STARLIGHT U.S. MULTI-FAMILY (NO. 1) VALUE-ADD FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

FOR THE PERIOD FROM APRIL 24, 2017 (DATE OF FORMATION) TO JUNE 30, 2017

AUGUST 10, 2017

TABLE OF CONTENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the unaudited consolidated interim financial results of Starlight U.S. Multi-Family (No. 1) Value-Add Fund (the "Fund") dated August 10, 2017, for the period from April 24, 2017 (date of formation) to June 30, 2017, should be read in conjunction with the Fund's unaudited consolidated interim financial statements and accompanying notes for the same period. These documents are available on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this MD&A 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, performance, achievements, events, prospects or opportunities for the Fund or the real estate industry and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, occupancy levels, average monthly rents ("AMR"), taxes, and plans and objectives of or involving the Fund. Particularly, matters described at "Future Outlook" are forward-looking information. 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 ability of the Fund to deploy the remaining cash on hand into another value-add investment property; 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 Group Property Holdings Inc., (the "Manager" or "Starlight") 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. See "Risks and Uncertainties". 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 MD&A relate only to events or information as of the date on which the statements are made in this MD&A. Except as specifically required by applicable Canadian securities 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.

BASIS OF PRESENTATION

The Fund's unaudited consolidated interim financial statements for the period from April 24, 2017 (date of formation) to June 30, 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Fund's presentation currency is United States ("U.S.") dollars. Unless otherwise stated, dollar amounts expressed in this MD&A are in thousands of U.S. dollars, except for per limited partnership unit of the Fund ("unit") and AMR information. All references to "C$" are to Canadian dollars.

NON-IFRS FINANCIAL MEASURES

Certain terms used in this MD&A such as gross book value ("Gross Book Value"), indebtedness ("Indebtedness"), interest coverage ratio ("Interest Coverage Ratio"), indebtedness coverage ratio ("Indebtedness Coverage Ratio"), net operating income ("NOI"), funds from operations ("FFO"), adjusted funds from operations ("AFFO") and AMR are not measures defined under IFRS as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income (loss) and comprehensive income (loss), cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Gross Book Value, Indebtedness, Interest Coverage Ratio, Indebtedness Coverage Ratio, NOI, FFO, and AFFO as computed by the Fund may not be comparable to similar measures as reported by other trusts or companies in similar or different industries. The Fund uses these measures to better assess the Fund's underlying performance and provides these additional measures so that investors may do the same.

Gross Book Value is defined as the fair market value of the Fund's investment properties (the "Properties" or "investment properties") here in at Portfolio Summary. Gross Book Value is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition.

Indebtedness is defined as the face value of mortgages payable. Indebtedness is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition.

Indebtedness to Gross Book Value is defined as the Fund's Indebtedness divided by the Fund's Gross Book Value of the Properties. Indebtedness to Gross Book Value is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's financial condition.

Interest Coverage Ratio is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS before deferred taxes plus finance costs, which includes amortization of financing costs and mortgage premiums, fair value adjustments on derivative instruments, less finance income and adjusted for other non-cash items divided by interest expense. Generally, a higher Interest Coverage Ratio indicates a lower credit risk. Interest Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual interest payments and ultimately the ability of the Fund to make cash distributions to unitholders of the Fund ("Unitholders").

Indebtedness Coverage Ratio is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS before deferred taxes plus finance costs, which include amortization of financing costs and mortgage premiums, fair value adjustments on derivative instruments, less finance income and adjusted for other non-cash items divided by interest and principal payments. Generally, a higher Indebtedness Coverage Ratio demonstrates a stronger ability to satisfy the Fund's debt service obligations. Indebtedness Coverage Ratio is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the amount of cash flow available to meet annual principal and interest payments and ultimately the ability of the Fund to make cash distributions to Unitholders.

NOI is defined as all property revenue, less direct property costs such as utilities, property taxes (normalized to remove the impact from International Financial Reporting Interpretations Committee 21 ("IFRIC 21") for each reporting period), repairs and maintenance, on-site salaries, insurance, bad debt expenses, property management fees, and other property specific administrative costs. NOI is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of the Fund's operating performance and uses this measure to assess the Fund's property operating performance on an unlevered basis.

Cash provided by operating activities, including interest paid, is a measure of the amount of cash generated from operating activities including interest paid and is presented in this MD&A as the Manager considers this non-IFRS measure when determining the sustainability of future distributions paid to Unitholders.

FFO is defined as net income (loss) and comprehensive income (loss) in accordance with IFRS, excluding fair value adjustments of the investment properties, fair value adjustments on derivative instruments, distributions to Unitholders of units classified as financial liabilities, IFRIC 21 adjustment for property taxes, deferred income tax expense and realized or unrealized foreign exchange gains and losses. FFO payout ratio compares distributions declared to FFO. FFO is a measure of operating performance based on the funds generated from the business before reinvestment or provision for other capital needs. FFO is presented in this MD&A as the Manager considers this non-IFRS measure to be an important measure of operating performance and is being calculated in accordance with Real Property Association of Canada ("RPAC").

AFFO is defined as FFO subject to certain additional adjustments, including: (i) amortization of fair value mark-to market adjustments on loans assumed; (ii) amortization of financing costs; and (iii) deduction of a reserve for normalized maintenance capital expenditures and suite make ready costs, as determined by the Manager. Other adjustments may be made to AFFO as determined by the Manager. AFFO is presented in this MD&A as the Manager considers this non-IFRS measure to be an important performance measure to determine the sustainability of future distributions paid to Unitholders after a provision for maintenance capital expenditures. AFFO should not be interpreted as an indicator of cash generated from operating activities, as it does not consider changes in working capital. AFFO has not been calculated in accordance with the RPAC definition, as the Fund makes adjustments for non-cash items to better measure the sustainability of future distributions. This MD&A does not include a presentation of adjusted cash flow from operations as defined by RPAC.

Reconciliations of net income (loss) and comprehensive income (loss) to FFO, and FFO to AFFO are provided herein at "Non-IFRS Financial Measures – FFO and AFFO". In addition, a reconciliation of cash provided by operating activities including interest paid to AFFO is provided herein at "Non-IFRS Financial Measures – FFO to AFFO" and a reconciliation of NOI from the financial statement presentation of revenue, property operating costs and property taxes is provided herein at "Financial and Operational Highlights".

Economic occupancy is calculated by taking effective net rent after considering vacancy and concessions and dividing by gross potential rent. The Fund considers this an important operating metric to evaluate the extent to which revenue potential is being realized. AMR is defined as the total in place rents divided by the total number of suites occupied as at the reporting date.

INVESTMENT OVERVIEW, OBJECTIVES AND STRATEGY

The Fund is a limited partnership formed under and governed by the laws of the Province of Ontario. The registered office of the Fund is located at 3280 Bloor Street West, Centre Tower, Suite 1400, Toronto, Ontario M8X 2X3. The term of the Fund is targeted to be three years (the "Term"), with two one-year extensions available subject to approval by Starlight U.S. Multi-Family (No. 1) Value-Add GP, Inc., the general partner of the Fund ("Starlight GP"). The Fund may be extended beyond five years by special resolution of the Unitholders. After the closing of the Fund's initial public offering (the "Offering") on June 16, 2017, the Fund acquired two properties consisting of a combined 943 suites. The properties are located in Austin, Texas and Phoenix, Arizona.

The Fund has seven classes of units. Class A units denominated in Canadian dollars and class U units denominated in U.S. dollars are listed on the TSX Venture Exchange under the symbols SUVA.A and SUVA.U, respectively. The Fund also has five unlisted limited partnership unit classes, class C units, class D units, class F units, and class H units, which are Canadian dollar denominated, and class E units, which are U.S. dollar denominated.

INVESTMENT OBJECTIVES

The Fund's investment objectives are to:

1. indirectly acquire, own, and operate a portfolio comprised of value-add, income producing multi-family properties that can achieve significant increases in rental rates as a result of undertaking high return, light value-add capital expenditures and active asset management, and are located in primarily in the States of Arizona, Colorado, Florida, Georgia, Nevada, North Carolina, Tennessee and Texas (the "Primary Markets");

2. make stable monthly cash distributions;

3. increase rental rates through light value-add capital expenditures and the use of revenue management software, and

4. enhanced revenue through ancillary income opportunities and reduced operating expenses through active asset management with the use of best-in-class property managers to generate economies of scale with the goal of ultimately directly or indirectly disposing of its interests in the assets by the end of the Fund's Term.

In order to meet its investment objectives, the Fund's investment strategy is as follows:

INVESTMENT STRATEGY

The Fund was established for the purpose of investing indirectly in value-add, income producing multi-family properties in the U.S. multi-family real estate market that can achieve significant increases in rental rates as a result of undertaking high return, light value-add capital expenditures and active asset management. The Manager believes the U.S. multi-family real estate sector presents a compelling investment opportunity and provides competitive long-term returns when compared to other real estate asset classes.

ACQUISITION OF VALUE-ADD U.S. MULTI-FAMILY REAL ESTATE

1. Identify value-add acquisition opportunities in the U.S. multi-family residential market by leveraging the Manager's relationships with principals, operators, and brokers located in the Fund's target markets and by its ability to source "off-market" opportunities.
2. Target multi-family assets that are:
    a. properties that can achieve significant increases in rental rates as a result of undertaking high return, light value-add capital expenditures and active asset management;
    b. strategically located properties in the Primary Markets with strong job, population and economic growth rates;
    c. strategically located properties within their respective suburban submarkets with barriers to new development; and
    d. stabilized, with the potential to benefit from an active management strategy.
3. Complete a comprehensive due diligence program, including cash flow and value-add return modeling, operating expense reviews, and third-party reports including market studies, structural and environmental assessments and appraisals.
4. Conduct a broad canvass of the lending community, including lenders with whom the Manager enjoys long-term relationships, to secure debt financing on competitive terms.
5. Explore, from time to time, co-investment opportunities involving the Fund and one or more co-investors.

ASSET VALUE ENHANCEMENT THROUGH ACTIVE MANAGEMENT STRATEGY

1. Utilize the Manager's network to source attractive future acquisitions from private equity funds, operators and other real estate asset managers.
2. Increase rental rates through value-add capital improvement programs, including targeted light value-add capital expenditures to rental suites (e.g. kitchen, bathrooms, fenced-in yards, etc.), clubhouse and resident amenity spaces and modernization improvements, rental rate mapping and the use of yield management software.
3. Implement revenue management software and seek ancillary income opportunities (e.g.door-to-door waste pick-up service).
4. Reduce operating expenses such as staffing, maintenance contracts, advertising and insurance through economies of scale.
5. Utilize reputable best-in-class U.S.-based property managers.

Arizona, Colorado, Florida, Georgia, Nevada, North Carolina, Tennessee and Texas

The Manager targets acquisitions in the Primary Markets, where markets feature:

a) compelling population, economic and employment growth rates;

b) 'landlord friendly' legal environments; and

c) comfortable climates and quality of life.

The Fund expects to indirectly acquire additional properties in the Primary Markets and the Manager believes that each of these States comprising the Primary Markets exhibits the characteristics above.

Value Realization Through Strategic Dispositions

1. Asset value increases are expected by the Manager to be realized through a combination of NOI growth, through, among other things, capital expenditures resulting in increased rental rates and a pricing premium on the aggregated portfolio.

2. The Manager, on behalf of the Fund, plans to execute dispositions throughout the Term on a single asset or portfolio basis through private and public market transactions to maximize value.

3. The private real estate investment market and the public capital markets will be monitored to seek an exit strategy that can be executed with a view towards maximizing disposition proceeds.

PORTFOLIO SUMMARY

The Fund as at June 30, 2017 owned two Properties that have an aggregate of 943 apartment suites and are located in the States of Arizona and Texas.

Property	Location	Suites	Year Completed	Rentable Area (Sq. Ft)	Average Suite Size (Sq. Ft)	Land Area (Acres)	Date of Original Acquisition
Landing at Round Rock	7711 O'Connor Road	583	2001	716,701	1,229		June 16, 2017
Austin		**583**	**2001**	**716,701**	**1,229**	**33.21**	
Spectra on 7th South	20425 North 7th Street	360	2007	315,360	876		June 16, 2017
Phoenix		**360**	**2007**	**315,360**	**876**	**11.35**	
Total (Average)		**943**	**(2003)**	**1,032,061**	**(1,053)**	**44.56**	

The Landing at Round Rock

The Landing at Round Rock ("The Landing") is located at 7711 O'Connor Road, Round Rock, Texas, 30 kilometres north of downtown Austin. Completed in 2001, the property is comprised of 44 garden-style three-storey buildings on a 33.21 acre site and offers 583 suites ranging in size from one bedroom to four bedrooms.

Spectra South

Spectra South is located at 20425 North 7th St., Phoenix, Arizona, 32 kilometres north of downtown Phoenix. Completed in 2007, the property is located in the growing suburb of Deer Valley in Phoenix and is comprised of 19 garden-style three-storey buildings on a 11.35 acre site and offers 360 suites ranging in size from one bedroom to three bedrooms.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

This section includes highlights of the financial and operational performance of the Fund as at June 30, 2017 and for the period from April 24, 2017 (date of formation) to June 30, 2017 (the "Initial Reporting Period"), that includes the operations of the Properties for the period since acquisition on June 16, 2017 to June 30, 2017, a 15-day operating period for the Properties and includes a comparison to the Fund's financial forecast (the "Forecast") included in the Fund's final prospectus dated June 12, 2017 (the "Prospectus").

INITIAL REPORTING PERIOD HIGHLIGHTS:

- The Fund completed the Offering on June 16, 2017 and raised gross subscription proceeds of $64,923. On the same day, the Fund acquired the Properties for an aggregate purchase price of $154,722, adding 943 suites.
- As at June 30, 2017, the Fund had cash on hand of $9,964. The Fund anticipates utilizing a portion of its cash on hand to partly fund a future acquisition of a value-add multi-family property within nine months of the closing of the Offering.
- The Fund's NOI was 4.5% higher than Forecast and the NOI margin at 59.6% was 270 basis points above Forecast driven by lower operating costs.
- The Fund's AFFO was $132 or 33.3% above Forecast due to the increase in NOI and lower Fund and trust expenses.
- Indebtedness to Gross Book Value was 67.6%, within the Fund's targeted range.
- Interest Coverage Ratio and Indebtedness Coverage Ratio was 1.52 times.
- As at June 30, 2017, the weighted average interest rate on mortgages payable was 3.17% and the weighted average term to maturity was 3.00 years.

The Forecast was prepared in accordance with IFRS and was based on management's estimates and using assumptions that reflected management's intended course of action for the periods presented, given management's judgement as to the most probable set of economic conditions. The Forecast was not, when made, a historical fact, but a forward-looking statement about, among other things, the financial condition, results of operations and business of the Fund and is subject to important risks, uncertainties and assumptions that can be found in the Fund's Prospectus dated June 12, 2017.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

		As at June 30, 2017
Operational Information		
Number of properties		2
Total suites		943
Weighted average portfolio occupancy %		93.3%
AMR (in actual dollars)	$	1,217
Average monthly rent per square foot (in actual dollars)	$	1.10
Summary of Financial Information		
Gross Book Value		$155,254
Indebtedness		$104,950
Indebtedness to Gross Book Value (1)		67.60%
Weighted average mortgage interest rate		3.17%
Weighted average mortgage term to maturity		3.00 years
		Period from April 24, 2017 to June 30, 2017 (1)
Summary of Financial Information		
Revenue from property operations		$586
Property operating costs		$135
Property taxes (2)		$102
NOI		$349
Net income and comprehensive income		$63
FFO		$132
FFO per unit - basic and diluted		$0.02
AFFO		$132
AFFO per unit - basic and diluted		$0.02
Interest Coverage Ratio		1.52 x
Indebtness Coverage Ratio		1.52 x
Weighted average units Outstanding (000s) - basic and diluted		8,180

(1) The Fund commenced operations follow ing the acquisition of the Initial Properties on June 16, 2017.

(2) Property taxes w ere adjusted to exclude the IFRIC 21 adjustment and treat property taxes as an expense that is amortized during the fiscal year for purposes of calculating NOI.

FINANCIAL PERFORMANCE

The Fund does not, as a matter of course, publish its business plans, budgets, strategies or make external projections or forecasts, including its anticipated financial position and results of operations. Pursuant to applicable Canadian securities laws, the Fund is required to update the Forecast set out in its Prospectus during the relevant period by identifying any material changes from the Forecast resulting from events that have occurred since it was issued and by comparing the Forecast with actual results for the periods covered.

The Fund is also required to discuss events and circumstances that occurred during the period from April 24, 2017 to June 30, 2017 that are reasonably likely to cause actual results to differ materially from the Forecast for periods that are not yet complete and their expected differences, if any. The Forecast assumed the Properties were owned for the entire three months ended June 30, 2017 and for comparison purposes has been adjusted to reflect the Fund's actual 15 day period of ownership of the Properties. The Forecast also assumed that the Fund would raise gross subscription proceeds at the closing of the Offering of $57,000 and the Fund actually raised $64,923, so the Fund has additional cash to deploy and will have higher obligations to Unitholders in the way of distributions when compared to the Forecast.

	Period from April 24, 2017 to June 30, 2017	Forecast
Revenue from property operations	$ 586	$ 588
Property operating costs	(135)	(149)
NOI	451	439
Finance costs	(145)	(144)
Fund and trust expenses	(71)	(89)
Unrealized foreign exchange gain	3	-
Fair value adjustment IFRIC 21	(102)	(105)
Income taxes:		
Current	(1)	(1)
Deferred	(72)	(72)
Net income and comprehensive income	$ 63	$ 28

RESULTS OF OPERATIONS

The following discussion compares the Fund's actual results for the Initial Reporting Period to the Forecast for the same period.

	Period from April 24, 2017 to June 30, 2017	Forecast	% Variance
Revenue from property operations	$ 586	$ 588	(0.3)%
Property operating costs	135	149	9.4%
Property taxes (1)	102	105	2.8%
NOI	$ 349	$ 334	4.5%
NOI margin	59.6%	56.9%	

(1) Property taxes were adjusted to exclude the IFRIC 21 adjustment and treat realty taxes as an expense that is amortized during the fiscal year.

REVENUE FROM PROPERTY OPERATIONS

Revenue from property operations was in-line with the Forecast for the 15-day operating period commencing June 16, 2017 to June 30, 2017. Higher AMR than Forecast was offset by lower economic occupancy. Spectra South had economic occupancy for the operating period of 90.3% and AMR of $995. The Landing had economic occupancy for the operating period of 93.6% and AMR of $1,345. On a combined basis, the Properties had economic occupancy of 92.6% and AMR of $1,217. The Forecast for The Landing assumed occupancy for the second quarter of 95.5% and actual occupancy as at June 30, 2017 was 95.5%. The Forecast for Spectra South assumed occupancy for the second quarter of 94.1% and actual occupancy as at June 30, 2017 was 89.7%.

AVERAGE MONTHLY RENT AND OCCUPANCY

The following table presents AMR (in actual dollars) as at June 30, 2017 and economic occupancy of the Properties for the 15-day operating period commencing June 16, 2017 to June 30, 2017.

	As at June 30, 2017			
Properties	**Suites**		**AMR**	**Occ %**
The Landing	583	$	1,345	93.6%
Spectra South	360	$	995	90.3%
Total	943	$	1,217	92.6%

AMR for the Properties as at June 30, 2017 was $1,217 compared to Forecast of $1,197, an increase of $20 or 1.7%. The Landing AMR was $1,345 compared to Forecast of $1,328, an increase of $17 or 1.3% and Spectra South AMR was $995 compared to $993. Economic occupancy for the Properties was 92.6% compared to Forecast of 94.7%. The Landing economic occupancy was 93.6% compared to Forecast of 95.0% and Spectra South economic occupancy was 90.3% compared to Forecast 94.1%.

PROPERTY OPERATING COSTS

Property operating costs were $14 or 9.4% lower than Forecast for the 15-day operating period commencing June 16, 2017 to June 30, 2017, driven by lower repair and maintenance expenses than Forecast for the period.

PROPERTY TAXES

Property taxes were $102 for the 15-day operating period commencing June 16, 2017 to June 30, 2017 compared to the forecasted amount of $105. The reduction of $3 or 2.8% was due to lower anticipated property tax expense at The Landing due to the assessed value received being lower than Forecast.

NOI

The Fund's NOI was $15 or 4.5% higher than Forecast for the 15-day operating period commencing June 16, 2017 to June 30, 2017 mainly due to the lower than expected property operating costs.

NOI margin for the 15-day operating period commencing June 16, 2017 to June 30, 2017 was 59.6% compared to Forecast of 56.9%. The higher NOI margin relative to Forecast was the result of lower property operating costs during the period.

FINANCE COSTS

The Fund's finance costs for the 15-day operating period commencing June 16, 2017 to June 30, 2017 and are summarized below:

		Period from April 24, 2017 to June 30, 2017		Forecast
Interest on mortgages payable	$	135	$	135
Amortization of financings costs		10		9
Total	$	145	$	144

Interest on mortgages payable for the 15-day operating period commencing June 16, 2017 to June 30, 2017 was $135 (Forecast - $135). Forecasted interest on mortgages payable was based on the U.S. 30 day LIBOR forward curve.

Amortization of financing costs for the 15-day operating period commencing June 16, 2017 to June 30, 2017 was $10 (Forecast - $9).

DISTRIBUTIONS TO UNITHOLDERS

Consistent with the Prospectus, the Fund declared its first distribution and intends to distribute immediately following its first full month of operations on August 15, 2017. The distribution for class A, C, D and F units represents an annualized return of 6.0%, or C$0.60 and the distribution for class U and E units represents an annualized return of 6.0%, or $0.60. Class H Unitholders will receive an adjusted distribution to offset the cost of the hedge protection on their units of C$0.01667, or 2.0% annualized return on initial capital.

FUND AND TRUST EXPENSES

Fund and trust expenses include costs incurred by the Fund that are not directly attributable to the Properties. These costs include items such as legal and audit fees, director fees, investor relations expenses, directors' and officers' insurance premiums, expenses relating to the administration of the Fund's distributions and other general and administrative expenses associated with the operation of the Fund. Also included in Fund expenses are asset management fees payable to Starlight. See "Related Party Transactions and Arrangements – Arrangements with Starlight".

Fund and trust expenses for the period from April 24, 2017 (date of formation) to June 30, 2017 were $71 (Forecast - $89), a decrease of $18 or 20.2% due to the shorter Initial Reporting Period. Also included in Fund and trust expenses are asset management fees of $22 (Forecast - $22).

UNREALIZED FOREIGN EXCHANGE GAIN

The Fund recognized an unrealized foreign exchange gain of $3 for the 15-day operating period commencing June 16, 2017 to June 30, 2017 based on unrealized timing differences relating to C$ held between the time of closing the Offering and June 30, 2017.

INVESTMENT PROPERTIES – FAIR VALUE ADJUSTMENTS

The Fund has selected the fair value method to account for real estate classified as investment properties. Fair values are supported by a combination of internal financial information and market data. The determination of fair value is based on, among other things, the amount of rental income from future leases reflecting current market conditions, adjusted for assumptions of future cash flows in respect of current and future leases, capitalization rates and expected occupancy rates.

The Fund is currently working on a number of value enhancing initiatives at the properties. At Spectra South, the Fund plans to complete the following in the near term: paint the exterior of the building, repair and upgrade the parking lot and entryway, upgrade the clubhouse and fitness centre, refinish the pool and add additional pool furniture along with the ongoing suite upgrade program that includes new plank flooring, upgraded lighting, kitchen faucets, cabinets, bathroom lighting, bathroom hardware and painting.

At The Landing, the Fund plans to complete the following in the near term: upgrade the main clubhouse including the relocation of the leasing office, the addition of a Wi-Fi café and package locker system and repurpose the movie theater and games room. The Fund also plans to complete exterior upgrades to the property including exterior painting, enhance the pool including pool deck redesign, landscape upgrades, new pool furniture and games area and to create a barbeque grilling centre. The Fund will also aim to complete suite upgrades that include new plank flooring, stainless steel appliances, upgraded lighting, kitchen cabinets, kitchen plumbing, quartz countertops in kitchen and bathroom, upgraded bathroom sink and faucet, lighting and hardware.

The planned suite upgrades at both Properties are expected to generate significant increases in rental rates and provide attractive returns on the capital invested.

The Fund recorded a fair value increase on its investment properties of $nil for the 15-day operating period from June 16, 2017 to June 30, 2017.

The following table summarizes the change in investment properties held by the Fund for the period.

		Amount
Opening Balance at April 24, 2017	$	-
Acquisition of investment properties		153,978
Capital additions		22
IFRIC 21 realty tax liability adjustments		1,254
Fair value	$	155,254

The following table reconciles the cost base of investment properties to their fair value:

		As at June 30, 2017
Cost	$	154,000
IFRIC 21 realty tax liability adjustment		1,254
Fair value	$	155,254

The key assumptions for investment properties held by the Fund are set out in the following table:

	As at June 30, 2017
Capitalization rates - range	4.90-5.00%
Capitalization rate - weighted average	4.94%

The fair values of the Fund's investment properties are sensitive to changes in the key valuation assumptions. Changes in the weighted average capitalization rates would result in a change to the fair value of the Fund's investment properties as set out in the following table:

Key assumptions	Change		As at June 30, 2017
Weighted average:			
Capitalization rate	10-basis-point increase	$	(3,106)
Capitalization rate	10-basis-point decrease	$	3,235

The impact of a 1% change in NOI used to value the investment properties as at June 30, 2017 would affect the fair value by approximately $1,565.

INCOME TAXES – CURRENT

The Fund's current income taxes for the 15-day operating period from June 16, 2017 to June 30, 2017 were $1 (Forecast - $1) relating to Texas franchise taxes accrued at The Landing.

INCOME TAXES - DEFERRED

The Fund recognized a $72 deferred tax liability that was consistent with the adjusted Forecast. The deferred tax liability is the result of differences between the accounting and tax asset values of the investment properties.

NON-IFRS FINANCIAL MEASURES – FFO AND AFFO

Non-IFRS financial measures have been prepared for the Initial Reporting Period with a comparison to Forecast.

FUNDS FROM OPERATIONS

Reconciliation of net income and comprehensive income, determined in accordance with IFRS to FFO is presented below for the Initial Reporting Period with a comparison to the Forecast.

		Period from April 24, 2017 to June 30, 2017		Forecast
Net income and comprehensive income	$	63	$	28
Add / (Less):				
Deferred taxes		72		72
Unrealized foreign exchange gain		(3)		-
FFO	$	132	$	100
FFO per unit - basic and diluted		$0.02		$0.01
Weighted average units outstanding:				
Basic and diluted - class A, C, D, E, F, H & U - (000s)		8,180		7,457

Basic and diluted FFO and FFO per unit for the period from April 24, 2017 to June 30, 2017 representing a 15-day operating period from June 16, 2017, the date of the acquisition of the Properties to June 30, 2017 were $132 and $0.02, respectively, (Forecast - $100 and $0.01). FFO was $32 higher than Forecast, primarily due to the NOI increase of $12, and Fund and trust expenses being $18 lower than Forecast.

ADJUSTED FUNDS FROM OPERATIONS

Reconciliation of FFO to AFFO for the Initial Reporting Period with a comparison to Forecast is provided below.

		Period from April 24, 2017 to June 30, 2017		Forecast
FFO	$	132	$	100
Add / (Deduct):				
Amortization of financing costs		10		9
Sustaining capital expenditures and suite renovation reserves		(10)		(10)
AFFO	$	132	$	99
AFFO per unit - basic and diluted	$	0.02	$	0.01
Weighted average Units outstanding:				
Basic and diluted - Class A, C, D, E, F, H & U - (000s)		8,180		7,457

Reconciliation of cash provided by operating activities determined in accordance with IFRS to AFFO for the Initial Reporting Period is provided below:

		Period from April 24, 2017 to June 30, 2017
Cash provided by operating activities	$	(547)
Less: interest paid		(135)
Cash provided by operating activities - including interest paid	$	(682)
Add / (Deduct):		
Change in non-cash operating w orking capital		(427)
Fair value adjustment of investment properties relating to IFRIC 21		1,254
Unrealized foreign exchange gain		(3)
Sustaining capital expenditures and suite renovation reserves		(10)
AFFO	$	132

Basic and diluted AFFO and AFFO per unit for the period from April 24, 2017 to June 30, 2017 were $132 and $0.02 respectively, (Forecast - $99 and $0.01). The increases in AFFO and AFFO per unit were primarily due to the increase in NOI and lower Fund and trust expenses than in the Forecast.

The Fund did not declare a distribution to Unitholders for the Initial Reporting Period so FFO and AFFO payout ratios are not reported. See "Risks and Uncertainties".

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Fund expects to be able to meet all of its obligations, including distributions to Unitholders and property maintenance and capital expenditure commitments as they become due. The Fund has financing sources to fulfill its commitments including cash flow from its operating activities, mortgage debt secured by investment properties and future funding from its first mortgages to assist with value-enhancing initiatives. As at June 30, 2017, the Fund was in compliance with all of its financial covenants.

CASH FLOWS

Cash flow provided by operating activities represents the primary source of liquidity to fund distributions, debt service and capital improvements. The Fund's cash flow from operating activities is dependent upon the occupancy level of its investment properties, the rental rates on its leases, the collectability of rent from its tenants, the level of operating and other expenses and other factors. Material changes in these factors may adversely affect the Fund's net cash flow from operating activities and liquidity. A more detailed discussion of these risks is found under the "Risks and Uncertainties" section.

The following table details the changes in cash for the period from April 24, 2017 to June 30, 2017:

		Period from April 24, 2017 to June 30, 2017
Cash used in operating activities	$	(546)
Cash provided by financing activities		165,725
Cash used in investing activities		(155,215)
Increase in cash		9,964
Cash, beginning of period		-
Cash, end of period	$	9,964

Cash on hand at June 30, 2017 was $9,964. The Fund also held internally restricted cash of $1,876 relating to withholding tax requirements on the acquisition of Spectra South, acquired from an affiliate of the Manager and the Fund is acting as the withholding agent. See "Related Party Transactions and Arrangements".

Cash used in operating activities for the period was $546 and related primarily to the adjustment associated with property taxes and IFRIC 21 for the initial acquisitions of the Properties net of operating activity.

Cash provided by financing activities for the period was $165,725 and included net proceeds on the issuance of Fund units, net of issuance costs of $61,649, proceeds from new financing, net of deferred financing costs of $104,211, and partially offset by financing costs paid of $135.

Cash used in investing activities for the period was $155,215 and related to the acquisition of the Properties of $155,193 and $22 relating to capital additions to the investment properties.

CAPITAL STRUCTURE AND DEBT PROFILE

CAPITAL STRUCTURE

The Fund's capital is the aggregate of Indebtedness and net liabilities attributable to Unitholders. The Fund's capital management is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions as well as existing debt covenants, as the Fund continues to build Unitholder value and maintain sufficient capital contingency amounts.

As at June 30, 2017, the total capital of the Fund was as follows:

		As at June 30, 2017
Mortgages payable	$	104,950
Net liabilities attributable to Unitholders		61,712
Total capital	$	166,662

DEBT PROFILE

As at June 30, 2017, the overall leverage, as represented by the ratio of Indebtedness to Gross Book Value was 67.6%. The maximum allowable ratio under the Fund's first amended and restated limited partnership agreement dated June 12, 2017 is 75%. The weighted average mortgage interest rate for the Fund, as at June 30, 2017 was 3.17% and the weighted average term to maturity of the mortgage portfolio was 3.00 years.

The following table summarizes key liquidity metrics:

	As at June 30, 2017
Indebtedness to Gross Book Value	67.60%
Weighted average interest rate - mortgages	3.17%
Weighted average term to maturity - mortgages	3.00 years
	Period from April 24, 2017 to June 30, 2017
Interest Coverage Ratio	1.52 x
Indebtedness Coverage Ratio	1.52 x

The Interest Coverage Ratio and the Indebtedness Coverage Ratio for the period from April 24, 2017 to June 30, 2017 representing a 15-day operating period was 1.52 times and 1.52 times, respectively.

The Fund's objective in managing interest rate risk is to minimize the volatility of the Fund's income. The Fund has the ability to enter into interest rate cap agreements for all its floating rate mortgages. Loan agreements in respect of the Properties may require the Fund to enter into interest rate cap agreements once 30-day U.S. LIBOR reaches stipulated levels.

MORTGAGES PAYABLE

The following table sets out scheduled principal and interests payments and amounts maturing on the mortgages over each of the next five fiscal years and the weighted average interest rate of maturing mortgages based on the Fund's consolidated financial statements as at June 30, 2017:

	Scheduled principal payments	Debt maturing during the year	Total mortgages payable	Percentage of total mortgages payable	Weighted average interest rate of maturing mortgages	Scheduled interest payments
2017	$ -	$ -	$ -	0.00%	0.00%	$ 1,723
2018	-	-	-	0.00%	0.00%	3,418
2019	-	-	-	0.00%	0.00%	3,418
2020	-	104,950	104,950	100.00%	3.17%	1,729
	$ -	$ 104,950	$ 104,950	100.00%	3.17%	$ 10,288
Unamortized financing costs			(729)			
			$ 104,221			

In addition to the mortgages payable of $104,950 that partly funded the acquisitions of the Spectra South and The Landing, the loan agreements allow for future advances of up to $7,200 to fund the planned value enhancing initiatives at the Properties.

COMMITMENTS AND CONTINGENCIES

From time to time in the normal course of business, the Fund may be involved in litigation and claims in relation to its investment properties. As at the date hereof, in the opinion of management, none of the litigation or claims, individually or in aggregate, would result in a liability that would have a significant adverse effect on the financial position of the Fund. The Fund has agreed to indemnify, in certain circumstances, the directors and officers of the Fund and its subsidiaries.

NET LIABILITIES ATTRIBUTABLE TO UNITHOLDERS'

The Fund is authorized to issue an unlimited number of units. The beneficial interest in the net income and comprehensive income of the Fund is divided into seven classes of units: class A units; class C units; class D units; class E units; class F units; class H units; and class U units. Below is a summary by Class of the net liabilities attributable to Unitholders for the period from April 24, 2017 to June 30, 2017:

	Class A	Class C	Class D	Class E	Class F	Class H	Class U	Total
Net liabilities attributable to Unitholders, April 24, 2017	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes during the period								
Units issued pursuant to the Offering, net of issue costs	12,918	12,061	9,994	9,305	13,119	1,338	2,914	61,649
Re-allocation due to unit conversions	(492)	-	500	876	(8)	-	(876)	-
Net income and comprehensive income	13	12	11	11	13	1	2	63
Net liabilities attributable to Unitholders, June 30, 2017	$ 12,439	$ 12,073	$ 10,505	$ 10,192	$ 13,124	$ 1,339	$ 2,040	$61,712

UNITS

The following table summarizes the changes in units outstanding for the period from April 24, 2017 to June 30, 2017:

(in thousands of units)	Class A	Class C	Class D	Class E	Class F	Class H	Class U	Total
Outstanding as at April 24, 2017	-	-	-	-	-	-	-	-
Units issued pursuant to the Offering, completed, June 16, 2017	1,834	1,623	1,419	997	1,805	190	312	8,180
Unit conversions	(70)	-	70	94	-	-	(94)	-
Outstanding, as at June 30, 2017	1,764	1,623	1,489	1,091	1,805	190	218	8,180

As at June 30, 2017, there were 8,179,933 units issued and outstanding, comprised of 1,763,973 class A units, 1,622,500 class C units, 1,419,000 class D units, 1,805,480 class F units, 190,000 class H units, 312,080 class U units and 1,090,500 class U units.

RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

ARRANGEMENTS WITH STARLIGHT

The Fund engaged Starlight to perform certain management services, as outlined below. Starlight is a related party to the Fund as the Manager is owned and controlled by Daniel Drimmer who is a director and Chief Executive Officer of the General Partner and a significant Unitholder of the Fund.

(a) Pursuant to the management agreement dated June 16, 2017 (the "Management Agreement"), the Manager is to perform asset management services for fees equal to 0.35% of the sum of:

I. the historical purchase price of the Properties acquired in U.S. dollars; and

II. the cost of any capital expenditures in respect of the Properties since the date of acquisition by the Fund in U.S. dollars.

For the period from April 24, 2017 to June 30, 2017, the Fund operated the Properties for 15-days since the date of acquisition, June 16, 2017 to June 30, 2017 and asset management fees of $22 were charged to Fund and trust expenses. The amount payable to the Manager as at June 30, 2017 was $22.

(b) Pursuant to the Management Agreement, Starlight is entitled to receive an acquisition fee in respect of properties acquired, directly or indirectly, by the Fund as a result of such properties having been presented to the Fund by Starlight calculated as follows:

- 1.0% of the purchase price of a property, on the first $150,000 of properties acquired in each calendar year;
- 0.75% of the purchase price of a property, on the next $150,000 of properties acquired in each calendar year; and
- 0.50% of the purchase price on properties in excess of $300,000 of properties acquired in each calendar year.

For the period from April 24, 2017 to June 30, 2017, the Fund incurred acquisition fees of $1,535 under the Management Agreement. Acquisition fees are paid at the time of acquisition and are initially capitalized to investment properties on acquisition. The acquisition of Spectra South for $59,200 was from an affiliated entity of the Manager.

In addition, the Fund reimburses the Manager for all reasonable and necessary actual out-of-pocket costs and expenses incurred by the Manager in connection with the performance of the services described in the Management Agreement or such other services which the Fund and the Manager agree in writing are to be provided from time to time by the Manager.

The Management Agreement expires on the winding-up or dissolution of the Fund, unless and until the Management Agreement is terminated in accordance with the termination provisions.

CARRIED INTEREST

The partners of Starlight Investments Value-Add Partnership ("SIVAP") currently being the Manager and the President of the General Partner, through SIVAP's indirect interest in the Starlight U.S. Multi-Family (No. 1) Value-Add Holding LP ("Holding LP"), a 99.99% owned subsidiary of the Fund are entitled to 25% of the total of all amounts each of which is the amount, if any, by which (i) the aggregate amount of distributions which would have been paid on all units of the Fund of a particular class if all Distributable Cash, as defined in the Prospectus, of the Holding LP were received by the Fund (through Starlight U.S. Multi-Family (No. 1) Value-Add Investment LP ("Investment LP"), a 100% owned subsidiary of the Fund and Starlight U.S. Multi-Family (No. 1) Value-Add Investment GP, Inc., a 100% owned subsidiary of the Fund, together with all other amounts distributable by the Fund, and distributed by the Fund (net of any amounts required to provide for expenses and determined without reference to any applicable U.S. taxes payable by or on behalf of the Investment LP) to Unitholders of the Fund in accordance with the Fund's amended and restated limited partnership agreement, exceeds (ii) the aggregate Minimum Return, as defined in the Prospectus, in respect of such class of Units of the Fund (the calculation of which, for greater clarity includes the amount of the Investors Capital Return Base, as defined in the Prospectus), each such excess, if any, to be calculated in U.S. dollars and, in the case of Canadian Dollar Units, based on the applicable exchange rate on the date of distribution for actual distributions paid by the Fund and otherwise on the date of the applicable distribution from the Holding LP to the Investment LP and by the Investment LP to, directly or indirectly, the Fund, provided that, to the extent that the aggregate amount of distributions which would have been paid on all units of the Fund of a particular class pursuant to the foregoing exceed the Minimum Return for such class, the partners of SIVAP (currently being the Manager and the President of the General Partner), through SIVAP's indirect interest in the Holding LP, will be entitled to 50% of each such excess amount (i.e., a catch-up) until the excess, if any, which would have been distributed in respect of such class in excess of the Investors Capital Return Base is equal to three times (i.e., 75%/25%) the catch-up payment receivable by the Manager in respect of such class.

As at June 30, 2017, the Fund had not recognized a liability to SIVAP in relation to the carried interest.

SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICIES

A summary of the significant accounting policies is available in Note 2 in the unaudited consolidated interim financial statements of the Fund for the period April 24, 2017 (date of formation) to June 30, 2017. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at each financial statement date, and revenues and expenses for the periods indicated. Actual results could differ from those estimates.

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Those estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that it believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in these consolidated financial statements. The estimates used in determining the recorded amount for assets and liabilities in the consolidated financial statements include the following:

INVESTMENT PROPERTIES

The estimates used when determining the fair value of investment properties are capitalization rates and stabilized future cash flows. The capitalization rate applied is reflective of the characteristics, location and market of each investment property.

The stabilized future cash flows of each investment property based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. Management determines fair value internally utilizing internal financial information, external market data and capitalization rates provided by independent industry experts and third party appraisals.

FINANCIAL INSTRUMENTS

Critical judgments and estimates are also made in the determination of fair value of financial instruments and include assumptions and estimates regarding future interest rates, the relative creditworthiness of the Fund to its counterparties, the credit risk of the Fund's counterparties relative to the Fund, the estimated future cash flows and discount rates.

LEASES

The Fund makes judgments in determining whether certain leases, in particular tenant leases are accounted for under IFRS as either operating or finance leases. The Fund has determined that all of its leases are operating leases.

INCOME TAXES

The Fund applies judgment in determining the tax rates applicable to its subsidiaries and identifying the temporary differences in each of such legal subsidiaries in respect of which deferred income taxes are recognized. Deferred taxes relate to temporary differences arising from its subsidiaries and are measured based on tax rates that are expected to apply in the year when the asset is realized or the liability is settled.

Temporary differences are differences that are expected to reverse in the future and arise from differences between accounting and tax asset values.

The Fund's estimate of deferred taxes is based on the assumption that the Fund's liquidating event occurs either through a direct sale of the properties or through a disposition of its ownership interests in its U.S. subsidiaries.

Should the Fund's liquidating event occur through a sale of the Fund's limited partnership interests, the estimated deferred taxes would not be incurred by the Fund.

CARRIED INTEREST

The determination by the Fund as at each Statement of Financial Position date as to whether a provision for carried interest should be recognized to holders of the class B limited partnership units of SIVAP is based, among other criteria, on the Fund's analysis of the net liabilities attributable to Unitholders, distributions paid to Unitholders since the formation of the Fund and the Fund's ability to meet the requirement to return the initial investment amount contributed from the limited partners of the Fund and the Minimum Return.

FUTURE ACCOUNTING POLICY CHANGES

The future accounting policy changes are discussed in the Fund's unaudited consolidated interim financial statements for the period from April 24, 2017 (date of formation) to June 30, 2017.

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the units of the Fund and in the activities of the Fund. Risks and uncertainties are disclosed in the Prospectus in the Risks and Uncertainties section that is available at www.sedar.com**.** If any of the risks outlined in such disclosure or those outlined in the Prospectus occur or if others occur, the Fund's business, operating results and financial condition could be seriously harmed and investors may lose all of their investment. Risks affecting the Fund will affect its ability to make distributions on its Units. Other than set out or contemplated herein, management is not aware of any significant changes in risk and uncertainties since June 12, 2017, the date of the Prospectus.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Fund maintains information systems, procedures and controls to ensure all information disclosed externally is as complete, reliable and timely as possible. Such internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

Because of the inherent limitations in all control systems, including well-designed and operated systems, no control system can provided complete assurance that the objectives of the control system will be met. Furthermore, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, will be detected or prevented. These inherent limitations include, without limitation, the possibility that management's assumptions and judgements may ultimately prove to be incorrect under varying conditions and circumstances and the impact of isolated errors.

Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

Based on their evaluations, the Chief Executive Officer and the Chief Financial Officer have concluded that the Fund's internal controls over financial reporting were effective and do not contain any material weaknesses, as at June 30, 2017.

FUTURE OUTLOOK

Starlight believes that the Properties will benefit from stable demand for residential rental accommodation. The Primary Markets exhibit sustained job and population growth and benefit from the continued shift away from home ownership, including as a result of lifestyle choice. The supply of comparable, multi-suite residential properties continues to be at reasonable levels given the strength of the demand drivers. The strong economic performance across the U.S. and in the Primary Markets in particular is supportive for multi-family real estate fundamentals.

The Fund is focused on acquiring a third value-add property utilizing the undeployed proceeds from the Offering. In addition, the Fund has initiated its value-enhancing capital expenditure program at the Properties which combined with active asset management initiatives is anticipated to drive strong occupancy, rental and NOI growth. The Fund expects to produce consistent investment returns for Unitholders while carrying out its value enhancing capital initiatives.

QUARTERLY INFORMATION

		Period from April 24, 2017 to June 30, 2017 (1)
Revenue from property operations	$	586
Property operating costs		135
Income from property operations		451
Finance costs		(145)
Fund expenses		(71)
Unrealized foreign exchange gain		3
Fair value adjustment IFRIC 21		(102)
Income taxes:		
Current		(1)
Deferred		(72)
Net income and comprehensive income for the period	$	63
FFO		$132
AFFO		$132
FFO per Unit - basic and diluted		$0.02
AFFO per Unit - basic and diluted		$0.02

Notes:

(1) Represents the 15-day operating period commencing the date the Initial Properties were acquired to June 30, 2017.

Additional information relating to the Fund can be found on SEDAR at www.sedar.com.

Dated: August 10, 2017

Toronto, Ontario, Canada