FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 3) CORE FUND INITIAL PERFORMANCE AHEAD OF FORECAST

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TORONTO, November 6, 2014 – Starlight U.S. Multi-Family (No. 3) Core Fund (TSX.V: SUS.A, SUS.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 The Allure ("**Allure**"), The Residences at Cinco Ranch ("**Cinco Ranch**") and a 50% interest in the Villages of Sunset Ridge ("**Sunset Ridge**"), which were acquired by the Fund on July 10, 2014, along with Yorktown Crossing, which was acquired on August 28, 2014.

The forecast figures below represent the financial forecast ("**Forecast**") set out in the final long form prospectus of the Fund dated June 27, 2014. Other than numbers expressed in millions, per unit basis distributions 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 $2.2 million fair value increase on its investment properties driven by net operating income ("**NOI**") growth, which represents 4.4% of the initial public offering proceeds.
- Revenues were $2,391 for the initial portfolio properties during the 83 day operating period from July 10, 2014 to September 30, 2014 and were $23 ahead of revenue set out in the Forecast. NOI was $1,236 or $9 ahead of the Forecast amount.
- Compared to the Forecast occupancy of 94.3%, the Fund's properties were 95.0% occupied, or 0.7% ahead of the Forecast. For the 83 day operating period, Occupancy was 95.1% overall including Yorktown Crossing.
- The weighted average rent per rented unit as at September 30, 2014 was $1,066.
- Adjusted funds from operations ("**AFFO**") payout ratio was 52.5% and the Fund paid out a prorated 7% distribution in August and September based on the funds deployed during those months. AFFO payout ratio normalized for the Third Quarter would have been 68.1% had the Fund paid out since operations began on July 10, 2014.
- The Fund's leverage was 68.67% of gross book value as at September 30, 2014 and the Fund had a weighted average interest rate of 2.45% with a weighted average term to maturity of 2.80 years.

- As of September 30, 2014, the Fund had cash on hand of $8,652, which is expected to be utilized on the pending acquisition of The Reserve at Jones Road ("**Jones Road**") announced on October 28, 2014 and expected to close on November 12, 2014, with the remainder expected to be utilized for required capital expenditures and liquidity requirements. See "Subsequent Events".

"The Fund is off to a strong start with financial performance exceeding forecasted levels for the initial portfolio properties", said Evan Kirsh, President of the Fund. "The acquisition of Yorktown Crossing on August 28, 2014 is expected to further improve our operating results. Following the pending acquisition of Jones Road, the Fund will be fully deployed."

Operating Results

For the Third Quarter, which represented an 83 day operating period, property revenues and NOI were $2,391 and $1,236 respectively, excluding Yorktown Crossing, both ahead of the Forecast. Including Yorktown Crossing at the conclusion of the Third Quarter, average monthly rent was $1,066 and the weighted average portfolio occupancy was 95.1%.

Financial Position

As of September 30, 2014, the Fund had $8,652 in cash remaining which is intended to be used in connection with the acquisition of Jones Road, in addition to being used for required capital expenditures and Fund liquidity requirements. The Fund's gross book value was $130,460 and indebtedness was $89,584 or 68.67% of gross book value, which is in line with the Fund's target leverage range between 60% and 70%.

Subsequent Events

On October 28, 2014, the Fund announced that it has entered into an agreement to acquire Jones Road, a 114 unit, garden style, Class "A", apartment complex, completed in 2013 and located in a rapidly growing area in northwest Houston, Texas at 11925 Jones Road. The transaction is scheduled to close on or about November 12, 2014.

Following completion of the acquisition of Jones Road, the Fund expects to have interests in and operate a portfolio comprising 1,317 recently constructed, Class "A" stabilized, income producing multi-family real estate units located in Austin and Houston, Texas. The Fund's expected monthly distributions following the acquisition of Jones Road on a per unit basis are C$0.05833 for Class A, Class C, Class D, and Class F Units and $0.05833 for Class U Units representing 7% on an annual basis.

About Starlight U.S. Multi-Family (No. 3) 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 November 2014 Newsletter which is available at http://www.starlightinvest.com/starlight-u-s-multi-family-no-3-core-fund.

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 regarding the acquisition of Jones Road, future distribution amounts, future results, performance, achievements, prospects or opportunities for the Fund or the real estate industry. 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 ability to close on the acquisition of Jones Road; the ability to increase future distributions; the relationship and obligations 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.

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