NEWSLETTER | March 2022

Starlight U.S. Multi-Family (No. 2) Core Plus Fund (the "Fund") is listed on the TSX Venture Exchange (TSXV: SCPT.A and SCPT.U). The Fund currently owns 675 suites in two apartment communities, Hudson at East and Montane Apartments (collectively, the "Properties") and is asset managed by Starlight Investments US AM Group LP (the "Manager"). The Fund was established in February 2021 to indirectly acquire, own, and operate a portfolio primarily comprised of light value-add income-producing Class "A", institutional quality multi-family real estate assets constructed in 1990 or newer, located in Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington (the "Primary Markets").

The Fund's core plus strategy is focused on achieving increases in rental rates through high return, light value-add capital expenditures to rental suites, clubhouses and amenities in targeted geographic locations experiencing compelling demand increases due to population and employment growth as well as lifestyle preferences. The light value-add strategy also includes active asset management utilizing reputable, best-in-class United States ("U.S.") based third-party property managers to implement net operating income ("NOI") growth by maximizing rental rates and ancillary revenue opportunities with rigorous operational controls to manage and reduce costs. The Fund's presentation currency is U.S. dollars. Unless otherwise stated, dollar amounts expressed are in U.S. dollars.

Montane Apartments (Denver, CO 2018)

Hudson at East (Orlando, FL 2019)

Significant Events

During the three months ended December 31, 2021 ("Q4 2021"), the Fund recorded a fair value gain on its Properties of $11,554, contributing to the cumulative 25.9% increase over the aggregate purchase price. The fair value gain during Q4 2021 was primarily driven by NOI growth and capitalization rate compression from increasing demand in the investment market for multi-family properties across the Primary Markets.

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Significant increases in rent growth and occupancy were achieved during Q4 2021 with the Fund reporting 7.2% annualized rent growth and economic occupancy of 93.6%, which was ahead of the Fund's financial forecast (the "Forecast") by 10 basis points. These significant increases are being driven by growth in demand for multi-family suites due to the economic strength following the downturn created by the outbreak of the coronavirus (SARS – CoV2) global pandemic ("COVID-19") in the U.S. and the Primary Markets (see "COVID-19" and "Future Outlook").

Revenue from property operations and NOI for Q4 2021 were $3,391 and $2,194, respectively, representing a 4.2% and 4.5% increase relative to the Forecast driven by strong revenue growth, partially offset by higher than forecasted operating costs.

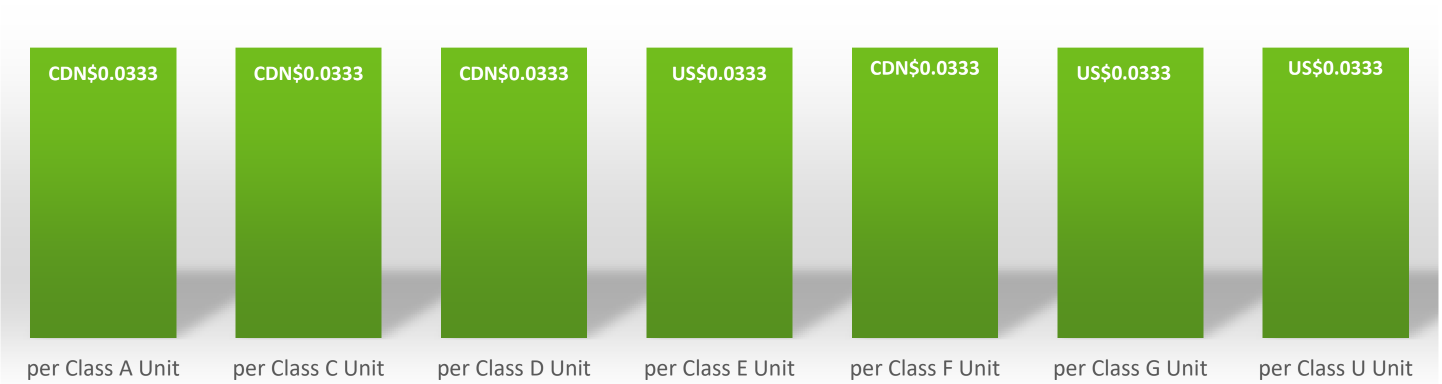
On October 25, 2021, the Fund refinanced the loan payable on Montane Apartments by entering into a new $92,000 first mortgage at an attractive all-in rate. Given the significant increase in the fair value of Hudson at East, the Fund is evaluating the potential refinancing of the associated loan payable whereby the net proceeds of any such refinancing along with the Fund's cash on hand as at December 31, 2021 of $6,445 may provide sufficient liquidity for the Fund to acquire a third property.

As at March 7, 2021, the Fund had collected 99.1% of rents for Q4 2021, demonstrating the Fund's strong tenant profile.

Unit Information and Distributions

Monthly Distributions

The Fund expects to pay monthly distributions equal to 4.0% on an annualized basis on all outstanding unit classes. The following is a summary of the monthly distribution amounts for each outstanding unit class.



U.S. Multi-Family Market Trends

Unemployment rates initially increased to a peak of approximately 15% in April 2020 due to COVID-19, followed by a steady decline driven by the continued economic recovery in the U.S. According to the U.S. Bureau of Labor Statistics, the U.S. unemployment rate decreased in December 2021 to 3.9%, with the local markets where the Properties operate having maintained unemployment rates in line with the national average. In Q4 2021, key multi-family fundamentals including submarket occupancies, rent growth and collection rates, indicated a continued strengthening and recovery of the multi-family market in the U.S. and the Primary Markets. The Manager continues to closely monitor national and local economic conditions as part of its response to COVID-19 (see "COVID-19" and "Future Outlook") and is well positioned to take advantage of any continued improvement in the sector's performance.

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Metropolitan Market Information

The Fund owns 675 suites in two cities across two states. The following highlights the key macroeconomic and property data in each city and sub-market.

Denver Market Trends

Employment

According to the U.S. Bureau of Labor Statistics, the Denver Metropolitan Area gained over 10,100 jobs from September 2021 to December 2021, primarily attributable to the rebound from COVID-19. The unemployment rate in December 2021 was 4.2% in Denver, a decrease from 4.8% in September 2021 and, slightly above the national average of 3.9%. It is expected that Denver's unemployment rates will continue to decline as the overall economy continues to recover from the impact of COVID-19.

Occupancy Projections

According to RealPage Market Analytics, Q4 2021 occupancy levels for Denver were 96.8%. Annualized rental growth for the quarter was 1.2%, with year-over-year rent growth at 15.4%. The 2022 forecast for occupancy levels in Denver is for a decrease to 95.5%, with 2022 rental growth projected at 10.7%.

Denver Submarkets

According to RealPage Market Analytics, the Denver submarket in which the Fund has invested – Parker/Castle Rock – had a Q4 2021 occupancy rate of 96.6%, with year over year rent growth of 15.7%. Occupancy rates in this submarket are expected to decrease to 95.5% in 2022.

Orlando Market Trends

Strong Employment Growth

According to the U.S. Bureau of Labor Statistics, the Orlando Metropolitan Area gained approximately 6,500 jobs from September 2021 to December 2021, primarily attributable to the rebound from COVID-19. The unemployment rate in December 2021 was 3.8% in Orlando, a significant decrease from 4.4% in September 2021 and lower than the national average of 3.9%.

Occupancy Projections

According to RealPage Market Analytics, Q4 2021 occupancy levels for Orlando were 97.8%. Annualized rental growth for the quarter was 4.9%, with year-over-year rent growth of 23.8%. The 2022 forecast for occupancy levels in Orlando is for a decrease to 96.7%, with rent growth projected at 17.7% for 2022.

Orlando Submarkets

According to RealPage Market Analytics, the Orlando submarket in which the Fund has invested – East Orange Market – had a Q4 2021 occupancy rate of 97.6%, with year over year rent growth of 29.6%. Occupancy rates in this submarket are expected to decrease to 95.5% in 2022.

Investment Market Update

Commercial real estate investment demand continues to be strong nationally. There is significant demand from real estate private equity firms that have recently raised equity. Capitalization rates for suburban, Class "A", multi-family

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real estate in the Primary Markets are approximately 3.0% to 4.0%, depending on the quality and location of the apartment community.

As at March 4, 2022, Ten Year U.S. Treasury bonds were yielding approximately 1.74%, the U.S. 30-Day London Interbank Offered Rate was approximately twenty basis points and the U.S. 30-day Secured Overnight Financing Rate was five basis points. All-in interest rates continue to remain low versus historical levels while debt continues to be available at moderate leverage levels.

Property Improvements

Montane Apartments completed pool infrastructure upgrades, HVAC upgrades, upgraded garage and common area doors, and installed smart home systems in select units to generate rent premiums during Q4 2021. Hudson at East completed an upgrade to the access gates. The Fund's light value-add initiatives are expected to result in improvements to common areas, amenities and building exteriors.

Property Management and Rental Rates

Property Management

The Fund benefits from the local real estate expertise and market intelligence of best-in-class property managers. Bainbridge, a third-party manager with local market expertise in Orlando provides property management for Hudson at East. Avenue-5 Residential, a third-party manager with local market expertise in Denver provides property management for Montane Apartments.

Utilization of Yield Management Software

The Manager continues to utilize yield management software at all of its Properties. This software provides updated pricing on a daily basis, optimizing asking rents and renewal rents in real time, based on supply and demand for different suite types. This rental rate optimization system is similar to those employed by the hotel and airline industries to manage their room rates and flight prices.

Ancillary Services Update

The Manager continues to maximize ancillary revenue by ensuring all ancillary rates are at market levels and exploring additional ancillary fee opportunities.

COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of COVID-19 as a global pandemic. Although COVID-19 has resulted in a volatile economy, the Fund believes it is well positioned to navigate through this challenging time and continues to undertake proactive measures at the Properties to combat the spread, assist tenants where needed and implement other measures to minimize business interruption.

The Fund intends to actively monitor any impact COVID-19 may have on the Fund's operating results in future periods specifically as they relate to rent collections, occupancy, rent growth, ancillary fees and expenses incurred for preventative measures in response to COVID-19 at the Properties.

Although positive U.S. employment and economic growth statistics, as well as strengthening rent growth, collections and occupancy statistics for multi-family properties operating in the Primary Markets of the Fund, have been published in recent months, the extent to which COVID-19 impacts the Fund's operations, financial condition and financial results

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will depend on future developments, which are highly uncertain and cannot be predicted with confidence. Such future developments include the severity and duration of COVID-19, any intensification of COVID-19, the actions by federal, state, and local governments and others taken to contain COVID-19 or mitigate its impact, changes in the preferences of tenants and prospective tenants, and the direct and indirect economic effects of COVID-19 and containment measures, among others. The rapid development and fluidity of this situation impedes the Manager's ability to predict the ultimate adverse impact of COVID-19. COVID-19 and the current financial, economic, and capital markets environment, and future developments in these and other areas, present material uncertainty and risk with respect to the Fund's performance, financial condition, results of operations and cash flows.

Future Outlook

During Q4 2021, key multi-family fundamentals improved significantly including strengthening occupancy, rent growth and collection rates. These trends, in conjunction with the Primary Markets exhibiting sustained job and population growth as a result of lifestyle choices as well as positive net migration, should continue to support further demand for multi-family apartments in future periods. In addition, previous economic downturns have typically been followed by periods of above market rent growth for multi-family properties in the U.S. which transpired in Q4 2021 with the Fund's Properties achieving rent growth on new leases in excess of 10%.

COVID-19 has disrupted active and new construction of comparable product in the markets the Fund operates in which has created a temporary imbalance in supply of comparable, multi-suite residential properties. This imbalance, along with the continued economic recovery and improving operating fundamental, should continue to create favourable supply and demand conditions for the Properties resulting in future increases in occupancy and rent growth. The Fund believes it is well positioned to take advantage of these trends. In addition, investment trends are also positive as investors continue to target multi-family real estate for investment causing capitalization rates to compress.

Operating and investment fundamentals continue to be strong in the multi-family markets where the Fund's assets are located. The Fund is optimistic on future growth prospects and will continue to focus on increasing rental rates and net income at the properties and increasing value for investors.

For more information visit www.starlightus.com or contact:

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This Newsletter is intended for informational purposes only and is not, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities of the Fund, or investment advice to any individual. Particular investments should be evaluated relative to each individual's circumstances and individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Past performance may not be repeated and nothing in this Newsletter should be construed as an indication of future values of the Fund or future returns on any investment in the Fund.

This Newsletter is not intended for distribution in any jurisdiction that would require the filing of a prospectus, registration statement, offering memorandum or similar document under the applicable laws of such jurisdiction or would result in the Fund having any reporting or other obligation in such jurisdiction. Accordingly, neither the Fund nor the Manager has done anything that would permit the possession or distribution of this Newsletter in any jurisdiction where action for that purpose is required.

The Fund's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain terms used in this Newsletter 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 Management Discussion & Analysis and are available on the Fund's profile on SEDAR at www.sedar.com

This Newsletter contains statements that may constitute forward-looking information within the meaning of Canadian securities laws and which reflect current expectations of the Fund's management regarding future events, including statements concerning the impact of COVID-19 on the Fund's portfolio 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, acquisitions including a third property, financing including the refinancing of Hudson at East, 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, average monthly rent, taxes, and plans and objectives of or involving the Fund. Particularly, matters described at "Future Outlook and COVID-19" are forward-looking information. 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.

The forward-looking statements involve risks and uncertainties, including those discussed in the Fund's materials filed with the Canadian securities regulatory authorities from time to time at www.sedar.com, which could cause the actual results and performance of the Fund to differ materially from the forward-looking statements contained in this Newsletter. Those risks and uncertainties include: the impact of COVID-19 on the Fund's portfolio 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; changes in government legislation or tax laws which would impact any potential income taxes or other taxes rendered or payable with respect to the Fund's Properties or the Fund's legal entities; and the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19 or otherwise: the availability of debt financing for any future financing requirements of the Fund; and the availability and price at which any potential future acquisitions may be acquired including a third property. 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 impact of COVID-19 on the Fund's portfolio 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 or otherwise; 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 ability of the Fund to benefit from its value-add program; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the ability of the Manager to manage and operate the properties of the Fund; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws. Given this unprecedented period of uncertainty, there can be no assurance regarding: (a) the impact of the COVID-19 on the Fund's business, operations and performance or the volatility of the Fund's units; (b) the Fund's ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) the Manager or any of its affiliates, will continue its involvement as asset manager of the Fund in accordance with its current asset management agreement; and (e) other risks inherent to the Fund's business and/or factors beyond its control which could have a material adverse effect on the Fund.

This newsletter contains statistical data, market research and industry forecasts that were obtained from government and industry publications and reports or are based on estimates derived from such publications and reports and the Manager's knowledge of, and experience in, the markets in which the Fund operates. Actual outcomes may vary materially from those forecast in such publications or reports. While the Fund and its Manager believe this data to be reliable, market and industry data cannot be verified due to limits on the availability and reliability of data inputs and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed.

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