

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND FORMS DEALER SYNDICATE AND FILES AMENDED AND RESTATED PRELIMINARY PROSPECTUS IN RESPECT OF ITS MAXIMUM \$430 MILLION INITIAL PUBLIC OFFERING



OFFERING INCLUDES AN AGGREGATE COMMITMENT OF MORE THAN \$175 MILLION COMPRISING \$105 MILLION FROM STARLIGHT, KINGSETT AND AIMCO REALTY, A \$35 MILLION LEAD ORDER FROM TIMBERCREEK ACQUISITIONS INC. ON A PRIVATE PLACEMENT BASIS AND ELECTIONS BY EXISTING UNITHOLDERS OF NORTHVIEW REIT TO RECEIVE APPROXIMATELY \$37 MILLION OF UNITS

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Toronto – **June 19, 2020** – /CNW/ - Northview Canadian High Yield Residential Fund (the “**Fund**”) announced today that it has formed a syndicate of agents, led by CIBC Capital Markets and including RBC Capital Markets, Scotiabank, TD Securities Inc., BMO Capital Markets, National Bank Financial Inc., Raymond James Ltd., Canaccord Genuity Corp., Richardson GMP Limited, Desjardins Securities Inc., Industrial Alliance Securities Inc. and Laurentian Bank Securities Inc. (collectively, the “**Agents**”), and has filed with, and obtained a receipt from, the securities commissions of each of the provinces and territories of Canada, other than Québec, for an amended and restated preliminary prospectus amending and restating the preliminary prospectus of the Fund dated April 27, 2020, and it has filed with, and obtained a receipt from, the securities commission in Québec, for a preliminary prospectus, for its initial public offering of trust units (the “**Offering**”). The amended and restated preliminary prospectus qualifies the distribution of a maximum of \$430 million of class A trust units (the “**Class A Units**”) and/or class F trust units (the “**Class F Units**”, and collectively with the Class A Units, the “**Offered Units**”) of the Fund at a price of \$12.50 per Offered Unit (the “**Offering Price**”).

On February 19, 2020, Galaxy Real Estate Core Fund LP, Galaxy Value Add Fund LP, D.D. Acquisitions Partnership, an affiliate of Starlight Group Property Holdings Inc. (“**Starlight Group**”) and KingSett Real Estate Growth LP No. 7 and KingSett Canadian Real Estate Income Fund LP (“**KingSett Group**”) entered into an arrangement agreement with Northview Apartment Real Estate Investment Trust (“**NV1**”) and NPR GP Inc. (one of the general partners of NPR Limited Partnership, a subsidiary limited partnership of NV1) to acquire NV1, subject to the satisfaction of certain conditions, including receipt of the requisite approval of unitholders of NV1 (“**NV1 Unitholders**”), which was obtained on May 25, 2020, approval of the Alberta Court of Queen’s Bench, which was obtained on May 29, 2020, regulatory approvals, and consents and approvals from Canada Mortgage and Housing Corporation and certain of NV1’s lenders (the “**Proposed Transaction**”). Under the terms of the Proposed Transaction, each NV1 Unitholder will receive cash in the amount of \$36.25 per trust unit of NV1, subject to the option for NV1 Unitholders to elect to receive all or a portion of the consideration for the Proposed Transaction in class C trust units of the Fund (“**Class C Units**”) and, collectively with the Offered Units, the “**Units**”) on a fully or partially tax-deferred basis. The Proposed Transaction will close over the course of two days in accordance with the steps set forth in the plan of arrangement for the Proposed Transaction, with the Offering anticipated to close on or about the second day. NV1 Unitholders have elected to receive approximately \$37.0 million of Class C Units in connection with the Proposed Transaction. Closing of the Proposed Transaction and the Offering is expected for the third quarter of 2020.

Starlight Group has committed to invest, directly or indirectly, a minimum of \$30,000,000 in the Fund by electing to receive Class C Units pursuant to the Proposed Transaction, and KingSett Group, together with AIMCo Realty Investors LP (“**AIMCo Realty**”), have committed to invest a minimum of \$75,000,000 in the Fund. In addition, Timbercreek Acquisitions Inc. has committed to subscribe, directly or through an affiliate, on a lead order basis for an aggregate of \$35,000,000 of Class C Units by way of a concurrent private placement. The Fund may issue additional Units, by way of additional private placements concurrent with the closing of the Offering at the Offering Price, the proceeds of which will be included in calculating the maximum issue size of the Offering.

The Fund was established for the primary purpose of indirectly acquiring, owning and operating a geographically diversified portfolio (the “**Initial Portfolio**”) comprising income-producing multi-residential suites, commercial real estate and executives located primarily in secondary markets within British Columbia, Alberta, Saskatchewan, Québec, New Brunswick, Newfoundland and Labrador, the Northwest Territories and Nunavut (the “**Secondary Markets**”) in connection with the Proposed Transaction.

The Initial Portfolio comprises approximately 10,900 multi-residential suites, approximately 1,100,000 square feet of commercial real estate and approximately 340 executives located in the Secondary Markets with high corporate demand for housing, with an anchor portfolio leased largely by the federal, provincial and territorial governments as well as credit-rated corporations.

In connection with the Proposed Transaction, Starlight Group and KingSett Group attributed an aggregate value of approximately \$1.674 billion for the properties comprising the Initial Portfolio. The appraised value of the Initial Portfolio of between \$1.862 billion and \$1.907 billion represents an initial increase from the attributed value of between \$188 million and \$233 million, and an appraisal capitalization rate (a non-IFRS measure) of 6.9%.

The Fund will target an annual pre-tax distribution yield of approximately 10.5% on the gross subscription proceeds of the Offering and the implied gross proceeds for Class C Units issued under the Proposed Transaction across all classes of Units in the aggregate. The amended and restated preliminary prospectus of the Fund dated June 18, 2020 describes the assumptions underlying, and risks related to, the targeted annual pre-tax distribution yield.

As part of the Proposed Transaction, the Fund will indirectly acquire, on the day prior to the completion of the Offering, a 100% interest in the Initial Portfolio. This acquisition is intended to constitute a “qualifying disposition” (as defined in subsection 107.4(1) of the *Income Tax Act* (Canada)). Net proceeds from the Offering and any concurrent private placements, together with indebtedness to be incurred by the Fund (to the extent required), will be used, to fund a portion of the cash amount payable to NV1 Unitholders under the Proposed Transaction (the “**Cash Amount**”).

Starlight Group is the promoter of the Fund and an affiliate of Starlight Group will act as manager of the Fund. Starlight Group currently owns and/or manages \$14.0 billion in assets in Canada and the U.S., including 400 properties, approximately 43,000 multi-residential suites (of which approximately 30,000 multi-residential suites are located in Canada spread across five provinces with a current approximate value of \$8.5 billion and of which approximately 13,000 multi-residential suites are located in the U.S. with a current approximate value of \$3.5 billion), and approximately 7,000,000 square feet of commercial space in Canada through various entities (spread across five provinces with a current approximate value of \$2.0 billion), including its partnership with several global institutional investors and family offices. Starlight Group has extensive experience overseeing and working with publicly listed entities and currently provides services to two publicly listed entities: True North Commercial REIT (TSX: TNT.UN) and Starlight U.S. Multi-Family (No. 1) Core Plus Fund (TSX-V: SCPO.UN). Starlight Group believes it has been among North America’s most active real estate investors since its inception in 1995 and employs more than 225 professionals, including more than 125 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Starlight Group has completed transactions having an aggregate value of over \$25.0 billion, with a transaction volume of approximately 85,000 multi-residential suites with over \$6.0 billion of invested capital.

An amended and restated preliminary prospectus and preliminary prospectus, as applicable, containing important information relating to these securities has been filed with securities commissions or similar authorities in each of the provinces and territories of Canada. The amended and restated preliminary prospectus and preliminary prospectus, as applicable, is still subject to completion or amendment. Copies of the amended and restated preliminary prospectus and preliminary prospectus may be obtained from any of the Agents and are available on SEDAR at www.sedar.com. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

The closing of the Offering is conditional upon the completion of the Proposed Transaction and the Class A Units being approved for listing on the Toronto Stock Exchange. The Fund has applied to have the Class A Units listed on the Toronto Stock Exchange. Listing is subject to the approval of the Toronto Stock Exchange in accordance with its original listing requirements. The Toronto Stock Exchange has not conditionally approved the Fund’s listing application and there is no assurance that the Toronto Stock Exchange will approve the listing application. There will be no closing of the Offering unless all closing conditions of the Proposed Transaction (other than payment of the Cash Amount) have been satisfied or waived.

This press release does not constitute an offer to sell or the solicitation of an offer to buy securities of the Fund in the United States, nor shall there be any sale of the securities of the Fund in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”), and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws.

Non-IFRS Financial Measures

The combined carve-out financial statements for the Initial Portfolio are prepared in accordance with International Financial Reporting Standards (“**IFRS**”). Capitalization rate does not have a standardized definition prescribed by IFRS and is, therefore,

unlikely to be comparable to similar measures presented by other reporting issuers. The Fund uses this measure to better assess the Initial Portfolio's underlying performance and financial position and provides this additional measure so that investors may do the same. Details on capitalization rate are set out in the amended and restated preliminary prospectus and preliminary prospectus of the Fund, available on SEDAR at www.sedar.com.

Forward-looking Statements

This news release contains statements that include forward-looking information within the meaning of Canadian securities laws. These forward-looking statements reflect the current expectations of the Fund and Starlight regarding future events, including statements concerning the use of proceeds of the Offering, the investments in the Fund by Starlight, KingSett Group and AIMCo Realty, the subscription for Class C Units on a lead order basis by Timbercreek Acquisitions Inc. and the timing of the Offering, the Proposed Transaction, the completion of the Proposed Transaction, the acquisition of properties by the Fund in connection with the Proposed Transaction, the Fund's expected annual pre-tax distribution yield of approximately 10.5% on gross subscription proceeds (or implied gross subscription proceeds) and the listing of the Class A Units on the Toronto Stock Exchange. 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.

Material factors and assumptions used by management of the Fund to develop the forward-looking information include, but are not limited to, the Fund's current expectations about: vacancy and rental growth rates in the multi-residential suites, commercial real estate and executives markets in the Secondary Markets; demographic trends in Canada; the impact of COVID-19 on the Initial Portfolio and the Secondary Markets; the occupancy level of the Initial Portfolio; the continued receipt of rental payments in line with historical collections; the applicability of any government regulation concerning tenants or rents as a result of COVID-19; the value and timing of any recapitalization event; the availability of mortgage financing and future interest rates; the capital structure of the Fund; the growth in net operating income generated from the asset management strategy; the population of multi-residential real estate market participants; assumptions about the markets in which the Fund intends to operate; expenditures and fees in connection with the maintenance, operation and administration of the properties of the Fund; the ability of the manager of the Fund to manage and operate the properties of the Fund; the global and North American economic environment; and governmental regulations or tax laws. While management considers these assumptions to be reasonable based on currently available information, they may prove to be incorrect.

Although management believes the expectations reflected in such forward-looking statements are reasonable and represent the Fund's internal projections, expectations and beliefs at this time, such statements involve known and unknown risks and uncertainties that 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, that assumptions may not be correct and that objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the Fund's control, could cause actual results in future periods to differ materially from current expectations of estimated or anticipated events or results expressed or implied by such forward-looking statements. Such factors include the risks identified in the amended and restated preliminary prospectus, including under the heading "Risk Factors" therein, as well as, among other things, risks related to the availability of mortgage financing for the Initial Portfolio, general economic and market factors, including interest rates, prospective purchasers of real estate, business competition, changes in government regulations or income tax laws and the impact of the ongoing COVID-19 pandemic. Readers are cautioned against placing undue reliance on forward-looking statements. Except as required by applicable Canadian securities laws, the Fund undertakes no 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.

To learn more about the Fund, visit www.northviewfund.com or contact:

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