



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 2) CORE FUND REPORTS 7.2% REVENUE GROWTH AND A 38.5% AFFO PAYOUT RATIO IN THIRD QUARTER OF 2015

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TORONTO, November 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 September 30, 2015 (the “Third 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 Third Quarter of 2015

- Same property revenue growth was 7.2% for the Third Quarter compared to the same period last year. Rent growth since inception of the Fund has been 5.7% on an annualized basis.
- Revenues for the Third Quarter were \$4,414 compared to \$2,845 for the comparable period last year. The increase was due to consistent occupancy and increased average monthly rents as well as a full quarter of revenues from Travesia Apartments, acquired on March 2, 2015.
- Portfolio occupancy remained at 95.7%, while the average monthly rent improved to \$1,064 from \$1,045 as at June 30, 2015.
- Same property NOI growth was 11.0% for the Third Quarter compared to the same period last year.
- As a result of significant NOI growth, the Fund recognized an additional \$6.0 million fair value increase on its investment properties during the Third Quarter. For the nine months ended September 30, 2015, the Fund recognized a cumulative \$15.3 million fair value increase on its investment properties.
- Adjusted funds from operations (“AFFO”) payout ratio was a conservative 38.5% for the Third Quarter and 43.5% for the nine months ended September 30, 2015. The Fund paid down mortgage debt with excess cash flow reducing its leverage.
- Interest coverage ratio and indebtedness coverage ratio remained strong and improved to 2.74 times during the Third Quarter. Indebtedness to gross book value was reduced to 65.0% from 68.8%, well within the Fund’s targeted leverage range of 60-70%.



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Operating Results

For the Third Quarter, property revenues were \$4.41 million compared to \$2.85 million in the comparable period last year and NOI was \$2.50 million compared to \$1.53 million in the comparable period last year. NOI growth for the Third Quarter was \$972 or 63.7% higher than the three months ended September 30, 2014, predominately due to the acquisition of Travesia Apartments on March 2, 2015. Portfolio occupancy remained at 95.7% during the Third Quarter while the average monthly rent improved to \$1,064 from \$1,045 as at June 30, 2015. Same property NOI grew by 11.0% for the three months ended September 30, 2015 compared to the same period in 2014 and reflects the active asset management initiatives implemented by the manager.

Financial Position

As of September 30, 2015, the Fund's gross book value was \$179.2 million and indebtedness was \$116.5 million or 65.0% of gross book value. Interest coverage ratio and indebtedness coverage ratio for the Third Quarter were each 2.74 times and improved from the most recent previous quarter. The weighted average interest rate on the Fund's mortgage portfolio was 2.56% and the weighted average term to maturity was 5.0 years as of September 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. 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 September 2015 Newsletter which is available on the Fund's profile at www.starlightus.com.

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.



To learn more about Starlight U.S. Multi-Family (No. 2) Core Fund, visit www.starlightus.com or contact:

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