gross subscription proceeds of \$64,923. Acquired the Initial Properties, a combined 943 suites and \$154,722 of value-add multi-family properties.
- As at June 30, 2017, the Fund had cash on hand of \$9,964. The Fund anticipates utilizing a portion of its cash on hand to partly fund a future acquisition of a value-add multi-family property within nine months of closing of the Offering.
- Net operating income (“NOI”) was 4.5% higher than Forecast and NOI margin at 59.6% was 270 basis points above the forecasted amount driven by lower operating costs.
- Adjusted funds from operations (“AFFO”) was \$132 or 33.3% above the forecasted amount due to the increase in NOI and lower Fund and trust expenses. AFFO per unit of the Fund (“unit”) was \$0.02 (Forecast \$0.01).
- Indebtedness to gross book value was 67.6%, within the Fund’s targeted range.
- Interest coverage ratio and indebtedness coverage ratio was 1.52 times.
- As at June 30, 2017, the weighted average interest rate on mortgages payable was 3.17% and the weighted average term to maturity was 3.00 years.

Operating Results

The Fund’s revenue from property operations for the Initial Reporting Period was \$586 (Forecast - \$588 with an increase in Average Market Rent (“AMR”) over Forecast being offset by lower occupancy. The Initial Properties AMR was \$1,217 compared to the forecasted value of \$1,197, a \$20 increase or 1.7%. The Initial Properties economic occupancy was 92.6% for the Initial Reporting Period compared to the occupancy in the Forecast of 94.7%.

AFFO was \$132 or 33.3% ahead of the Forecast for the Initial Reporting Period and was driven by lower property operating costs and also slightly lower Fund and trust expenses. The Fund considers AFFO to be an important measure in determining the sustainability of future distributions to be paid to Unitholders. AFFO per unit was \$0.02, an increase over forecasted AFFO per unit of \$0.01.

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Financial Position

As of June 30, 2017, the Fund's indebtedness to gross book value was 67.6%. For the Initial Reporting Period the Fund had interest coverage and indebtedness coverage ratios of 1.52 times. The weighted average interest rate on the Fund's mortgages payable was 3.17% as at June 30, 2017 and the weighted average term to maturity was 3.00 years.

About Starlight U.S. Multi-Family (No. 1) Value-Add 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 United States multi-family real estate market. The Fund currently owns two properties, consisting of 943 suites with an average year of construction in 2003.

For the Fund's complete consolidated interim financial statements and management's discussion and analysis ("MD&A") for the Initial Reporting Period, and any other information relating to the Fund, please visit 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 2017 Newsletter which is available on the Fund's profile at www.starlightus.com.

Non-IFRS Financial Measures

The Fund's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain terms used in this press release including NOI, AFFO, indebtedness to gross book value, interest coverage ratio and indebtedness coverage ratio (collectively, the "non-IFRS measures") as well as other measures discussed elsewhere in this press release, 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 MD&A for the Initial Reporting Period and are available on the Fund's profile on SEDAR at www.sedar.com.

Forward-looking Statements


Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information is provided for the purposes of assisting the reader in understanding the Fund's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, 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, economic occupancy levels, AMR, taxes, and plans and objectives of or involving the Fund. 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.

Forward-looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. 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.



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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 inventory of multi-family real estate properties; deploying the remaining cash on hand for an additional value-add multi-family real estate property, 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 population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the ability of Starlight Group Property Holdings Inc., the manager of the Fund to manage and operate the properties; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws.

Although the Fund believes the expectations reflected in such forward-looking information are reasonable and represent the Fund's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Fund's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information.

Important factors that could cause actual results to differ materially from the Fund's expectations include, among other things, the availability of suitable properties for purchase by the Fund, the availability of mortgage financing for such properties, and general economic and market factors, including interest rates, business competition and changes in government regulations or in tax laws. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this press release relate only to events or information as of the date on which the statements are made in this press release. Except as specifically required by applicable Canadian law, the Fund undertakes no obligation to update or revise publicly any forward-looking information, 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.

To learn more about Starlight U.S. Multi-Family (No. 1) Value-Add Fund, visit www.starlightus.com or contact:

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