

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE PLUS FUND FILES PRELIMINARY PROSPECTUS FOR MAXIMUM US\$180.6 MILLION INITIAL PUBLIC OFFERING



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Toronto – **February 1, 2021** – /CNW/ - Starlight U.S. Multi-Family (No. 2) Core Plus Fund (the “**Fund**”) announced today that it has filed with the securities commissions of each of the provinces of Canada, and obtained a receipt for, a preliminary prospectus for an initial public offering of limited partnership units (the “**Offering**”). The preliminary prospectus qualifies the distribution of a minimum of US\$90.3 million and a maximum of US\$180.6 million of Class A Units, Class C Units, Class D Units, Class E Units, Class F Units, Class G Units and/or Class U Units of the Fund at a price of C\$10.00 per Class A Unit, Class C Unit, Class D Unit and Class F Unit and US\$10.00 per Class E Unit, Class G Unit and Class U Unit.

The Fund was established on January 8, 2021 pursuant to an initial limited partnership agreement. The Fund was established for the primary purpose of directly or indirectly acquiring, owning and operating a portfolio primarily composed of income-producing multi-family properties that demonstrate value based on pricing and local supply and demand trends to achieve the Fund’s target metrics or that can achieve significant increases in rental rates as a result of undertaking high return, light value-add capital expenditures and active asset management. The Fund intends to acquire properties that are located primarily in Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington. Following completion of the Offering, the Fund intends to acquire two multi-family residential properties that comprise a total of 675 suites located in the states of Colorado and Florida in the markets of Denver and Orlando, respectively (the “**Initial Portfolio**”). The balance of the net proceeds of the Offering will be used to subsequently acquire one or more additional income-producing, multi-family properties in the above-noted target markets within the United States, consistent with the primary purpose of the Fund.

Starlight Group Property Holdings Inc. (“**Starlight**”) is the promoter of the Fund and an affiliate of Starlight will act as manager of the Fund. Starlight currently owns and/or manages C\$20.5 billion in assets in Canada and the United States, including more than 600 properties, approximately 70,000 multi-residential suites (of which approximately 10,000 multi-residential suites are located in the United States and primarily in Sunbelt and Mountain states spread across 23 properties and having a current value of approximately C\$2.5 billion), and approximately 8,000,000 square feet of commercial space in Canada through various entities spread across eight provinces and two territories, including in partnership with several global institutional investors and family offices. Starlight has extensive experience overseeing and working with publicly listed entities and currently provides services to three publicly listed entities: True North Commercial REIT (TSX: TNT.UN), Northview Canadian High Yield Residential Fund (TSX: NHF.UN) and Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX-V: SCPO.UN). Starlight has been among North America’s most active real estate investors since its inception in 1995 and employs more than 300 professionals, including more than 23 professionals in U.S. multi-residential real estate with expertise in investments, asset management, finance and legal. Starlight has completed transactions having an aggregate value of over C\$30.0 billion, with a transaction volume of approximately 110,000 multi-residential suites with over C\$9.0 billion of invested capital.

The Fund has received commitments from senior management of Starlight to subscribe for a minimum of C\$10.0 million of Class C Units. The syndicate of agents for the Offering is being led by CIBC World Markets Inc. and includes Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., Canaccord Genuity Corp., National Bank Financial Inc., Richardson Wealth Limited, Desjardins Securities Inc., iA Private Wealth Inc., Laurentian Bank Securities Inc. and Raymond James Ltd. (collectively, the “**Agents**”).

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities of the Fund in the United States, nor shall there be any sale of the securities of the Fund in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws.

A preliminary prospectus containing important information relating to these securities has been filed with securities commissions or similar authorities in each of the provinces of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from any of the Agents and are available on SEDAR at www.sedar.com. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

Forward-looking Statements

This news release contains statements that include forward-looking information within the meaning of Canadian securities laws. These forward-looking statements reflect the current expectations of the Fund and Starlight regarding future events, including statements concerning the use of proceeds of the Offering, the timing of the acquisition of properties by the Fund and the subscription by senior management of Starlight. 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.

Material factors and assumptions used by management of the Fund to develop the forward-looking information include, but are not limited to, the ability to deploy the remaining proceeds from the Offering, if any, to acquire additional properties; the Fund’s current expectations about: the impact of COVID-19 on the properties to be acquired by the Fund as well as the impact of COVID-19 on the markets in which the Fund intends to operate; the applicability of any government regulation concerning tenants or rents at properties the Fund intends to acquire as a result of COVID-19 or otherwise; the availability of core-plus properties for acquisition (other than the Initial Portfolio) and the price at which such properties may be acquired; the availability of mortgage financing and current interest rates; the capital structure of the Fund; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

Although management believes the expectations reflected in such forward-looking statements are reasonable and represent the Fund’s internal projections, expectations and beliefs at this time, such statements involve known and unknown risks and uncertainties that 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, that assumptions may not be correct and that objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the Fund's control, could cause actual results in future periods to differ materially from current expectations of estimated or anticipated events or results expressed or implied by such forward-looking statements. Such factors include the risks identified in the preliminary prospectus, including under the heading "Risk Factors" therein, as well as, among other things, risks related to 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 the impact of COVID-19, interest rates, prospective purchasers of real estate, business competition, use of derivatives, changes in government regulations or income tax laws. Readers are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, the Fund undertakes no 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. Multi-Family

Starlight U.S. Multi-Family was formed 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 through private, public and institutional vehicles. Starlight U.S. Multi-Family owns and asset manages a portfolio consisting of approximately 10,000 multi-residential units across the United States comprising over C\$2.5B in assets under management. Please visit us at www.starlightus.com.

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