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STARLIGHT U.S. MULTI-FAMILY CORE FUND ANNOUNCES CONTINUED STRONG FINANCIAL RESULTS

Second Quarter highlighted by sequential increases in all major metrics

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TORONTO, August 12, 2014 – Starlight U.S. Multi-Family Core Fund (TSX.V: UMF.A, UMF.U) (the "**Fund**") today announced its results of operations and financial condition for the three months ended June 30, 2014 (the "**Second Quarter**"). The results and financial condition reflect operations for the Fund's initial portfolio, comprised of three properties that were acquired on April 23, 2013, as well as the subsequent acquisitions of Greenhaven Apartments, a 35% interest in Falls at Eagle Creek, a 25% interest in Soho Parkway and a 50% interest in Villages of Sunset Ridge.

All dollar amounts set out in this news release are in United States currency unless otherwise noted.

HIGHLIGHTS FOR THE SECOND QUARTER 2014

- The Fund acquired a 25% interest in Soho Parkway on April 1, 2014 and a 50% interest in Villages of Sunset Ridge on May 21, 2014.
- Revenues were $4.07 million, excluding the Fund's non-controlling interest in Falls at Eagle Creek, representing a 18.4% increase compared to the three months ended March 31, 2014 (the "**First Quarter**"). The growth was primarily related to the two recent acquisitions.
- Operating margins increased to 56.7% in the Second Quarter, compared to 55.8% in the First Quarter; both excluding the Fund's non-controlling interest in Falls at Eagle Creek.
- Adjusted Funds from Operations ("**AFFO**") payout ratio for the Second Quarter was 80.0% and AFFO was $1.01 million. AFFO increased by 10.8% when compared to the First Quarter.
- The Fund has maintained conservative leverage at 62.85% of gross book value as at June 30, 2014 and had an interest coverage ratio for the Second Quarter of 2.58 times and total indebtedness coverage ratio of 2.22 times, in each case excluding the Fund's non-controlling interest in the Falls at Eagle Creek.

"In the second quarter of 2014, the Fund continued to produce very strong financial performance," said Evan Kirsh, President of the Fund. "Management was pleased that its efforts resulted in increases in revenues, occupancy, average monthly rent, net operating income ("**NOI**"), and AFFO. Looking to the balance of the year, we expect continued strong performance, as management implements initiatives to further improve key operating metrics."

Operating Results

For the Second Quarter, property revenues and NOI, excluding the Fund's non-controlling interest in Falls at Eagle Creek, were $4.07 million and $2.31 million, respectively. At the conclusion of the Second Quarter, average monthly rent was $1,059 and the weighted average portfolio occupancy was 94.5% after removing the Fund's non-controlling interest in Falls at Eagle Creek. The Fund demonstrated stronger operating margins of 56.7% in the Second Quarter, up from 55.8% in the First Quarter, as occupancy, average monthly rent, and acquisitions all contributed to improved performance.

Financial Position

As of June 30, 2014, the Fund's gross book value was $192.25 million and indebtedness was $123.80 million, or 64.40% of gross book value. Excluding the Fund's non-controlling interest in Falls at Eagle Creek, the Fund's gross book value was $163.36 million and indebtedness was $102.68 million, or 62.85% of gross book value. Both indebtedness percentages against gross book value are well within the Fund's target range of 60% to 70%. The interest coverage ratio for the Second Quarter was strong at 2.58 times after removing the Fund's non-controlling interest in Falls at Eagle Creek. The weighted average interest rate on the Fund's mortgage portfolio was 3.18%, and the weighted average term to maturity was 3.91 years after removing the Fund's non-controlling interest in Falls at Eagle Creek. The Fund lowered its weighted average interest rate by 0.17% during the Second Quarter due to acquisitions at favorable interest rates and $1.0 million repayment of a mortgage at higher interest rates.

Occupancy

The Fund's weighted average occupancy of its properties for the Second Quarter was 94.5%; up from the First Quarter at 93.1%. The Fund continued to increase rental rates on both new and renewal leases where appropriate and curtailed concessions when possible. Average monthly rent improved slightly to $1,059 in the Second Quarter compared to $1,055 in the First Quarter. Comparing the First Quarter properties only to the Second Quarter, the average monthly rent improved to $1,070 from $1,055, a $15 increase or 1.42%.

About Starlight U.S. Multi-Family 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.

For complete consolidated financial statements and management's discussion and analysis for the period, 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 August 2013 Newsletter which is available at http://starlightinvest.com/starlight-u-s-multi-family-core-fund.

Non-IFRS Financial Measures

Certain terms used in this news release including AFFO, gross book value, indebtedness, interest coverage ratio, indebtedness coverage ratio and NOI are not measures defined under International Financial Reporting Standards ("**IFRS**") as prescribed by the International Accounting Standard Board. Details on non-IFRS financial measures are set out in the Fund's management's discussion and analysis for the period available on the Fund's profile at www.sedar.com.

For further information:

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