



**FOR IMMEDIATE RELEASE**

**STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE FUND ANNOUNCES CONTINUED CAPITAL APPRECIATION DRIVEN BY STRONG PERFORMANCE**

*Third Quarter Highlighted By Investment Property Value Increases*

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**TORONTO, November 6, 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 September 30, 2014 (the “**Third Quarter**”). The results and financial condition reflect operations for the Fund’s initial portfolio, comprised of Palm Valley Apartments (“**Palm Valley**”) and a 65% equity interest in the Falls at Eagle Creek (“**Eagle Creek**”), which were acquired by the Fund on November 18, 2013, as well as a 75% interest in Soho Parkway Apartments (“**Soho Parkway**”), which was acquired on April 1, 2014.

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

**HIGHLIGHTS FOR THE THIRD QUARTER 2014**

- The Fund recognized a \$5.0 million fair value increase on its investment properties (including 65% of Eagle Creek) driven by net operating income (“**NOI**”) growth. Since the Fund’s inception, it has recognized \$9.3 million in fair value appreciation on its investment properties, representing 30.2% of initial public offering proceeds.
- Revenues were \$1,985 and equal to \$71 or 3.7% ahead of the Forecast.
- Average monthly rent grew sequentially to \$1,009 from \$1,000 at the end of June 30, 2014.
- NOI was \$1,032 or \$22 ahead of the Forecast and was \$3,013 or \$83 ahead of the Forecast for the nine months ended September 30, 2014, both driven by revenue growth.
- Adjusted funds from operations (“**AFFO**”) payout ratio was 68.79%, a significant improvement compared to the three months ended June 30, 2014, which was 73.51%.
- The Fund’s leverage was 63.9% of gross book value as at September 30, 2014 and the Fund had a weighted average interest rate of 2.65%.

“In the third quarter of 2014, the Fund’s financial performance was very strong, continuing the trend of exceeding forecasted levels and driving capital appreciation in the portfolio,” commented Evan Kirsh, President of the Fund. “We continue to be successful in adding value and have identified a number of opportunities going forward.”

### *Operating Results*

For the Third Quarter, including the Fund's equity investment in Eagle Creek and Palm Valley, property revenues and NOI were \$1,985 and \$1,032, respectively, both ahead of the Forecast. At the conclusion of the Third Quarter, average monthly rent was \$1,009 and the weighted average portfolio occupancy was 95.2% including the Fund's equity investment in Eagle Creek. Both average monthly rent and average portfolio occupancy were improved compared to the three months ended June 30, 2014.

### *Financial Position*

As of September 30, 2014, the Fund had a cash position of \$2,000 in unrestricted cash, an increase of \$148 compared to June 30, 2014. The Fund's gross book value was \$105,456 and indebtedness was \$67,350 or 63.9% of gross book value, including the Fund's equity investment in Eagle Creek, which is in line with the target leverage range.

### *Subsequent Events*

Starlight U.S. Multi-Family Core Fund refinanced Eagle Creek on November 5, 2014. In connection with the refinancing, the Fund obtained upward financing of \$858 on its 65% ownership in Eagle Creek after paying off Eagle Creek's existing mortgages payable and satisfying deferred financing costs. The refinancing reduced the Fund's weighted average interest rate to 2.14% from 2.65%, calculated assuming the refinancing took place on September 30, 2014 and including the Fund's equity investment in Eagle Creek.

### **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](http://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 2014 Newsletter which is available at <http://www.starlightinvest.com/starlight-u-s-multi-family-no-2-core-fund>.

### **Non-IFRS Financial Measures**

Certain terms used in this news release including NOI, AFFO, gross book value, indebtedness and interest coverage ratio 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](http://www.sedar.com).

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