



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE FUND DELIVERS SUSTAINED GROWTH DURING FIRST QUARTER OF 2015

Not for distribution to U.S. newswire services or for dissemination in the United States

TORONTO, May 19, 2015 – 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 March 31, 2015 (the "First Quarter"). All amounts in this news release are in United States currency and include the Fund's equity investment in the Falls at Eagle Creek unless otherwise stated.

HIGHLIGHTS FOR THE FIRST QUARTER OF 2015

- The Fund acquired Travesia Apartments ("Travesia") on March 2, 2015, increasing its interests in apartment suites by 44% from 892 to 1,288.
- Same property average monthly rent improved from \$986 for the three months ended March 31, 2014 to \$1,047 in the First Quarter, representing a 6.2% increase year over year. Rent growth since inception of the Fund has been 4.3% on an annualized basis.
- Portfolio occupancy was equal to 94.8% and within the Fund's targeted range of 92-95% which has been established in order to optimize rental rates.
- Adjusted funds from operations ("AFFO") payout ratio was 49.4% representing a reduction from 55.9% in the three months ended December 31, 2014.
- The Fund recognized a \$4.3 million fair value increase on its investment properties predominantly driven by net operating income ("NOI") growth. The portfolio's value represented by fair value of investment properties less original purchase price was 61.4% of the Fund's initial public offering gross subscription proceeds.
- Indebtedness to gross book value rose to 71.4% as result of the acquisition of Travesia but remained below the allowable maximum of 75%.
- The Fund had an interest coverage ratio of 3.11 times and weighted average interest rate of 2.67%.

During the first quarter of 2015, the Fund has once again delivered strong operational results. The acquisition of Travesia was a significant addition to an already solid portfolio of newly constructed, class "A" properties and will contribute to the Fund's continually improving operating metrics," commented Evan Kirsh, President of the Fund.

Operating Results

For the First Quarter, property revenues and NOI were \$3.28 million and \$1.83 million, respectively, representing a slight improvement when compared to the three months ended December 31, 2014. Portfolio occupancy remained consistent at 94.8% during the First Quarter. Compared to the three months ended March 31, 2014, the increase in same property NOI was

16.9% and same property average monthly rent improved 6.2% for the same periods. The increase was above expectations reflecting the asset management initiatives implemented since acquisition.

Financial Position

As of March 31, 2015, the Fund's gross book value was \$166.1 million and indebtedness was \$118.6 million or 71.4% of gross book value. The interest coverage ratio for the First Quarter was 3.11 times, higher when compared to the prior year's overall interest coverage ratio of 2.93 times but slightly lower than the previous quarter. The weighted average interest rate on the Fund's mortgage portfolio was 2.67% and the weighted average term to maturity was 4.65 years.

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. 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 March 2015 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 AFFO, NOI, gross book value, indebtedness, indebtedness to gross book value 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.

For further information:

Evan Kirsh
President, Starlight U.S. Multi-Family (No. 2) Core Fund
647-725-0417
ekirsh@starlightus.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.