



## **FOR IMMEDIATE RELEASE**

### **STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE FUND CONTINUES SOLID PERFORMANCE DURING THE SECOND QUARTER**

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**TORONTO, August 18, 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 June 30, 2015 (the “Second Quarter”). All amounts in this news release are in thousands of United States currency unless otherwise stated and include the Fund’s equity investment in the Falls at Eagle Creek unless otherwise stated.

#### **HIGHLIGHTS FOR THE SECOND QUARTER OF 2015**

- Same property revenue growth was 8.2% for the Second Quarter compared to the same period last year. Rent growth since inception of the Fund has been 5.2% on an annualized basis.
- Revenues for the Second Quarter were \$4,293 compared to \$2,779 for the comparable period last year. The increase was due to increased occupancy and average monthly rents as well as a full quarter of revenues from Travesia Apartments acquired on March 2, 2015.
- Portfolio occupancy increased to 95.7% from 94.3%, 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 \$2,404 compared to \$1,504 for the three months ended June 30, 2014, representing a 59.8% increase and was partially driven by the full quarter of operations at Travesia Apartments which contributed \$761.
- Same property NOI growth was 9.3% for the Second Quarter compared to the same period last year.
- The Fund recognized an additional \$6.6 million fair value increase on its investment properties during the Second Quarter driven predominately by NOI growth. For the six months ended June 30, 2015, the Fund recognized a cumulative \$10.9 million of fair value increase on its investment properties. The portfolio’s value increase represented by the fair value of the investment properties less their original purchase price was 84.9% of the Fund’s initial public offering gross subscription proceeds.
- Adjusted funds from operations (“AFFO”) payout ratio was a conservative 49.3% for the Second Quarter and 49.0% for the six months ended June 30, 2015.
- Interest coverage ratio and indebtedness coverage ratio remains strong at 2.67 times for the six months ended June 30, 2015.
- Indebtedness to gross book value was 68.8%, well within the Fund’s targeted leverage range of 60-70%.
- The Fund began a normal course issuer bid subsequent to the end of 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 \$4.29 million compared to \$2.78 million in the comparable period last year and NOI was \$2.40 million compared to \$1.50 million in the comparable period last year. NOI growth for the Second Quarter was \$900 or 59.8% higher than the three months ended June 30, 2014, predominately due to the acquisition of Travesia Apartments on March 2, 2015. Portfolio occupancy was 95.7% during the Second Quarter compared to 94.3% during the three months ended June 30, 2014 and at the high end of the Fund's targeted occupancy range. Same property NOI was 9.3% and 12.2% higher for the three and six months ended June 30, 2015 compared to the same 2014 periods and reflects the active asset management initiatives implemented. Average in place rental rates per suite per month for same properties increased from \$1,026 to \$1,045, a \$19 increase or 1.9% over the last 3 months.

### *Financial Position*

As of June 30, 2015, the Fund's gross book value was \$172.9 million and indebtedness was \$118.9 million or 68.8% of gross book value. Interest coverage ratio and indebtedness coverage ratio for the six months ended June 30, 2015 were 2.67 times, lower when compared to the prior year's overall interest coverage ratio of 2.93 times. Both ratios are lower due to the acquisition of Travesia Apartments increasing the Fund's leverage, but remain strong. The weighted average interest rate on the Fund's mortgage portfolio was 2.71% and the weighted average term to maturity was 5.4 years as of June 30, 2015.

### **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](http://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://www.starlightinvest.com/starlight-u-s-multi-family-no-2-core-fund>.

### **Non-IFRS Financial Measures**

Certain terms used in this news release including NOI, AFFO, 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](http://www.sedar.com).

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