



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE FUND CONTINUES EXCEPTIONAL PERFORMANCE WITH YEAR END RESULTS

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TORONTO, March 23, 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 December 31, 2014 (the “**Fourth Quarter**”) and for the year ended December 31, 2014 (the “**Year End**”). All amounts in this news release are in United States currency unless otherwise stated.

HIGHLIGHTS FOR THE YEAR END AND FOURTH QUARTER OF 2014

- The Fund recognized a \$13.3 million fair value increase on its investment properties since its inception driven predominantly by net operating income (“**NOI**”) growth.
- The Fund had annual rental rate growth of 5.3% on all investment property interests the Fund held for the entire year.
- The Fund has realized annualized rental rate growth of 4.5% on all investment property interests since their acquisition dates.
- NOI was \$5.6 million for the Year End, and the Fund’s operating margin was 54.5%.
- Adjusted funds from operations (“**AFFO**”) payout ratio was 55.9% in the Fourth Quarter and 68.8% for the Year End. The Fund paid distributions at 7% annually to all Unitholder classes from April 1, 2014 onward, immediately after funds raised in the initial public offering were fully deployed, which was just four full months after the Fund was launched.
- The Fund’s leverage was 61.1% of gross book value as at December 31, 2014 and the Fund had a weighted average interest rate of 2.14%, significantly lower when compared to December 31, 2013 which was 73.0% and 3.01%, respectively.
- The Fund acquired Travesia Apartments (“**Travesia**”), on March 2, 2015 and now has interests in 1,527 suites. See “Subsequent Events”.

“The Fund continued to deliver strong operational results. We actively increased rental rates, created new ancillary revenue streams and controlled expenses to drive NOI growth and asset value increases,” commented Evan Kirsh, President of the Fund.

Operating Results

For the Fourth Quarter, property revenues and NOI were \$2.88 million and \$1.66 million, respectively. Occupancy was 95.2% during the Fourth Quarter, consistent with the previous quarter. The Fund had operating margins for the Year End of 54.5% and NOI for the Year End of \$5.64 million.

Financial Position

As of December 31, 2014, the Fund's gross book value was \$110.3 million and indebtedness was \$67.4 million or 61.1% of gross book value which is at the lower end of the target leverage range of 60% to 70%. The interest coverage ratio at Year End was 2.93 times.

Subsequent Events

The Fund refinanced Palm Valley Apartments on February 26, 2015. The proceeds of the refinancing were used to acquire Travesia, a 396 unit, garden style, Class "A", apartment complex built in 2009 and located at 3701 Quick Hill Road, approximately 24 kilometres north of the Austin central business district in Texas.

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 NOI, AFFO, gross book value, indebtedness 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.

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