

## FOR IMMEDIATE RELEASE

# STARLIGHT U.S. MULTI-FAMILY (NO. 5) CORE FUND ANNOUNCES 2017 SECOND QUARTER SAME PROPERTY NOI GROWTH OF 5.9%

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**TORONTO, August 10, 2017** – Starlight U.S. Multi-Family (No. 5) Core Fund (TSX.V: STUS.A, STUS.U) (the “Fund”) today announced its results of operations and financial condition for the three months ended June 30, 2017 (the “Second Quarter”). The Fund commenced operations on October 18, 2016 after the exchange of limited partnership units of Starlight U.S. Multi-Family Core Fund, Starlight U.S. Multi-Family (No. 2) Core Fund, Starlight U.S. Multi-Family (No. 3) Core Fund, and Starlight U.S. Multi-Family (No. 4) Core Fund (collectively the “Arrangement Funds”) and common shares of Campar Capital Corporation for limited partnership units (“units”) of the Fund and following the closing of its initial public offering.

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 October 12, 2016.

### Highlights for the Second Quarter and Six Months Ended June 30, 2017

- Initiated its program to strategically recycle capital into new properties that lower the average age of its portfolio and enhance its geographical diversification.
- Disposed of two assets in Houston, Texas with an average vintage of 2009 and a small property in Charlotte, North Carolina and reinvested the proceeds on a tax deferred basis into properties in Denver, Colorado (2014 vintage) and Phoenix, Arizona (2012 vintage). These acquisitions represent the Funds first investments in the high growth markets of Denver and Phoenix.
- Refinanced mortgages resulting in additional proceeds of \$27,168, a portion of which was utilized to partly fund the acquisition of Copperfield Apartments (“Copperfield”), in Nashville, Tennessee that was constructed in 2015 and lowers the average age of the Fund’s portfolio and further enhances the geographical diversification. See “Subsequent Events”.
- Entered into a variable rate collar contract to provide protection from the impact of any potential weakening of the U.S. dollar on the Fund’s Canadian dollar distributions. The 12-month contract allows the Fund to exchange U.S. denominated currency each month within a range of C\$1.33 to C\$1.3850 to fund Canadian dollar distributions.
- Recognized an \$8,300 fair value increase on its properties for the Second Quarter. The increase was partly driven by net operating income (“NOI”) increases across the portfolio.
- Interest Coverage Ratio was strong at 2.16 times for the Second Quarter.

The following highlights for the Second Quarter and six months ended June 30, 2017 include the comparative period in which the properties were owned by the Arrangement Funds:

- Portfolio average market rent (“AMR”) increased by 1.7% to \$1,181 driven by increases of greater than 4.0% in Dallas, Texas; Orlando / Tampa, Florida; and Charlotte / Raleigh, North Carolina. Economic occupancy remained stable at 93.3%.
- Same property AMR increased by 2.0% reflecting strong growth specifically in Dallas, Texas; Orlando / Tampa, Florida; and Raleigh, North Carolina.

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- NOI at \$14,166 was a 25.8% increase over the corresponding period in 2016 and the NOI margin at 57.7% represented a 220 basis point improvement.
- Same property NOI at \$10,805 was a 5.9% increase over the corresponding period in 2016 and NOI margin at 58.2% was a 220 basis point improvement driven by significant margin increases in the Atlanta, Georgia; Dallas, Texas; Orlando / Tampa, Florida; and Raleigh, North Carolina markets due to rental rate growth, stable occupancy and effective management of property taxes.
- NOI at \$27,992 was a 26.2% increase over the corresponding six month period in 2016 and the NOI margin at 57.3% was a 150 basis point improvement.
- Same property NOI at \$19,995 for the six months ended June 30, 2017 was a 3.8% increase over the corresponding period in 2016 and the NOI margin at 57.4% was a 130 basis point improvement.

## Operating Results

The Fund's AMR at June 30, 2017 was \$1,181, an increase of \$19 or 1.7% from June 30, 2016. Same property AMR growth was 2.0%. Economic occupancy for the Second Quarter was 93.3%, within the Fund's targeted range. Revenue from property operations for the Second Quarter at \$24,568 was 21.1% higher than the corresponding period in 2016, due to acquisition and rental rate growth. For the six months ended June 30, 2017, revenue was \$48,879 or 23.1% above the corresponding period in 2016.

NOI for the Second Quarter at \$14,166 was 25.8% above the same quarter in the prior year and the NOI margin was 57.7%, a 220 basis point increase. For the six months ended June 30, 2017, NOI increased by \$5,817 or 26.2% to \$27,992 and NOI margin increased by 150 basis points to 57.3%

AFFO payout ratio was 88.2% (Forecast – 80.2%) during the Second Quarter and 88.4% (Forecast – 82.3%) for the six months ended June 30, 2017 predominately due to increases in finance costs resulting from increases in 30-day LIBOR and lower NOI partly due to the timing of dispositions and acquisitions. The Fund considers AFFO to be an important measure in determining the sustainability of future distributions to be paid to Unitholders.

## Financial Position

As at June 30, 2017, the Fund's indebtedness to gross book value was 67.5%, up from 65.4% as at December 31, 2016. The Fund had a strong interest coverage and indebtedness coverage ratios for the Second Quarter of 2.16 and 1.95 times, respectively. The weighted average interest rate on the Fund's mortgages payable was 3.27% and the weighted average term to maturity was 3.94 years as at June 30, 2017. The Fund currently has C\$5 million of unused capacity on its credit facility. From April 1, 2017 to June 30, 2017 the Fund purchased and cancelled 186,100 class A units under the normal course issuer bid for C\$1,741 or the equivalent of \$1,293.

## Subsequent Events

On August 1, 2017, the Fund acquired Copperfield located approximately 30 minutes south-east of downtown Nashville, Tennessee further enhancing the geographical diversification of the portfolio while improving the average age of construction. Copperfield consists of 288 garden-style suites in 12 three storey buildings.


## About Starlight U.S. Multi-Family (No. 5) Core 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 diversified income producing rental properties in the U.S. multi-family real estate market. The Fund currently owns 23 properties, consisting of 6,980 suites with an average year of completion in 2011.

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For the Fund's complete condensed consolidated interim financial statements and management's discussion and analysis ("MD&A") for the Second Quarter, 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 2017 Newsletter which is available on the Fund's profile at [www.starlightus.com](http://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, "same property", AFFO, indebtedness, gross book value, 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 Second Quarter and are available on the Fund's profile on SEDAR at [www.sedar.com](http://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, occupancy levels, AMR, taxes, the Fund's use of its normal course issuer bid, 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.

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; 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.



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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. 5) Core Fund, visit [www.starlightus.com](http://www.starlightus.com) or contact:*

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