



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE FUND ANNOUNCES FOURTH QUARTER AND 2013 PERIOD END RESULTS

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TORONTO, March 25, 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 December 31, 2013 (the “**Fourth Quarter**”) and period from September 23, 2013 (date of formation) to December 31, 2013. 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 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 FROM 2013

- Net Operating Income (“**NOI**”) was 12.4% higher than the Forecast for the Fourth Quarter and for the period from September 23, 2013 to December 31, 2013. Overall, the Fund’s NOI margin for the Fourth Quarter and period from September 23, 2013 to December 31, 2013 was 58.8%, representing a 4.2% increase compared to the Forecast.
- Occupancy for the Fourth Quarter was 93.9% or 1.1% above the Forecast including the Fund’s equity interest in the Falls at Eagle Creek.
- Adjusted Funds from Operations (“**AFFO**”) for the Fourth Quarter and for the period from September 23, 2013 to December 31, 2013 including the Fund’s equity investment was \$170 with an AFFO payout ratio of 68.31% for the first 44 days of operations.
- Capital expenditures were nominal for the Fourth Quarter and highlight the fact that the Fund acquired recently constructed assets with minimal capital expenditure requirements.
- The Fund’s weighted average interest rate is 3.01% and weighted average term to maturity is 2.84 years including the impact of its interest in the Falls at Eagle Creek. The Fund had an interest coverage ratio of 2.09 times including the impact from its equity investment in the Falls at Eagle Creek.

Operating Results

For the Fourth Quarter and period from September 23, 2013 to December 31, 2013, property revenues and NOI were \$510 and \$300, respectively for Palm Valley. At the conclusion of the Fourth Quarter average monthly rent was \$957 and the weighted average portfolio occupancy was 95.9% for Palm Valley. The operations relating to the Fund’s equity investment in the Falls at Eagle

Creek were in-line with the Forecast and generated \$67 of net income and comprehensive income. Average monthly rent for the Fund including its interest in Eagle Creek was \$983 and the weighted average portfolio occupancy was 93.9%.

Financial Position

As of December 31, 2013, the Fund had a strong cash position with \$12,601 in unrestricted cash remaining from its initial public offering that is expected to be deployed on April 1, 2014 (see “Subsequent Events” below). The Fund’s gross book value was \$36,990 and indebtedness was \$25,000 or 67.6% of gross book value.

Subsequent Events

On February 24, 2014, the Fund, together with Starlight U.S. Multi-Family Core Fund (“**Fund No. 1**”), announced that they had entered into an agreement to acquire Soho Parkway Apartments (“**Soho Parkway**”), a 379 unit garden style Class “A” apartment complex located in North Dallas. The Fund is expected to acquire 75% at a purchase price of \$30,975 and Fund No. 1 is expected to acquire 25% at a purchase price of \$10,325. The purchase is subject to the satisfaction or waiver of conditions precedent and is scheduled to close on April 1, 2014.

A first mortgage loan in respect of the property for \$28,300 has been secured for a three year term with two one year extensions available. The loan will be interest only for the entire term and will be payable at an annual rate of LIBOR plus 2.00%. The Fund expects to satisfy its cash portion of the purchase price with the remaining proceeds from its initial public offering.

Following completion of the acquisition of Soho Parkway, the Fund expects to be fully deployed and own and operate a portfolio comprising interests in 1,131 recently constructed, Class “A” stabilized, income producing multi-family real estate suites located in Dallas-Fort Worth, Houston and Austin, Texas.

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 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.

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 the acquisitions of Soho Parkway and the financing of Soho Parkway. 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 and Fund No. 1 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: reliance on the manager of the Fund and Fund No. 1; the ability to complete the acquisition of Soho Parkway; the terms and availability of financing for Soho Parkway; the expected benefits of the ownership of Soho Parkway; the relationship and obligations of the Fund and Fund No.1 in respect of Soho Parkway; 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.

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.

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