



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO.5) CORE FUND ANNOUNCES CAPITAL RECYCLING FROM RECENT HOUSTON SALE WITH PROPOSED ACQUISITION OF APARTMENT COMMUNITY IN RAPIDLY GROWING PHOENIX, ARIZONA SUBMARKET

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TORONTO, June 13, 2017 – Starlight U.S. Multi-Family (No. 5) Core Fund (TSX.V: STUS.A, STUS.U) (the “Fund”) announced today that it has waived all conditions precedent to acquire a Class A, garden-style, apartment community located at 20435 North 7th Street in Phoenix, Arizona (the “Phoenix Property”). The property consists of 274 apartment units and was constructed in 2012.

Pursuant to a purchase and sale agreement made and entered into on May 12, 2017, as amended from time to time, an indirect wholly owned subsidiary of the Fund, has agreed to purchase the Phoenix Property unencumbered for the purchase price of approximately US\$50.7 million. The purchase agreement contains customary representations and warranties for a transaction of this nature. The purchase of the Phoenix Property is scheduled to close on or about June 16, 2017.

The purchase price for the Phoenix Property is expected to be partially satisfied on a tax deferred basis through a 1031 exchange utilizing the disposition proceeds from the recently announced sale of the Residences at Cinco Ranch in Houston, Texas, with the remainder expected to be funded with a first mortgage of approximately US\$36.4 million, secured for a four year and four month term with a one year extension option, as well as from additional cash on hand. The loan will be interest only for the initial term and will be payable at an annual rate of LIBOR + 2.15%.

Evan Kirsh, President of the Fund, commented, “The purchase of the Phoenix Property allows the Fund to acquire an asset on a tax deferred basis and execute on the Fund’s strategy of enhancing the geographical diversification of its portfolio while lowering the average vintage of the Fund’s apartment communities. The acquisition also provides further rental upside potential in the vibrant Phoenix market.”

Phoenix Property

The Phoenix Property is located approximately 32 kilometres north of downtown Phoenix at the northeast corner of the Loop 101 Freeway and 7th Street, and consists of 18 two and three storey buildings. Interiors finishes feature energy-efficient appliances, 9 foot ceilings, full-sized washers and dryers, programmable thermostats, private patios and balconies, spacious walk-in closets with mirrored doors and wood plank flooring. Outdoor and indoor common amenities include a resort-style swimming pool with poolside cabanas, a pet play land, Blink EV charging stations, a two-storey designer clubhouse with a 20-seat cinema and coffee bar, a state-of-the-art fitness centre with a yoga studio, a lounge and business centre and an electronic game room. The property also features 120 garages, including 12 attached to apartment units.



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It is the Fund's intention to continue to have the property managed by Alliance Residential Company ("Alliance"), the 7th largest third-party multi-residential property management company in the United States. Alliance currently manages nine communities for Starlight U.S. Multi-Family in Austin, Houston, and San Antonio, Texas, Phoenix, Arizona and Las Vegas, Nevada.

The Fund Portfolio

Following completion of the acquisition of the Phoenix Property, the Fund expects to have interests in and operate a portfolio of 6,766 apartment units in 23 recently constructed, Class "A" stabilized, income producing apartment communities located in Arizona, Florida, Georgia, Nevada, North Carolina, and Texas.


About Starlight U.S. Multi-Family 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.

Forward-Looking Information and Securities Law

The acquisition of the Phoenix Property constitutes a "related party transaction" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Fund relied on the exemptions from the formal valuation and minority approval requirements set out in subsection 5.5(a) and paragraph 5.7(1)(a) of MI 61-101. The Phoenix Property's acquisition was approved by the Fund's Board of Directors (other than Daniel Drimmer, who declared his interest in the acquisition of the Phoenix Property and was recused from voting) in accordance of the Fund's amended and restated limited partnership agreement dated as of October 12, 2016.

This news release contains statements that may constitute forward-looking statements within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including statements concerning the acquisition of the Phoenix Property, the financing of the Phoenix Property, the property management of the Phoenix Property and overall improvement of the financial performance of the Fund resulting from the acquisition. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for Fund or the real estate industry are forward-looking statements. In some cases, forward-looking statements can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.



The forward-looking statements in this news release involve risks and uncertainties, including those set forth in the Fund's materials filed with the Canadian securities regulatory authorities from time to time at www.sedar.com. Actual results could differ materially from those projected herein. Those risks and uncertainties include, among other things, risks related to: reliance on the Fund's manager; the ability to complete the acquisition of the Phoenix Property; the terms and availability of financing for the Phoenix Property; the expected benefits of the ownership of the Phoenix Property; the property management of the Phoenix Property; the experience of the Fund's officers and directors; substitutes for residential real estate rental units; reliance on property management; competition for real property investments and tenants; and U.S. market factors.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in developing such forward-looking statements including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the acquisition of the Phoenix Property; the availability of financing for the Phoenix Property; the property management of the Phoenix Property; the overall improvement of the financial performance of the Fund's portfolio resulting from the acquisition of the Phoenix Property; the ability of the manager of the Fund to manage and operate the Fund's properties; the ability of the property managers selected to manage the Fund's properties; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws. Readers are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, none of the Fund or its manager undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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