

Starlight U.S. Residential Fund Completes Successful Initial Public Offering and Raises Approximately CDN\$312.0 Million for Initial Acquisition of Three Class “A” Institutional Quality Multi-Family Properties



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Toronto, Ontario – November 15, 2021 – Starlight U.S. Residential Fund (the “**Fund**”) announced today that it has completed its initial public offering (the “**Offering**”). Pursuant to the Offering and a concurrent private placement, the Fund issued an aggregate of approximately C\$312.0 million of trust units, consisting of 3,422,689 Class A Units, 3,430,000 Class C Units (inclusive of retained equity held by Starlight Group Property Holdings Inc. (“**Starlight**”) and exchangeable for Class C Units), 10,923,370 Class D Units, 699,990 Class E Units, 6,561,866 Class F Units, 801,485 Class G Units, 3,500,000 Class I Units and 1,188,200 Class U Units of the Fund at a price of C\$10.00 per Class A Unit, Class C Unit, Class D Unit, Class F Unit and Class I Unit and US\$10.00 per Class E Unit, Class G Unit and Class U Unit (collectively, the “**Units**”).

“We are extremely pleased with the successful completion of the Offering, the result of which is the formation of Starlight’s largest retail focused United States residential fund to date. Starlight is proud to now have been the sponsor of two of the three largest ever real estate IPOs completed in the Canadian capital markets,” said Evan Kirsh, President of the Fund. “We welcome both new investors and long-time supporters to our newest investment vehicle and look forward to delivering on the Fund’s objectives and creating value.”

The Units were offered to the public through a syndicate of agents led by CIBC World Markets Inc. and included Scotia Capital Inc., RBC Dominion Securities Inc., Wellington-Altus Private Wealth Inc., Canaccord Genuity Corp., BMO Nesbitt Burns Inc., National Bank Financial Inc., Richardson Wealth Limited, TD Securities Inc., Desjardins Securities Inc., Echelon Wealth Partners 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 residential 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, 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.

The Fund also announced that immediately following closing of the Offering, the Fund successfully completed the indirect 100% acquisition of (i) Indigo Apartments, a class “A”, institutional quality multi-family residential property located in Raleigh, North Carolina comprising 489 multi-family residential suites, and (ii) 28 single-family residential properties located in the State of Georgia in the market of Atlanta.

Indigo Apartments is located approximately 25 kilometres northwest of downtown Raleigh at 100 Adelaide Circle, and is subject to an in-place first mortgage loan for a term maturing on October 11, 2024, with two, one year extension options. Subject to certain conditions, financing is interest only and will be payable at an annual rate of LIBOR + 1.95%. The property is comprised of 489 multi-family residential suites in fourteen garden-style three-storey buildings, 38 townhome buildings and a central clubhouse. Outdoor amenities include a resort-style swimming pool and sun deck, outdoor kitchen, outdoor fitness centre, charcoal and gas grills and a dog park. Indoor amenities include a remodeled clubhouse, fitness centre, interactive exercise room, full demonstration kitchen and package lockers.

As disclosed in the Fund’s final prospectus, the Fund is also currently in the process of acquiring (i) a multi-family residential property located in Tampa, Florida, comprising 268 multi-family residential suites, which is expected to close on or about November 15, 2021, and (ii) a multi-family residential property comprising 376 multi-family residential units located in Las Vegas, Nevada on or about November 16, 2021. The balance of the net proceeds of the Offering will be used to subsequently acquire additional income-producing, multi-family and single family residential properties in targeted regions within the United States within nine months of the closing date of the Offering, consistent with the primary purpose of the Fund, and 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 “SURF.A” and “SURF.U”, respectively). The Class C Units,

Class D Units, Class F Units and Class I Units will not be listed by the Fund on any stock exchange, but are each convertible into Class A Units of the Fund and the Class E Units and Class G Units will not be listed by the Fund on any stock exchange, but 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 declaration of trust dated as of October 28, 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 all of the initial properties, the Fund expects its Class A Units and Class U Units to commence trading on or about November 16, 2021.

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\$23.0 billion in assets in Canada and the United States, including more than 900 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 26 properties and having a current value of approximately C\$3.0 billion), and approximately 8,000,000 square feet of commercial space in Canada through various entities spread across six 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. 2) Core Plus Fund (TSX-V: SCPT.A and SCPT.U). Starlight has been among North America's most active real estate investors since its inception in 1995 and employs approximately 325 professionals, including more than 25 professionals in U.S. 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 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\$1.250 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 remaining initial property and the additional closing property, the acquisition by the Fund of additional income producing residential properties and the commencement of trading of the Class A Units and Class U Units on the TSX Venture 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 residential properties for acquisition (other than the initial properties) and the price at which such properties may be acquired; the Fund's intention to acquire the remaining two properties in the initial portfolio; 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. Residential Fund

The Fund is a trust formed under the laws of Ontario for the primary purpose of indirectly acquiring, owning and operating a portfolio of income producing multi-family and single family residential rental properties in the U.S. residential real estate market located primarily in Arizona, California, Colorado, Florida, Georgia, Idaho, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington. The Fund now has interests in and operates a portfolio comprising interests in 489 Class "A" stabilized, income producing multi-family residential suites located in Raleigh, North Carolina and 28 single-family residential rental homes in Atlanta, Georgia.

For further information, please contact:



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