



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 3) CORE FUND REPORTS STRONG RESULTS FOR FIRST QUARTER OF 2015

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TORONTO, May 19, 2015 – Starlight U.S. Multi-Family (No. 3) Core Fund (TSX.V: SUS.A, SUS.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 unless otherwise stated. The forecast figures below represent the financial forecast ("Forecast") set out in the final long form prospectus of the Fund dated June 27, 2014.

HIGHLIGHTS FOR THE FIRST QUARTER OF 2015

- Same property average monthly rent improved from \$1,078 to \$1,090, representing a 4.5% increase on an annualized basis during a traditionally slower leasing period. Rent growth since inception of the Fund has been 4.2% on an annualized basis.
- Adjusted funds from operations payout ratio was 72.4% representing an improvement from 76.3% from the three months ended December 31, 2014.
- Net operating income ("NOI") grew to \$2.06 million for all properties and was materially in-line for properties included in the Forecast.
- Occupancy for the portfolio was 93.1% at the end of the quarter and in line with the Fund's targeted occupancy range of 92-95% to ensure that rental rates are being maximized
- The Fund recognized a \$4.6 million fair value increase on its investment properties driven predominantly by NOI growth. The portfolio's value represented by fair value of investment properties less original purchase price was 43.3% of the Fund's initial public offering gross subscription proceeds.
- Interest coverage ratio was 2.84 times, slightly lower when compared to the three months ended December 31, 2014. The Fund's indebtedness to gross book value was 62.42%, at the lower end of the Fund's targeted leverage range.
- The Fund acquired a 33^{1/3}% ownership interest in Belle Haven Apartments ("Belle Haven").

Evan Kirsh, President of the Fund commented, "The Fund continued to post strong operating results in the First Quarter of 2015, notwithstanding that the first quarter is traditionally a slower leasing period. The Fund continues to focus on its successful strategy of growing rents and rationalizing expenses to increase NOI and property values."

Operating Results

During the First Quarter, the Fund increased average monthly rent per unit from \$1,078 to \$1,090, excluding Belle Haven, which increase represents an annualized rental growth rate of 4.5%. Property revenues and NOI were \$4.10 million and \$2.06 million, respectively. The Fund's property revenues and NOI was materially in-line with the Forecast.

Occupancy was 92.7% for the initial portfolio and 93.1% for the Fund's entire portfolio, each marginally below the Forecast but within the Fund's targeted range established to optimize rental rates. The Fund has achieved improvements in occupancy since the First Quarter.

Financial Position

As of March 31, 2015, the Fund's gross book value was \$169.78 million and indebtedness was \$105.98 million or 62.4% of gross book value, which is at the lower end of the Fund's target range of 60% to 70%. The interest coverage ratio and indebtedness coverage ratio for the First Quarter was 2.84 times. The weighted average interest rate on the Fund's mortgages payable was 2.75% and the weighted average term to maturity was 2.38 years.

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.

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-3-core-fund>.

Non-IFRS Financial Measures

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