



**FOR IMMEDIATE RELEASE**

**STARLIGHT U.S. MULTI-FAMILY (NO. 3) CORE FUND OFF TO STRONG START; ANNOUNCES AUGUST 2014 DISTRIBUTION**

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**TORONTO, August 15, 2014** – Starlight U.S. Multi-Family (No. 3) Core Fund (TSX.V: SUS.A, SUS.U) (the “**Fund**”) today announced its initial cash distribution for August 2014. As previously disclosed, the Fund entered into an agreement to acquire a 312 unit garden-style apartment complex located northwest of Houston, Texas which is expected to close on or about August 28, 2014. The acquisition, contingent upon its timely close, would result in an increase in the Fund’s September 2014 distribution. The Fund also announced the exchange ratios for its convertible units and a performance update on its recently acquired portfolio.

*Fund Performance Update*

Evan Kirsh, President of the Fund commented, “The Fund is off to a strong start with weighted average occupancy at 93.8% on August 1, 2014. Given these strong occupancies, the Fund is aggressively increasing rental rates on both new and renewal leases while concessions are being curtailed. In addition, we have implemented yield management software at each of the Fund’s properties. We are utilizing the software to optimize asking rents and renewal rents in real time, based on supply and demand for different unit types.”

Further details regarding market conditions where the Fund’s properties are located and the Fund’s property performance are available in the Fund’s August 2014 Newsletter which is available at <http://www.starlightinvest.com/starlight-u-s-multi-family-no-3-core-fund/>.

*August 2014 Distribution*

The Fund’s initial cash distribution for August 2014 on the outstanding Class A Units, Class C Units, Class D Units, Class F Units and Class U Units (collectively, the “**Units**”) for the period from August 1, 2014 to August 31, 2014 will be as follows:

- i. C\$0.03317 per Class A Unit;
- ii. C\$0.03317 per Class C Unit;

- iii. C\$0.03317 per Class D Unit;
- iv. C\$0.03317 per Class F Unit; and
- v. US\$0.03317 per Class U Unit.

The distribution will be paid on September 15, 2014 to unitholders of record as at August 29, 2014. The distribution amounts in respect of the Class A Units, Class D Units, Class F Units and Class U Units reflect the applicable Agents' Fee (as defined in the Fund's amended and restated limited partnership agreement dated May 1, 2014 (the "**Limited Partnership Agreement**")) that such classes of Units were subject to. The distributions in respect of the Class A Units, Class C Units, Class D Units and Class F Units were determined in U.S. dollars and converted into Canadian dollars at the spot rate available. The distribution amounts are based on the proceeds of the Fund's initial public offering deployed to date.

*Expected September 2014 Distribution*

As announced on August 13, 2014, the Fund has entered into an agreement to acquire Yorktown Crossing, a 312 unit, garden style, Class "A", apartment complex, completed in 2010 and located in a rapidly growing area northwest of Houston, Texas at 15903 Yorktown Crossing Parkway. This transaction is scheduled to close on or about August 28, 2014. Provided that the Fund successfully completes the acquisition of Yorktown Crossing on or before August 31, 2014, the Fund expects its cash distribution on the outstanding Units for the period from September 1, 2014 to September 30, 2014 to increase and be as follows:

- i. C\$0.04778 per Class A Unit;
- ii. C\$0.04778 per Class C Unit;
- iii. C\$0.04778 per Class D Unit;
- iv. C\$0.04778 per Class F Unit; and
- v. US\$0.04778 per Class U Unit.

The distribution is expected to be paid on October 15, 2014 to unitholders of record as at September 30, 2014. The distribution amounts in respect of the Class A Units, Class D Units, Class F Units and Class U Units will reflect the applicable Agents' Fee (as defined in the Fund's amended and restated limited partnership agreement dated May 1, 2014 (the "**Limited Partnership Agreement**")) that such classes of Units were subject to.

Starlight Investments Ltd., the manager of the Fund, continues to identify and consider, on behalf of the Fund, additional properties meeting the Fund's criteria for acquisition in order to deploy the remaining unallocated proceeds from the Fund's initial public offering.

### *Exchange Ratios for Convertible Units*

The Fund also confirmed the exchange ratios for the conversion of the Class C Units, Class D Units and Class F Units, which are each convertible into Class A Units in accordance with, and subject to compliance with, the terms and conditions of the Limited Partnership Agreement. For each Class C Unit, Class D Unit and Class F Unit so converted, a holder will receive that number of Class A Units equal to the following exchange ratio:

Class C Units: 1.05541

Class D Units: 1.00000

Class F Units: 1.03166

No fractions of Class A Units will be issued upon conversion, and any fractional amounts will be rounded down to the nearest whole number of Class A Units.

### **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.

### **Forward-Looking Information**

This news release contains statements that may constitute forward-looking information within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including statements concerning: the acquisition of Yorktown Crossing; payment of distributions; national and local real estate market conditions and economic variables; rental rates; and occupancy rates. 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 information 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 information in this news release involves risks and uncertainties, including those set forth in the Fund's materials filed with the Canadian securities regulatory authorities from time to time at [www.sedar.com](http://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 Fund's manager; the experience of the Fund's officers and directors; substitutes for residential real estate rental suites; reliance on

property management; competition for real property investments and tenants; U.S. market factors; and currency exchange rates.

Information contained in forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, 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 acquisition of Yorktown crossing; 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 ability of the manager of the Fund to manage and operate the properties; 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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