



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY CORE FUND DELIVERS STRONG SECOND QUARTER RESULTS

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TORONTO, August 18, 2015 – Starlight U.S. Multi-Family Core Fund (TSX.V: UMF.A, UMF.U) (the “Fund”) today announced its results of operations and financial condition for the three months ended June 30, 2015 (the “Second Quarter”). All amounts in this news release are in thousands of United States currency unless otherwise stated and exclude the Fund’s non-controlling interest in the Falls at Eagle Creek unless otherwise stated.

HIGHLIGHTS FOR THE SECOND QUARTER OF 2015

- Same property revenue growth was 7.3% for the Second Quarter compared to the same period last year. Rent growth since inception of the Fund has been 5.0% on an annualized basis.
- Revenues for the Second Quarter were \$4,971 compared to \$4,070 for the comparable period last year as a result of increased occupancy and average monthly rents as well as contributions from acquisitions.
- Portfolio occupancy increased to 95.3% from 94.5% as at June 30, 2014, at the higher end of the Fund’s targeted occupancy range.
- Net operating income (“NOI”) for the Second Quarter was \$2,784 compared to \$2,307 last year, representing a \$477 or 20.7% increase, and was driven by increased occupancy and rental rates as well as contributions from acquisitions.
- Same property NOI growth was 6.4% for Second Quarter compared to the same period last year.
- The Fund recognized an additional \$2.5 million fair value increase on its investment properties during the Second Quarter driven predominantly by NOI growth. For the six months ended June 30, 2015, the Fund has recognized a cumulative \$5.1 million fair value increase on its investment properties. The portfolio’s value increase represented by the fair value of investment properties less their original purchase price was 86.5% of the Fund’s initial public offering gross subscription proceeds.
- Adjusted funds from operations (“AFFO”) payout ratio was a conservative 51.1% for the Second Quarter and 50.5% for the six months ended June 30, 2015.
- Interest coverage ratio for the six months ended June 30, 2015 was 2.93 times and the indebtedness coverage ratio was 2.41 times.
- Indebtedness to gross book value was 61.6%, at the lower end of the Fund’s targeted leverage range of 60-70%.
- The Fund began a normal course issuer bid during the Second Quarter in order to utilize excess cash to repurchase units which it believes are currently undervalued.

Operating Results

For the Second Quarter, property revenues were \$4.97 million compared to \$4.07 million in the comparable period last year and NOI was \$2.78 million compared to \$2.31 million in the comparable period last year. NOI growth for the Second Quarter was \$477 or 20.7% higher than the three months ended June 30, 2014, partially attributable to the acquisition of the Fund's interests in the Villages of Sunset Ridge and Belle Haven Apartments operating for an entire three months and also due to increased occupancy and rental rates. Portfolio occupancy was 95.3% during the Second Quarter compared to 94.5% during the three months ended June 30, 2014 and at the higher end of the Fund's targeted occupancy range. As of June 30, 2015, the Fund's per suite rental rates averaged \$1,106 compared to \$1,059 as of June 30, 2014.

Financial Position

As of June 30, 2015, the Fund's gross book value was \$199.4 million and indebtedness was \$122.9 million or 61.6% of gross book value. Indebtedness as a percentage of gross book value is at the lower end of the Fund's target range of 60%-70%. The interest coverage ratio for the Second Quarter was 2.85 times and for the six months ended June 30, 2015 was 2.93 times. The ratios have remained consistent throughout 2015 and higher than all periods during 2014. The weighted average interest rate on the Fund's mortgage portfolio was reduced to 2.90% from 2.92% as of March 31, 2015 and the weighted average term to maturity was increased to 4.9 years from 4.1 years as of March 31, 2015, both changes due to the refinancing of Soho Parkway Apartments that closed on May 19, 2015 and the refinancing of the Villages of Sunset Ridge that closed on June 29, 2015.

Subsequent Events

On August 17, 2015, the Fund and Starlight U.S. Multi-Family (No. 3) Core Fund ("Fund No. 3") announced that they had entered into an agreement to acquire Sorelle, a 401 suite, mid-rise, Class "A", apartment complex, completed in 2009 and located in a rapidly growing area in north Atlanta, Georgia at 2399 Parkland Drive. In connection with the acquisition, the Fund will acquire an indirect 35% interest and Fund No. 3 will acquire an indirect 65% interest. The Fund's allocation of the purchase price for Sorelle is expected to be approximately \$22.9 million, which will be satisfied by way of approximately \$19.6 million in new financing and \$3.3 million in cash. All decision making in respect of Sorelle, including day-to-day and material decisions, will be jointly made by the Fund and Fund No. 3 through established governance practices. Subject to the satisfaction or waiver of conditions precedent, the purchase of Sorelle is scheduled to close on or about September 9, 2015.

About Starlight U.S. Multi-Family 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 June 2015 Newsletter which is available at <http://starlightinvest.com/starlight-u-s-multi-family-core-fund>.

Non-IFRS Financial Measures

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

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