

# STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE PLUS FUND COMPLETES SUCCESSFUL INITIAL PUBLIC OFFERING AND RAISES APPROXIMATELY CDN\$107.0 MILLION



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Toronto – **March 31, 2021** – /CNW/ - Starlight U.S. Multi-Family (No. 2) Core Plus Fund (the “**Fund**”) announced today that it has completed its initial public offering (the “**Offering**”). Pursuant to the Offering, the Fund issued an aggregate of approximately C\$107.0 million of limited partnership units, consisting of 2,862,819 Class A Units, 2,436,500 Class C Units, 2,095,700 Class D Units, 236,840 Class E Units, 1,959,606 Class F Units, 535,000 Class G Units and 299,120 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 (collectively, the “**Units**”).

The Units were offered to the public through a syndicate of agents led by CIBC World Markets Inc. and which included 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.

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, and are located primarily in Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington. The Fund is currently in the process of acquiring two multi-family residential properties located in the States of Colorado and Florida, in the markets of Denver and Orlando, respectively, comprising 675 multi-family residential suites for an aggregate purchase price of approximately US\$202.7 million (the “**Properties**”) and expects to close the acquisition of the Properties on or about March 31, 2021. The balance of the net proceeds of the Offering will be used for working capital purposes.

The Fund also announced today that it has received final approval for the listing of the Class A Units and Class U Units on the TSX Venture Exchange (under the symbols “SCPT.A” and “SCPT.U”, respectively). The Class C Units, Class D Units, Class E Units, Class F Units and Class G Units will not be listed by the Fund on any stock exchange, but the Class C Units, Class D Units and Class F Units are each convertible into Class A Units of the Fund and the Class E Units and Class G Units are each convertible into Class U Units of the Fund, in each case subject to compliance with the terms and conditions in the Fund’s amended and restated limited partnership agreement dated as of March 19, 2021. The Class A Units are convertible into Class D Units and the Class U Units are convertible into Class G Units. Following completion of the acquisition of the Properties, the Fund expects its Class A Units and Class U Units to commence trading on or about March 31, 2021.

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 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.

Gross proceeds noted in this press release have been calculated based on an average rate of exchange of C\$1.252 for US\$1.000.

### **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 expecting closing of the Fund’s acquisition of the Properties and the commencement of trading of the Class A Units and Class U Units on the Exchange. 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 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 final prospectus, including under the heading “Risk Factors” therein, as well as, among other things, risks related to the availability of mortgage financing, 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.

*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.*

## About Starlight U.S. Multi-Family (No. 2) Core Plus 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 income producing rental properties in the United States multi-family real estate market.

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