

STARLIGHT U.S. MULTI-FAMILY (NO. 1) CORE PLUS FUND ACQUIRES APARTMENT COMPLEX IN AUSTIN, TEXAS AND PROVIDES COVID-19 UPDATE



Not for distribution to U.S. newswire services or for dissemination in the United States.

Toronto – May 28, 2020 – Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX.V: SCPO.UN) (the “Fund”) announced today that it has acquired 401 Teravista (“Teravista”), a 320-unit, garden-style, multi-family property completed in 2008 and located in Austin, Texas.

Pursuant to the purchase and sale agreement effective March 2, 2020, as amended from time to time, Teravista Acquisition LLC, an indirect wholly owned subsidiary of the Fund, purchased Teravista unencumbered for a purchase price of US\$55.0 million. In connection with the acquisition, new financing in the amount of US\$28.2 million has been secured for a six-month term, comprised of US\$27.5 million of initial funding and US\$0.7 million of future funding for capital expenditures. Subject to certain conditions, the financing will be interest-only and will be payable at an annual rate of one-month LIBOR (“LIBOR”) + 2.0%, including a LIBOR floor of 0.75%.

Teravista, a gated community, consists of 19, three-storey walk-up buildings on a 16.0-acre site comprised of one-bedroom, two-bedroom and three-bedroom suites in addition to one single-storey clubhouse building. Currently, apartment suites feature a full-size washer and dryer, custom kitchen cabinetry, vinyl flooring, private patio or balcony, expansive walk-in closets and wood-burning fireplaces in select suites. The bathrooms are outfitted with vinyl flooring and select units feature double vanity sinks and garden tubs. Indoor amenities include a clubhouse with a 24-hour fitness centre, social lounge, resident kitchen and business centre. Outdoor amenities include a resort-style pool, poolside pergolas and seating, outdoor grilling station with picnic tables, hammocks, two dog parks, and a pond with surrounding walking path. Approximately 70% of the suites have been upgraded from their original condition. As part of the Fund’s business plan, Teravista will continue to be repositioned to a modern standard with upgraded suite finishes and attractive common areas and amenity spaces, and the property’s curb appeal will be improved. As of May 26, 2020, Teravista’s occupancy was 93.4% and 99.9% of Teravista’s May rent has been collected.

The Fund has retained Alliance Residential (“Alliance”), a well-known property management company in the United States, to property manage Teravista. Alliance currently manages properties for Starlight U.S. Multi-Family in Atlanta, Austin, Denver, and Houston.

COVID-19 Update

In response to the COVID-19 pandemic, the Fund has implemented a number of social distancing and enhanced cleaning protocols at all of its properties. The Fund’s priority is ensuring its residents are safe, while providing services, including cleaning and maintenance. The Fund has been strictly adhering to the directives from health authorities and will continue to do so.

For the month of April, the Fund has collected approximately 98.8% of rent due at the Fund’s initial properties. As of May 27, 2020, the Fund has collected approximately 96.9% of rent due at its four properties for the month of May. In addition, approximately 0.6% of May rent is subject to partial payment plans established by the Fund with the outstanding balance expected to be collected in future installments. This compares favourably with United States averages for April and May which equal approximately 89.2% and 90.8% of rent collected, respectively, as of May 20, 2020 as reported by the National Multifamily Housing Council. In light of the uncertainty surrounding the duration and severity of the COVID-19 pandemic, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the financial results and operations of the Fund.

The Fund Portfolio

Following the acquisition of Teravista, the Fund has interests in and operates a portfolio comprising 1,558 multi-family suites in five core-plus, income producing apartment communities located in Tampa, Florida; Atlanta, Georgia; Raleigh, North Carolina; Nashville, Tennessee; and Austin, Texas. The Fund continues to prudently seek opportunities to deploy the remaining approximately US\$22 million of proceeds from its initial public offering.

About Starlight U.S. Multi-Family (No. 1) 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.

Forward-looking Statements

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 the overall financial performance of the Fund and its properties, including the impact of COVID-19 on the business and operations of the Fund and Teravista. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for 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: the acquisition and financing of Teravista; the ability to deploy the remaining proceeds from the initial public offering; the impact of COVID-19 on the Fund's portfolio, including Teravista, 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; reliance on the Fund's manager; the expected benefits of the ownership of Teravista; the property management of Teravista; 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 overall financial performance of the Fund's portfolio including as a result of the acquisition and financing of Teravista; the ability to deploy the remaining proceeds from the initial public offering; the impact of COVID-19 on the Fund's portfolio, including Teravista, 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; the ability of the manager of the Fund to manage and operate the Fund's properties; the ability of the property managers selected to manage the Fund's properties; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; 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 required by applicable Canadian securities laws, none of the Fund or its manager undertake any 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.

To learn more about the Fund, visit www.starlightus.com or contact:

Evan Kirsh
President

Starlight U.S. Multi-Family (No. 1) Core Plus Fund
+1-647-725-0417
ekirsh@starlightus.com

Martin Liddell
Chief Financial Officer

Starlight U.S. Multi-Family (No. 1) Core Plus Fund
+1-647-729-2588
mliddell@starlightinvest.com