

STARLIGHT U.S. MULTI-FAMILY (NO. 5) CORE FUND ANNOUNCES STRATEGIC U.S.\$920.5M DEBT REFINANCING RESULTING IN REDUCTION OF WEIGHTED AVERAGE INTEREST RATE ON MORTGAGES BY 52 BASIS POINTS



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TORONTO, ON – **October 31, 2018** – Starlight U.S. Multi-Family (No. 5) Core Fund (TSXV: STUS.A) (TSXV: STUS.U) (the "Fund") announced today that it has strategically repositioned its debt structure through the refinancing of the Fund's outstanding debt secured by its properties. The Fund has fixed the interest rate on approximately 80% of its mortgage financings while reducing the Fund's weighted average interest rate on its mortgages by approximately 52 basis points and extended the weighted average term to maturity to 6.1 years. The refinancing of the Fund's indebtedness is comprised of entering into the mortgage refinancing and by amending the Fund's unsecured credit facility as further described below.

Mortgage Refinancing

On October 31, 2018, the Fund entered into an agreement for a new pooled mortgage secured by all 23 properties of the Fund for total proceeds of approximately U.S.\$800.5M which is comprised of three tranches (the "Mortgage Refinancing") as follows:

- U.S.\$400.2M six year tranche with interest fixed at 3.92% and interest only payments for five years;
- U.S.\$240.2M seven year tranche with interest fixed at 3.95% and interest only payments for six years; and
- U.S.\$160.1M five year tranche with interest at the U.S. 30-day London Interbank Offered Rate ("LIBOR") + 1.15% and interest only payments for three years.

The Mortgage Refinancing is secured by all of the Fund's properties and carries a weighted average interest rate of 3.84% (based on LIBOR at October 31, 2018) and a weighted average term to maturity of 6.1 years.

"The Fund's debt refinancing represents a significant milestone for the Fund providing the security of a fixed-rate financing structure as well as a significant reduction to the Fund's weighted average interest rate on its mortgages," commented Martin Liddell, the Fund's Chief Financial Officer

Unsecured Credit Facility

On October 31, 2018, the Fund entered into a third amending agreement for its unsecured credit facility (the "Unsecured Credit Facility") with a Canadian chartered bank which allows the Fund to borrow up to U.S.\$120.0M at an initial rate of 3.50% over LIBOR and a one-year term. The Unsecured Credit Facility carries an option to increase the total borrowing to U.S.\$130.0M between April 30, 2019 and July 31, 2019.

Repayment of Existing Mortgages Payable and Credit Facility

The Fund has drawn an initial amount of U.S.\$120.0M on the Unsecured Credit Facility which will be used, in combination with the proceeds from the Mortgage Refinancing, to repay the existing mortgages payable of approximately U.S.\$880.2M and the amounts outstanding under the Fund's credit facility of U.S.\$18.3M.

About Starlight U.S. Multi-Family (No. 5) 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. The Fund currently owns 23 properties, consisting of 7,289 suites with an average year of completion of 2012.

For the Fund's complete consolidated financial statements and management's discussion and analysis ("MD&A") for the three and six months ended June 30, 2018 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 August 2018 Newsletter which is available on the Fund's profile at www.starlightus.com.

Forward-looking Statements

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information is provided for the purposes of assisting the reader in understanding the Fund's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, acquisitions, performance, achievements, events, prospects or opportunities for the Fund or the real estate industry and may include statements regarding the financial position, business strategy, acquisitions, budgets, litigation, projected costs, capital expenditures, financial results, occupancy levels, AMR, taxes, the Fund's use of its normal course issuer bid, and plans and objectives of or involving the Fund. In some cases, forward-looking information can be identified by terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Forward-looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the Fund's control, affect the operations, performance and results of the Fund and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

Information contained in forward-looking information is based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, 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 inventory of multi-family real estate properties; the availability of properties for acquisition and the price at which such properties may be acquired; the availability of mortgage financing and current interest rates; the extent of competition for properties; the population of multi-family real estate market participants; assumptions about the markets in which the Fund operates; the ability of Starlight Investments US AM Group LP, the manager of the Fund, to manage and operate the properties; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws.

Although the Fund believes the expectations reflected in such forward-looking information are reasonable and represent the Fund's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Fund's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information.

Important factors that could cause actual results to differ materially from the Fund's expectations include, among other things, the availability of suitable properties for purchase by the Fund, the availability of mortgage financing for such properties, and general economic and market factors, including interest rates, business competition and changes in government regulations or in tax laws. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this press release relate only to events or information as of the date on which the statements are made in this press release. Except as specifically required by applicable Canadian law, the Fund undertakes no obligation to update or revise publicly any forward-looking information, 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.

To learn more about Starlight U.S. Multi-Family (No. 5) Core Fund, visit www.starlightus.com or contact:

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