

Starlight U.S. Multi-Family (No. 5) Core Fund Sells Apartment Complex in Dallas, Texas with Proceeds to be Strategically Redeployed in Charlotte, North Carolina



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Toronto – **March 15, 2018** – Starlight U.S. Multi-Family (No. 5) Core Fund (TSX.V: STUS.A, STUS.U) (the “Fund”) announced today that it has sold Greenhaven Apartments (“Greenhaven”), a 216 suite, class “A”, garden-style apartment community located in north Dallas, Texas and constructed in 2009, for sale price of approximately US\$32.60 million. The Fund subsequently announced that it has entered into an agreement to acquire Alexander Village, a 320 suite, Class “A”, garden style apartment community completed in 2015 and located in Charlotte, North Carolina at 9224 Graham Ridge Drive (“Alexander Village”).

Pursuant to purchase and sale agreements made and entered into on March 15, 2018, as may be amended from time to time, the Fund has agreed to purchase Alexander Village for the purchase price of approximately US\$59.10 million. Subject to the satisfaction or waiver of conditions precedent, the purchase of Alexander Village is scheduled to close on or about March 28, 2018.

The acquisition of Alexander Village will be on a partially tax-deferred basis and satisfied by approximately \$19.72M of cash through the proceeds of the sale of Greenhaven and the previously announced sale of The Villages at Sunset Ridge in Houston, Texas. The remaining portion of the acquisition will be satisfied through the expansion of the previously announced revolving credit facility (“Credit Facility”), to be secured by seven properties including Alexander Village, at an interest only rate of U.S. one-month LIBOR plus 2.00%. The acquisition of Alexander Village will improve the Fund’s geographical diversification, average portfolio vintage, and average number of apartment suites per apartment community, enhancing operational efficiencies to drive net operating income (“NOI”) growth.

“The sale of Greenhaven Apartments and The Villages at Sunset Ridge, and the redeployment of proceeds into Alexander Village, highlights the Fund’s strategy to continue to dispose of smaller, older apartment complexes and recycle proceeds into larger and newer vintage properties in order to improve the Fund’s geographical diversification, key operating metrics and provide better economies of scale and enhanced returns,” commented Evan Kirsh, the Fund’s President.

Alexander Village

Alexander Village is located approximately 14 kilometres northeast of downtown Charlotte in the University Research Park. The property consists of twelve, three and four storey walk-up buildings and four, one storey cottages on an approximately 18.5 acre site comprised of one, two, and three bedroom suites. Alexander Village’s suites feature modern interior finishes including stainless steel appliances, granite countertops, custom cabinetry, tile backsplashes, under mount sinks, new carpet and wood-style plank flooring, walk-in closets, soaker tubs and a full-size catering kitchen. As at March 8, 2018, Alexander Village’s occupancy was 92.5%.

Following completion of the acquisition, the Fund expects to retain Greystar Real Estate Partners (“Greystar”), the largest third-party multi-residential property management company in the United States to property manage Alexander Village. Greystar currently manages eight apartment communities, including Alexander Village, for Starlight U.S. Multi-Family in Atlanta, Georgia; Charlotte and Raleigh, North Carolina; Denver, Colorado; and Houston, Texas.



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. Following completion of the acquisition of Alexander Village, the Fund will own 23 properties, consisting of 7,289 suites with an average year of completion in 2012.

Securities Law

The acquisition of Alexander Village 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 (a) and paragraph 5.7 (1)(a) of MI 61-101, respectively. Alexander Village’s acquisition was approved by the Fund’s Board of Directors (other than Daniel Drimmer, who declared his interest in the acquisition of Alexander Village and was recused from voting) in accordance with the Fund’s amended and restated limited partnership agreement dated as of October 12, 2016.

Non-IFRS Financial Measures

NOI does not have a standardized definition prescribed by International Financial Reporting Standards (“IFRS”) and is, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. The Fund uses this measure to better assess the Fund’s underlying performance and financial position and provides this additional measure so that investors may do the same. Details on non-IFRS measures are set out in the Fund’s management’s discussion and analysis for the period ended December 31, 2017 that is available on the Fund’s profile on SEDAR at www.sedar.com.

About Starlight U.S. Multi-Family (No. 5) Core Fund

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 statements concerning future acquisitions and their impact on the Fund’s geographical diversification, average portfolio vintage and NOI growth opportunities. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the 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 reliance on a wholly-owned subsidiary of Starlight Property Holdings Inc., the Fund’s manager; 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 ability of the Fund to complete future acquisitions and their impact on



the Fund's geographical diversification, average portfolio vintage, and NOI growth opportunities; the inventory of multi-family real estate properties; 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 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. Readers are cautioned against placing undue reliance on forward-looking statements. Except as specifically required by applicable Canadian laws, the Fund undertakes no obligation to update or revise publicly any forward-looking 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.

Evan Kirsh

President

Starlight U.S. Multi-Family (No. 5) Core Fund

+1-647-725-0417

ekirsh@starlightus.com

Martin Liddell

Chief Financial Officer

Starlight U.S. Multi-Family (No. 5) Core Fund

+1-647-729-2588

mliddell@starlightinvest.com