STARLIGHT U.S. MULTI-FAMILY (NO. 1) VALUE-ADD FUND ANNOUNCES 2018 THIRD QUARTER FINANCIAL RESULTS INCLUDING INCREASE IN RETURN ON VALUE-ADD CAPITAL IMPROVEMENTS TO 25.7%

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Toronto – **November 7, 2018** – Starlight U.S. Multi-Family (No. 1) Value-Add Fund (TSXV: SUVA.A) (TSXV: SUVA.U) (the "Fund") announced today its results of operations and financial condition for the three and nine months ended September 30, 2018 (the "Third Quarter").

All amounts in this press release are in thousands of United States ("U.S.") dollars except for average monthly rent ("AMR") or unless otherwise stated. All references to "C$" are to Canadian dollars.

Third Quarter Highlights

- The Fund continued to implement its value-add capital improvement program. Since inception of the Fund, 172 suites have been upgraded and re-leased achieving average rent increases of $159 per month per suite and an estimated average return on investment of 24.3%. The rental premiums and returns increased during the Third Quarter as the Fund completed 42 suites which were upgraded and re-leased achieving average rent increases of $170 per month per suite and an estimated average return on investment of 25.7%. The Fund's value-add initiatives continue to result in significant improvements to common areas, amenities and building exteriors.

- Revenue from property operations, including the Fund's interest in Coventry Pointe, was $4,446 for the Third Quarter, representing an increase of $941 or 26.8% over the same period in the prior year, primarily due to a 3.1% increase in revenue on a same property basis, as well as additional revenue from the acquisition of an approximate 91.5% interest in Coventry Pointe in 2018.

- AMR grew from $1,206 as at June 30, 2018 to $1,218 as at September 30, 2018 representing an annualized increase of 4.0% reflecting the impact of the Fund's value-add capital improvements program. On a same-property basis, AMR grew 2.5% from September 30, 2017 to September 30, 2018.

- Economic occupancy for the three months ended September 30, 2018 was 92.5% (2017 – 92.8%). Economic occupancy increased by 280 basis points from the three months ended June 30, 2018.

- Net operating income ("NOI") was $2,510 for the Third Quarter in comparison to $1,996 for the same period in the prior year. The increase of $514 was primarily due to the acquisition of Coventry Pointe in 2018 as well as a 2.9% increase in same property NOI.

- The Fund recognized a fair value gain on investment properties amounting to $10,999 in the Third Quarter primarily related to increases in projected NOI across the Fund's properties.

- Net income and comprehensive income to unitholders for the Third Quarter was $5,782 in comparison to income of $2,924 for the same period in the prior year.

- As at September 30, 2018, the weighted average interest rate on mortgages payable was 4.26% and the weighted average term to maturity was 1.92 years.

- The Fund continues to maintain a variable rate collar contract to provide protection from the impact of any potential weakening of the U.S. dollar on the Fund's Canadian dollar distributions. The existing contract expires on November 30, 2018 and allows the Fund to exchange U.S. funds each month within a range of C$1.2680 to C$1.3400.

Financial Condition and Operating Results

	IFRS - As at September 30, 2018	Adjusted - As at September 30, 2018 (1)	As at December 31, 2017
Operational Information			
Number of properties	3	3	2
Total suites	1,193	1,172	943
Economic occupancy (2)	90.4%	90.4%	90.9%
Same property AMR (in actual dollars)	$ 1,248	$ 1,248	$ 1,212
Same property AMR per square foot (in actual dollars)	$ 1.15	$ 1.15	$ 1.13
Summary of Financial Information			
Gross book value	$225,110	$221,777	$161,142
Indebtedness	$139,653	$137,508	$104,950
Indebtedness to gross book value	62.0%	62.0%	65.1%
Weighted average mortgage interest rate	4.26%	4.26%	3.41%
Weighted average mortgage term to maturity	1.92 years	1.92 years	2.50 years

	IFRS - Third Quarter (3)	Adjusted - Third Quarter (4)	Three months ended September 30, 2017	IFRS - Nine months ended September 30, 2018 (3)	Nine months ended September 30, 2018 (4)	Period from April 24, 2017 to September 30, 2017
Revenue from property operations	$4,524	$4,446	$3,505	$11,456	$12,134	$4,091
Property operating costs	($1,346)	($1,310)	($895)	($3,186)	($3,389)	($1,030)
Property taxes (5)	($626)	($626)	($614)	($2,005)	($2,005)	($716)
Income from rental operations / **NOI**	$2,552	**$2,510**	**$1,996**	$6,265	**$6,740**	**$2,345**
Net income and comprehensive income	$5,782	$5,782	$2,924	$10,279	$10,279	$2,987
FFO		$743	$863		$1,669	$995
FFO per unit - basic and diluted		$0.09	$0.10		$0.20	$0.12
AFFO		$778	$865		$2,200	$997
AFFO per unit - basic and diluted		$0.10	$0.10		$0.27	$0.12
Interest coverage ratio		1.57 x	2.06 x		1.60 x	1.52 x
Indebtedness coverage ratio		1.57 x	2.06 x		1.60 x	1.52 x
FFO payout ratio		129.1%	118.2%		178.9%	102.5%
AFFO payout ratio		123.2%	117.9%		135.7%	102.3%
Weighted average units Outstanding (000s) - basic and diluted		8,182	8,180		8,181	8,180

(1) Total suites, gross book value and indebtedness include the proportionate amounts of the Fund's approximate 91.5% interest in Coventry Pointe.

(2) Economic occupancy for the nine months ended September 30, 2018 and December 31, 2017. For the the months ended June 30, 2018, economic occupancy increased by 280bps to 92.5%.

(3) Revenue from property operations, property operating costs and property taxes are those reported in the condensed consolidated interim financial statements, adjusted for the impact of International Financial Reporting Interpretations Committee 21 – Levies ("IFRIC 21").

(4) Revenue from property operations, property operating costs, property taxes and NOI include the proportionate amounts for the Fund's 50% interest in Coventry Pointe prior to June 12, 2018 and approximate 91.5% interest in Coventry Pointe from June 12 - September 30, 2018.

(5) Property taxes w ere adjusted to exclude the IFRIC 21 adjustment and treat property taxes as an expense that is amortized during the fiscal year for the purpose of calculating NOI.

Financial Position

The Fund's indebtedness to gross book value as of September 30, 2018 was 62.0%, in comparison to 65.1% as at December 31, 2017. The decrease was mainly attributable to the increase in fair value of investment properties, offset partially by increases in mortgages payable. The Fund's weighted average mortgage interest rate as of September 30, 2018 was 4.26% and the weighted average term to maturity was 1.92 years.

Cash Provided by Operating Activities to AFFO

Adjusted Funds from Operations ("AFFO") per unit and the AFFO payout ratio for the Third Quarter was $0.10 and 123.2% (2017 - $0.10 and 117.9%), respectively. The increase in the payout ratio during the Third Quarter was due to increases in mortgage interest expense due to increases in U.S. 30-day London Interbank Offering Rate ("LIBOR") being partly offset by the increase in NOI.

AFFO per unit and the AFFO payout ratio for nine months ended September 30, 2018 were $0.27 and 135.7% (April 24, 2017 to September 30, 2017 - $0.12 and 102.3%), respectively. The increase in the payout ratio during the nine months ended September 30, 2018 relative to the comparative period was due to increases in mortgage interest expense due to increases in LIBOR being partly offset by the increase in NOI.

The Fund was formed as a closed-end, limited partnership with an initial term of three years, a target yield of 6.0% and a targeted minimum 14% pre-tax investor internal rate of return across all classes of units. Although the payout ratio was in excess of 100%, distributions have been maintained at 6.0% while interest costs have increased as a result of increases in LIBOR since the Fund's inception. The Fund continues to focus on its active management strategy and value-add capital improvement program which the manager of the Fund expects will yield improvements in NOI in future periods. The Fund believes that maintaining the targeted distributions is in the best interests of investors based on the Fund's terminal nature as compared to a perpetual real-estate investment trust and the Fund's investment objectives and strategy.

A reconciliation of cash provided by operating activities determined in accordance with International Financial Reporting Standards ("IFRS") to AFFO for the Third Quarter and for the nine months ended September 30, 2018 is provided below:

	Third Quarter	Three months ended September 30, 2017	Nine months ended September 30, 2018	Period from April 24, 2017 to September 30, 2017
Cash provided by operating activities	$ 2,061	$ 2,459	$ 6,856	$ 1,913
Less: interest paid	(1,457)	(857)	(3,513)	(992)
Cash provided by operating activities - including interest paid	$ 604	$ 1,602	$ 3,343	$ 921
Add / (Deduct):				
Change in non-cash operating working capital	94	(813)	(1,354)	(1,241)
Change in restricted cash	504	752	(447)	752
Fair value adjustment of investment properties relating to IFRIC 21	25	(623)	828	631
Fair value adjustment relating to IFRIC 21 on investment in joint ventures	-	-	255	-
Amortization of financing costs related to joint venture	-	-	19	-
Net income attributable to non-controlling interests	(419)	-	(426)	-
Vacancy costs associated with the suite upgrade program	45	-	186	-
Unrealized foreign exhange loss	-	6	-	3
Sustaining capital expenditures and suite renovation reserves	(75)	(59)	(204)	(69)
AFFO	**$ 778**	**$ 865**	**$ 2,200**	**$ 997**

Value-Add Initiatives

At Spectra South, the Fund is currently evaluating a Phase II upgrade program that would add quartz countertops, tiled backsplash and updated sinks to the kitchens of previously upgraded suites. The second generation program would provide an additional rent premium to the previous upgrades completed, resulting in accretive returns and bringing suite quality to the top of the market. The Fund also plans to complete the following in the near term: refinish the pool and add additional pool furniture along with the ongoing suite upgrade program that includes new plank flooring, upgraded lighting, kitchen faucets, cabinets, bathroom lighting, bathroom hardware and painting.

At The Landing at Round Rock, in the Third Quarter the Fund completed the creation of a barbeque grilling centre as an amenity to existing and potential tenants and is in the process of finalizing exterior painting, completing a suite upgrade program that includes new plank flooring, stainless steel appliances, upgraded lighting, refinishing kitchen cabinets, kitchen plumbing, installing quartz countertops in kitchens and bathrooms, upgraded bathroom sinks and faucets, lighting and hardware. In addition, the Fund plans to complete the following in the near term: enhancement of the pool including pool deck redesign, landscape upgrades, new pool furniture and games area, putting green and an outdoor spin bicycle area.

At Coventry Pointe, in the Third Quarter the Fund completed painting of the building exterior trim, bay window repairs and commenced upgrades to the main clubhouse, including the leasing office which the Fund expects to be completed by March 31, 2019. In addition, the Fund plans to complete enhancements to landscaping, complete parking lot repairs and continue to work through its ongoing suite upgrade program in the near term, which includes new plank flooring, stainless steel appliances, refinished kitchen cabinets, quartz countertops, backsplashes and upgraded lighting in the kitchens, upgraded sinks and faucets in the kitchens and bathrooms and new hardware.

The planned suite upgrades at all three properties are expected to continue to generate significant increases in rental rates and attractive returns on the capital invested.

About Starlight U.S. Multi-Family (No. 1) Value-Add 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 value-add, income producing rental properties in the United States multi-family real estate market. The Fund currently owns interests in three properties, consisting of interests in 1,193 suites with an average year of construction in 2003.

For the Fund's complete consolidated financial statements and management's discussion and analysis ("MD&A") for the Third Quarter and any other information relating to the Fund, please visit www.sedar.com. Further details regarding the Fund's unit performance and distributions, market conditions where the Fund's properties are located, performance by the Fund's properties and a capital investment update are also available in the Fund's November 2018 Newsletter which is available on the Fund's profile at www.starlightus.com.

Non-IFRS Financial Measures

The Fund's consolidated financial statements are prepared in accordance with IFRS. Certain terms used in this press release including AFFO, AFFO payout ratio, AMR, economic occupancy, Funds from Operations ("FFO"), FFO payout ratio, gross book value, indebtedness, indebtedness coverage ratio, indebtedness to gross book value, interest coverage ratio and NOI (collectively, the "Non-IFRS Measures") as well as other measures discussed elsewhere in this press release, 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 for the Third Quarter are available on the Fund's profile on SEDAR at www.sedar.com.

Forward-looking Statements

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information is provided for the purposes of assisting the reader in understanding the Fund's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, acquisitions, performance, achievements, events, prospects or opportunities for the Fund or the real estate industry and may include statements regarding the financial position, business strategy, acquisitions, budgets, litigation, projected costs, capital expenditures, financial results, occupancy levels, AMR, taxes and plans and objectives of or involving the Fund. 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.

Forward-looking information necessarily involves known and unknown risks and uncertainties, which 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, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. 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 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 ability to complete value-add initiatives; the extent of competition for properties; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the ability of Starlight Investments US AM Group LP, the manager of the Fund, to manage and operate the properties; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws.

Although the Fund believes the expectations reflected in such forward-looking information are reasonable and represent the Fund's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Fund's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information.

Important factors that could cause actual results to differ materially from the Fund's expectations include, among other things, 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 interest rates, business competition and changes in government regulations or in tax laws. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this press release relate only to events or information as of the date on which the statements are made in this press release. Except as specifically required by applicable Canadian law, the Fund undertakes no obligation to update or revise publicly any forward-looking information, 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.

To learn more about Starlight U.S. Multi-Family (No. 1) Value-Add Fund, visit www.starlightus.com or contact:

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