



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE FUND ANNOUNCES CAPITAL APPRECIATION ON ITS PORTFOLIO AND OPERATING RESULTS ABOVE FORECAST FOR THE FIRST QUARTER 2014

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TORONTO, May 8, 2014 – Starlight U.S. Multi-Family (No. 2) Core Fund (TSX.V: SUD.A, SUD.U) (the “**Fund**”) today announced its results of operations and financial condition for the three months ended March 31, 2014 (the “**First Quarter**”). The results and financial condition reflect operations for the Fund’s initial portfolio comprised of Palm Valley and a 65% equity interest in the Falls at Eagle Creek, the two properties that were acquired by the Fund on November 18, 2013.

The forecast figures below represent the financial forecast (“**Forecast**”) set out in the final long form prospectus of the Fund dated October 30, 2013. All dollar amounts set out in this news release are in thousands of United States currency other than average monthly rent.

HIGHLIGHTS FOR THE FIRST QUARTER 2014

- The Fund’s portfolio since inception has recognized capital appreciation of \$4,821 or 7.6% against the purchase prices, including the Fund’s equity interest in the Falls at Eagle Creek.
- Occupancy was 93.4% or 0.6% above the Forecast for the First Quarter including the Fund’s equity investment in Eagle Creek.
- Revenues were \$1,846 and gross margin was 51.7%, including the Fund’s equity interest in Eagle Creek, both ahead of the Forecast.
- Adjusted Funds from Operations (“**AFFO**”) for the First Quarter including the Fund’s equity investment was \$374 with an AFFO payout ratio of 91.71%.
- The Fund had a strong cash position as of March 31, 2014 with \$12,218 in unrestricted cash. Approximately \$10,350 was deployed on April 1, 2014 with the acquisition of Soho Parkway Apartments (“**Soho Parkway**”).
- The Fund’s weighted average interest rate was 3.01% and weighted average term to maturity was 2.60 years including the impact of its interest in the Falls at Eagle Creek. The Fund had an interest coverage ratio of 2.29 times including the impact from its equity investment in the Falls at Eagle Creek.
- The Fund is now fully deployed for distribution purposes commencing in the month of April 2014.

Operating Results

For the First Quarter, property revenues and net operating income (“**NOI**”) were \$1,846 and \$955, respectively, including the Fund’s equity investment in Eagle Creek, both values being ahead of the

Forecast. At the conclusion of the First Quarter average monthly rent was \$986 and the weighted average portfolio occupancy was 93.4% including the Fund's equity investment in Eagle Creek. The Fund exceeded the forecasted occupancy for the First Quarter 2014 by 0.6%. Occupancy is expected to increase in the next quarter of 2014 with warmer weather.

Financial Position

As of March 31, 2014, the Fund had a strong cash position with \$12,218 in unrestricted cash remaining from the initial public offering. The Fund's gross book value was \$39,510 and indebtedness was \$25,000 or 63.3% of gross book value, excluding the Fund's equity investment in Eagle Creek.

Subsequent Events

On April 1, 2014, the Fund, together with Starlight U.S. Multi-Family Core Fund ("Fund No. 1"), acquired Soho Parkway, a 379 unit, garden style, Class "A" apartment complex, built in 2008 and located at 6653 McKinney Ranch Parkway in McKinney, Texas, a rapidly growing area of North Dallas. The Fund acquired a 75% interest for a purchase price of \$30,975.

A first mortgage loan in respect of the property for \$28,300 was secured for a three year term with two one year extensions available. The loan is interest only for the entire term and will be payable at an annual rate of LIBOR plus 2.00%. The Fund satisfied its cash portion of the purchase price with the remaining proceeds from its initial public offering. Subsequent to the acquisition, the Fund announced that it had achieved full deployment which will be reflected in its April 2014 distribution.

About Starlight U.S. Multi-Family (No. 2) 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.

Non-IFRS Financial Measures

Certain terms used in this news release including AFFO, gross book value, indebtedness, interest 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.

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 current expectations of the Fund

regarding future events including statements concerning occupancy. Particularly statements regarding future results, performance, achievements, prospects or opportunities for the 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 materials of the Fund 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 ability to increase occupancy; reliance on the manager of the Fund; the experience of the officers and directors of the Fund; substitutes for residential real estate rental suites; reliance on property management; competition for real property investments and tenants; anticipated future growth of the Fund; United States market factors; and exchange rates.

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 extent of competition between properties; the ability of the manager of the Fund to manage and operate the properties; the inventory of multi-family real estate 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, neither the Fund nor its manager undertakes 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.

For further information:

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