



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 3) CORE FUND ESTABLISHES STRONG MOMENTUM DURING FOURTH QUARTER OF 2014

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TORONTO, March 23, 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 December 31, 2014 (the “**Fourth Quarter**”) and period May 1, 2014 to December 31, 2014 (the “**Period End**”).

The forecast figures below represent the financial forecast (“**Forecast**”) set out in the final long form prospectus of the Fund dated June 27, 2014. All dollar amounts set out in this news release are in United States currency unless otherwise stated.

HIGHLIGHTS FOR THE PERIOD END AND FOURTH QUARTER OF 2014

- The Fund recognized a \$13.6 million fair value increase on its investment properties for the Period End driven predominantly by net operating income (“**NOI**”) growth.
- Revenues were \$5,023 for the properties acquired in connection with the Fund’s initial public offering during the Period End, in-line with the Forecast.
- The Fund increased rental rates by 3.4% on an annualized basis from September 30, 2014 to December 31, 2014 (excluding the Reserve at Jones Road which was acquired in November, 2014). Occupancy was 94.0% for all properties as at December 31, 2014.
- The Fund has realized an annualized rental rate growth of 4.6% on all investment property interests since their acquisition dates.
- NOI was \$2.6 million for the Period End and was materially in-line with the Forecast for properties acquired in connection with the Fund’s initial public offering.
- Adjusted funds from operations (“**AFFO**”) payout ratio was 76.3% for the Fourth Quarter and 66.2% for the Period End. The Fund paid distributions at a 7% annual rate starting in November of 2014, only three full months after the Fund was launched.
- The Fund’s leverage was 63.3% of gross book value as at December 31, 2014 and the Fund had a weighted average interest rate of 2.42% and a weighted average term to maturity of 2.6 years.
- The Fund acquired a 33^{1/3} percent ownership interest in Belle Haven Apartments (“**Belle Haven**”) on February 19, 2015 and now has interests in 1,493 suites. See “Subsequent Events”.

Evan Kirsh, President of the Fund commented, “The Fund delivered strong operating results in the Fourth Quarter and for 2014. We continue to focus on growing rents as well as delivering new ancillary revenue streams and rationalizing expenses to increase NOI and asset values.”

Operating Results

For the Fourth Quarter, property revenues and NOI for the initial portfolio were \$2.63 million and \$1.38 million, respectively, both in-line with the Forecast. Occupancy was 94.0% at December 2014. The Fund increased average monthly rent per unit from \$1,066 at September 30, 2014 to \$1,075 at Period End (excluding the Reserve at Jones Road), which represents an annualized rental growth rate of 3.4%. On a consolidated basis, including all properties, the Fund had property revenues and NOI for the Fourth Quarter of \$3.86 million and \$2.04 million and for the Period End of \$6.63 million and \$3.49 million.

Financial Position

As of December 31, 2014, the Fund's gross book value was \$155.80 million and indebtedness was \$98.65 million or 63.3% of gross book value, which is at the lower end of the Fund's target leverage range between 60% and 70%. The interest coverage ratio and indebtedness coverage ratio for the Fourth Quarter was 3.22 times. The weighted average interest rate on the Fund's mortgages payable was 2.42% and the weighted average term to maturity was 2.58 years.

Subsequent Events

On February 19, 2015, the Fund acquired a 33^{1/3} percent ownership interest in Belle Haven, a LEED-Silver certified, 176 unit, garden style, Class "A", apartment complex, completed in 2014 and located in a rapidly growing area in northeast Charlotte, North Carolina at 9005 Post Canyon Lane.

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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