STARLIGHT U.S. MULTI-FAMILY (NO. 5) CORE FUND ANNOUNCES 2018 THIRD QUARTER FINANCIAL RESULTS AND THIRD QUARTER SAME PROPERTY NOI GROWTH OF 3.2%

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TORONTO, ON – **November 7, 2018** – Starlight U.S. Multi-Family (No. 5) Core Fund (TSXV: STUS.A) (TSXV: STUS.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

- Revenue from property operations for the Third Quarter was $28,283, a 10.9% increase over the same period in the prior year ($25,507) reflecting growth from net acquisition activity and AMR growth of 3.5%.
- Economic occupancy for the three months ended September 30, 2018 was 93.5%, representing a 40 basis point increase compared to the same period in 2017.
- During the Third Quarter, the Fund’s AMR increased by 2.0% on an annualized basis and occupancy improved by 90 basis points compared to the second quarter of 2018.
- NOI for the three months ended September 30, 2018 was $16,078, a 13.3% increase over the same period in the prior year, primarily due to new properties acquired as part of the Fund’s capital recycling program as well as increases in AMR and strong ancillary income growth partly offset by higher property operating costs and taxes.
- Net (loss) income and comprehensive (loss) income for the Third Quarter was a loss of $2,614, in comparison to income of $40,941 for the same period in the prior year. Net (loss) income and comprehensive (loss) income for the three months ended September 30, 2017 was primarily driven by an $81,730 fair value increase on investment properties.
- Subsequent to the Third Quarter, the Fund refinanced all of its outstanding debt to strategically reposition the portfolio’s debt structure (see “Subsequent Events”) in order to fix the interest rate on the majority of the Fund’s indebtedness, significantly reduce the weighted average interest rate on the Fund’s mortgages payable and extend the weighted average term to maturity on the mortgages payable. The refinancing of the Fund’s debt consisted of:
    - The Fund entering into an agreement for a new pooled mortgage secured by all 23 properties of the Fund for total proceeds of approximately $800,450 and comprised of three tranches with a weighted average term to maturity of 6.1 years and a weighted average interest rate of approximately 3.84%*. The refinancing resulted in the Fund fixing the interest rate on approximately 80% of its mortgages payable while reducing the Fund’s weighted average interest rate on its mortgages payable by approximately 52 basis points and extending the weighted average term to maturity to 6.1 years;
    - The Fund entering into a third amending agreement to the unsecured credit facility which allows the Fund to borrow up to $130,000;
    - Repayment of the mortgages payable and the amounts outstanding under the Fund’s credit facility which resulted in net proceeds after transaction costs of $4,095 (see “Subsequent Events”).

$160,090 of variable-rate mortgages based on the U.S. 30-day London Interbank Offered Rate (“LIBOR”) at October 31, 2018

Property Highlights for the Third Quarter Including a Comparison to the Same Period in the Prior Year:

- Portfolio AMR as at September 30, 2018 was $1,230, representing an increase of 3.5% from $1,188 at September 30, 2017. AMR growth was particularly strong in Orlando/Tampa (7.2%), Dallas (6.3%) and Houston (3.2%). Economic occupancy for the three months ended September 30, 2018 was 93.5%, representing a 40 basis point increase compared to the same period in 2017.

- Same property AMR as at September 30, 2018 was $1,217, representing a 1.8% increase from $1,195 at September 30, 2017. Same property AMR growth was particularly strong in Orlando/Tampa (4.6%). Same property economic occupancy for the three months ended September 30, 2018 was 93.7%, representing a 70-basis point increase in comparison to the same period in the prior year.

Financial Condition and Operating Results

	As at September 30, 2018	As at December 31, 2017
Operational Information		
Number of properties	23	23
Total suites	7,289	7,127
Economic occupancy (1)	92.3%	91.8%
AMR (in actual dollars)	$ 1,230	$ 1,196
AMR per square foot (in actual dollars)	$ 1.27	$ 1.25
Summary of Financial Information		
Gross book value (2)	$1,385,694	$1,267,840
Indebtedness (2)	$898,592	$808,989
Indebtedness to gross book value	64.85%	63.81%
Weighted average mortgage interest rate	4.32%	3.60%
Weighted average mortgage term to maturity	3.94 years	4.16 years

	Third Quarter	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Summary of Financial Information				
Revenue from property operations	$28,283	$25,507	$82,367	$74,386
Property operating costs	($7,666)	($7,048)	($21,888)	($19,763)
Property taxes (3)	($4,539)	($4,267)	($13,561)	($12,439)
NOI	$16,078	$14,192	$46,918	$42,184
Net (loss) income and comprehensive (loss) income	($2,614)	$40,941	$8,846	$48,553
FFO	$3,553	$6,145	$9,428	$16,796
FFO per unit - basic and diluted	$0.07	$0.13	$0.19	$0.34
AFFO	$4,601	$6,267	$14,668	$20,344
AFFO per unit - basic and diluted	$0.09	$0.13	$0.30	$0.41
Interest Coverage Ratio	1.52 x	2.10 x	1.56 x	2.24 x
Indebtness Coverage Ratio	1.52 x	1.91 x	1.54 x	2.05 x
FFO payout ratio	175.7%	100.1%	199.0%	109.6%
AFFO payout ratio	135.7%	98.1%	127.9%	90.5%
Weighted average units Outstanding (000s)				
- basic and diluted	48,967	49,024	49,003	49,126

Notes:

(1) Economic occupancy for the nine months ended September 30, 2018 and year-ended December 31, 2017.

(2) The December 31, 2017 gross book value and Indebtedness includes the Villages at Sunset Ridge w hich w as classified as held for sale.

(3) Property taxes w ere adjusted to exclude the International Financial Reporting Interpretations Committee 21 - Levies ("IFRIC 21") adjustment and treat property taxes as an expense that is amortized during the fiscal year for the purposes of calculating NOI.

Financial Position

As at September 30, 2018, the Fund's indebtedness to gross book value was 64.85%, representing an increase from 63.81% at December 31, 2017. The increase in indebtedness to gross book value was primarily related to the refinancing of five of the Fund's properties during the three months ended March 31, 2018. The Fund's interest coverage ratio for the Third Quarter was 1.52x in comparison to 2.10x for the three months ended September 30, 2017. The decrease in the interest coverage ratio, in comparison to the same period in the prior year was primarily related to the increase in interest expense as a result of increases in LIBOR and a higher mortgages payable balance relating to net acquisitions and refinancing activity, being partially offset by NOI growth.

Cash Provided by Operating Activities to AFFO

Adjusted funds from operations ("AFFO") for the Third Quarter was $4,601 (2017 - $6,267). AFFO payout ratio was 135.7% for the Third Quarter (2017– 98.1%). The decrease in AFFO and the increase in the payout ratio was primarily related to higher interest on mortgages payable due to increases in LIBOR being partly offset by NOI growth across the portfolio.

The Fund was formed as a closed-end, limited partnership with an initial term of three years, a target yield of 6.5% and a targeted minimum 12% 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 6.5% while interest costs have increased as a result of increases in LIBOR since the Fund's inception. The Fund refinanced all of its outstanding indebtedness and continues to focus on its active management strategy which the manager of the Fund expects will yield improvements in the AFFO payout ratio 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.

Reconciliation of cash provided by operating activities determined in accordance with International Financial Reporting Standards ("IFRS") to AFFO for the Third Quarter along with the comparative 2017 period was as follows:

	Third Quarter	Three months ended September 30, 2017	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Cash provided by operating activities	$ 8,324	$ 13,988	$ 37,266	$ 38,670
Less: interest paid	(9,533)	(6,441)	(26,397)	(16,789)
Cash (used in) provided by operating activities - including interest paid	(1,209)	7,547	10,869	21,881
Add / (Deduct):				
Change in non-cash operating w orking capital	7,164	(635)	3,822	(2,644)
Change in restricted cash	1,556	3,245	(248)	4,209
One-time Plan of Arrangement costs	937	-	937	152
Fair value adjustment of investment properties (including IFRIC 21)	(3,451)	(3,436)	(466)	(1,988)
Realized foreign exchange loss	-	(85)	208	(132)
Current taxes - U.S. w ithholding taxes and tax on dispositions	-	12	734	36
Service fees related to class A and class U units	151	155	452	474
Purchase of Interest rate cap agreement	-	16	-	12
Sustaining capital expenditures and suite renovation reserve	(547)	(552)	(1,640)	(1,656)
AFFO	**$ 4,601**	**$ 6,267**	**$ 14,668**	**$ 20,345**

Subsequent Events

- On October 29, 2018, the Fund entered in a new interest rate cap agreement associated with the variable portion of the new mortgages payable entered into under the mortgage refinancing (as defined below). The new interest rate cap covers a notional amount of $160,000, has a three year-term and interest rate cap of 5.35%.
- On October 31, 2018, the Fund entered into an agreement for a new pooled mortgage secured by all 23 properties of the Fund for total proceeds of approximately $800,450 which is comprised of three tranches (the "Mortgage Refinancing") as follows:
  - $400,225 six year tranche with interest fixed at 3.92% and interest only payments for five years
  - $240,135 seven year tranche with interest fixed at 3.95% and interest only payments for five years
  - $160,090 five year tranche with interest at LIBOR + 1.15% and interest only payments for three years.

  The Mortgage Refinancing carries a weighted average interest rate of 3.84% (based on LIBOR at October 31, 2018) and a weighted average term to maturity of 6.1 years.

- On October 31, 2018, the Fund entered into a third amending agreement for its unsecured credit facility (the "Credit Facility") with a Canadian chartered bank which allows the Fund to borrow up to $120,000 at an initial rate of 3.50% over LIBOR and a one-year term. The Credit Facility carries an option to increase the total borrowing to $130,000. Subsequent to the amendment, the Fund has drawn an amount of $120,000 on the Credit Facility which was used, in combination with the proceeds from the Mortgage Refinancing, to repay the existing mortgages payable of approximately $880,117 and the amounts outstanding under the previous tranches of the Credit Facility of $18,300.

About Starlight U.S. Multi-Family (No. 5) Core 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 diversified income producing rental properties in the U.S. multi-family real estate market. The Fund currently owns 23 properties, consisting of 7,289 suites with an average year of completion of 2012.

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, NOI, same property AMR, same property economic occupancy, same property NOI and same property NOI margin (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 MD&A for the Third Quarter and 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 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. 5) Core Fund, visit www.starlightus.com or contact:

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