STARLIGHT WESTERN CANADA MULTI-FAMILY (NO. 2) FUND ANNOUNCES STRONG INITIAL OPERATING RESULTS AHEAD OF FORECAST

Toronto – **May 5, 2022** – Starlight Western Canada Multi-Family (No. 2) Fund (the "Fund") announced today its results of operations and financial condition for the three months ended March 31, 2022 ("Q1-2022"), which includes 37 days of operating activity (the "Initial Reporting period"), following the closing of the Fund's initial public offering on February 22, 2022 (the "Offering").

All amounts in this press release are in thousands of Canadian dollars except for average monthly rent ("AMR") or unless otherwise stated.

"Following the successful completion of the Offering, the Fund reported strong operating results for its first quarter with revenue from property operations and net operating income ahead of forecast driven by strong occupancy and rental growth," commented Daniel Drimmer, the Fund's President and Chief Executive Officer. "The Fund continues to focus on optimizing operating results for the existing portfolio while deploying the remaining proceeds from the Offering by actively pursuing potential acquisition opportunities for multi-family properties in the Fund's target markets to complement its existing portfolio."

Q1-2022 HIGHLIGHTS

- The Fund completed the Offering on February 22, 2022 and raised gross subscription proceeds of $130,000, achieving its maximum offering size.
- Subsequent to the Offering, on February 23, 2022 the Fund completed the acquisition of five properties in Nanaimo, Langford and Vernon (the "Forecast Properties" or "Initial Properties"), which included a total of 495 multi-family suites located on Vancouver Island and the mainland of the Province of British Columbia.
- On March 1, 2022, the Fund acquired its sixth property (the "Non-Forecast Property", together with the Forecast Properties, the "Properties"), adding 166 multi-family suites in Langford, British Columbia, increasing its total number of multi-family suites to 661.
- Subsequent to March 31, 2022, the Fund entered into an agreement to acquire a seventh multi-family property adding an additional 120 multi-family suites in Nanaimo, British Columbia.
- As at March 31, 2022, the Fund had cash on hand of $53,017, which includes cash remaining from the Offering to be used to acquire additional multi-family properties subsequent to March 31, 2022 (see "Subsequent Events").
- Revenue from property operations for Q1-2022 was $1,411, representing an increase of $299 or 26.9% compared to the financial forecast included in the Fund's prospectus dated January 27, 2022 (the "Forecast"), primarily as a result of the Non-Forecast Property not being included in the Forecast. For the Forecast Properties, revenue was ahead of Forecast by $25 or 2.3%, primarily as a result of higher than forecasted rent growth and ancillary income.
- Total portfolio net operating income ("NOI") for Q1-2022 was $1,110, representing an increase of $334 or 43.0% compared to Forecast, primarily as a result of the Non-Forecast Property not being included in the Forecast. For the Forecast Properties, NOI was $112 or 14.3% ahead of the Forecast primarily driven by higher than forecasted revenue from property operations and lower than forecasted property taxes.

- As at May 4, 2022, the Fund had collected approximately 97.8% of rents for Q1-2022, with further amounts expected to be collected in future periods, demonstrating the Fund's strong operating performance.
- Net loss and comprehensive loss attributable to unitholders of the Fund ("Unitholders") for Q1-2022 was $86, representing a decline of $99 relative to Forecast primarily as a result of higher distributions to Unitholders and finance costs, predominantly the result of the Fund electing to pay a 3.1% annualized distribution during the Initial Reporting Period despite 100% of the Offering proceeds not yet being fully deployed.
- Adjusted funds from operations ("AFFO") for Q1-2022 was $389, representing an increase of $99 or 34.1% relative to the Forecast primarily due to NOI from the Non-Forecast Property not being included in the Forecast as well as higher than forecasted NOI for the Forecast Properties, partially offset by higher fund and trust expenses and finance costs.

COVID-19 IMPACT

On March 11, 2020, the World Health Organization characterized the outbreak of the coronavirus (SARS – CoV2) and its variants ("COVID-19") as a global pandemic. Although COVID-19 has resulted in a volatile economy, the Fund believes it is well positioned to navigate through this challenging time and continues to undertake proactive measures at the Fund's properties to combat the spread of COVID-19, assist tenants where needed and implement other measures to minimize business interruption. The Fund intends to actively monitor any continued impact COVID-19 may have on the Fund's operating results in future periods specifically as they relate to rent collections, occupancy, rent growth, ancillary fees and expenses incurred for preventative measures in response to COVID-19.

COVID-19 vaccination programs continue across Canada to varying degrees in different provinces and jurisdictions with the immunization efforts widely considered to have been successful to date relative to other countries globally and the approval of a third COVID-19 vaccine dose by Health Canada to help further advance immunization efforts in preventing the spread of COVID-19. However, there is a risk that delays in the timely administration, changing strains of the virus, including the current rise in various variants of COVID-19 (such as the Omicron variant), or reluctance to receive vaccinations could prolong the impacts of COVID-19 and have the potential to cause further adverse economic conditions. The sustained rollout of the vaccination program is expected to continue to improve economic growth and employment throughout Canada and British Columbia, although there can be no certainty with respect to the timing of these improvements.

Further disclosure surrounding the impact of COVID-19 are included in the Fund's Management's Discussion and Analysis ("MD&A") in the "COVID-19 and Future Outlook" section for Q1-2022 under the Fund's profile, which is available on www.sedar.com.

FINANCIAL CONDITION AND OPERATING RESULTS

Highlights of the financial and operating performance of the Fund as at March 31, 2022 and for Q1-2022 is provided below:

				As at March 31, 2022
Key Operational Information[1]				
Number of properties				6
Total suites				661
Economic occupancy[2]				97.5%
AMR (in actual dollars)			$	1,759
AMR per square foot (in actual dollars)			$	2.16
Summary of Financial Information				
Gross book value			$	263,798
Indebtedness			$	191,364
Indebtedness to gross book value				72.5%
Weighted average indebtedness interest rate[3]				3.40%
Weighted average indebtedness term to maturity				5.51 years
		Q1-2022		**Forecast Q1-2022**
Summary of Financial Information				
Revenue from property operations	$	1,411	$	1,112
Property operating costs		(225)		(214)
Property taxes		(76)		(122)
Income from rental operations / NOI	$	1,110	$	776
Net (loss) income and comprehensive (loss) income	$	(86)	$	13
Other Selected Financial Information				
FFO ("Funds from operations")	$	330	$	232
FFO per Unit - basic and diluted	$	0.03	$	0.04
AFFO	$	389	$	290
AFFO per Unit - basic and diluted	$	0.03	$	0.05
Weighted average indebtedness interest rate[4]		3.37%		2.93%
Interest coverage ratio		1.91x		1.85x
Indebtedness coverage ratio		1.64x		1.52x
Weighted average Units outstanding (000s) - basic and diluted		13,000		6,100

(1) The Fund commenced operations following the acquisition of the Initial Properties on February 23, 2022.
(2) Economic occupancy for period from February 23, 2022 to March 31, 2022.
(3) The weighted average indebtedness interest rate is presented as at March 31, 2022.
(4) The weighted average indebtedness interest rate is presented for the Initial Reporting Period.

CASH PROVIDED BY OPERATING ACTIVITIES RECONCILIATION TO AFFO

The Fund was formed as a "open-ended fund" with an initial term of three years, a targeted yield of 3.0% to 4.0% and a targeted minimum 12% pre-tax investor internal rate of return across all classes of units ("Units") of the Fund.

AFFO and AFFO per Unit for Q1-2022 was $389 and $0.03, respectively, representing an increase of $99 or 34.1% relative to the Forecast ($290 and $0.05, respectively), primarily due to higher than forecasted NOI at the Fund's Properties.

SUBSEQUENT EVENTS

Subsequent to March 31, 2022, the Fund agreed to acquire a 120 suite multi-family building in Nanaimo, British Columbia for the purchase price of not more than $45,150. The acquisition is expected to be financed by mortgage debt and the balance of the purchase price is expected to be settled using a portion of the remaining cash proceeds from the Offering, net of $3,000 of acquisition deposits. The Fund had $1,000 of deposits held in escrow in connection with the acquisition as at March 31, 2022.

Effective May 5, 2022, Mandy Abramsohn resigned from the board of trustees and audit committee of the Fund and has been replaced by Tracy Sherren. Following the appointment of Ms. Sherren, two of three members of the Board of Trustees and Audit Committee are independent and the Fund continues to meet the 30% Club Canada's aim for better gender balance at the board level. Ms. Sherren is currently the President and Chief Financial Officer of Toronto Stock Exchange listed True North Commercial REIT and the President of Canadian Commercial at Starlight Group Property Holdings Inc., an affiliate of the Starlight Investments CDN AM Group LP (the "Manager"). Ms. Sherren is a Chartered Accountant and obtained her Bachelor of Business Administration from Acadia University.

NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

The Fund's interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain terms that may be used in this press release including AFFO, AFFO payout ratio, AMR, economic occupancy, FFO, FFO payout ratio, gross book value, indebtedness, indebtedness coverage ratio, indebtedness to gross book value, interest coverage ratio and NOI (collectively, the "Non-IFRS Measures") as well as other measures discussed elsewhere in this press release, do not have a standardized definition prescribed by IFRS and are, therefore, unlikely to be comparable to similar measures presented by other reporting issuers. Gross book value is defined as the fair market value of the investment properties as determined in accordance with IFRS. Indebtedness is defined as the principal amount of loans payable outstanding as at a specific reporting date. AFFO payout ratio is calculated by taking distributions declared and dividing by AFFO in a given reporting period. FFO payout ratio is calculated by taking distributions declared and dividing by FFO in a given reporting period. FFO payout ratio adjusted for equity deployed is calculated by taking distributions declared, adjusted for the actual equity deployed during each applicable reporting period, and dividing by FFO. AFFO payout ratio adjusted for equity deployed is calculated by taking distributions declared, adjusted for the actual equity deployed during each applicable reporting period, and dividing by AFFO. The Fund uses these measures to better assess the Fund's underlying performance and financial position and provides these additional measures so that investors may do the same. Further details on Non-IFRS Measures are set out in the Fund's MD&A in the "Non-IFRS Financial Measures" section for Q1-2022 and are available on the Fund's profile on SEDAR at www.sedar.com.

A reconciliation of the Fund's interest coverage ratio and indebtedness coverage ratio are provided below:

Interest and indebtedness coverage ratios		Q1-2022 [1]		Forecast [1]
Net (loss) income and comprehensive (loss) income	$	(86)	$	13
Add: non-cash or one-time items and distributions [2]		530		290
Adjusted net income and comprehensive income	$	444	$	303
Interest coverage ratio [3]		1.91x		1.85x
Indebtedness coverage ratio [4]		1.64x		1.52x

(1) Figures represent the actual results of the Initial Reporting Period with Q1-2022 Forecast representing the Forecast adjusted for the Initial Reporting Period.
(2) Non-cash or one-time items consist of amortization of financing costs and other finance costs.
(3) Interest coverage ratio is calculated as adjusted net (loss) income and comprehensive (loss) income plus interest expense divided by interest expense.
(4) Indebtedness coverage ratio is calculated as adjusted net (loss) income and comprehensive (loss) income plus interest expense, divided by interest expense and mandatory principal payments on the Fund's mortgages and loans payable.

A reconciliation of the Fund's cash used in operating activities determined in accordance with IFRS to FFO and AFFO for Q1-2022 is provided below:

		Q1-2022
Cash used in operating activities	$	(245)
Less: interest and finance costs		(528)
Cash used in operating activities - including interest and finance costs	**$**	**(773)**
Add / (Deduct):		
Change in non-cash operating working capital		448
Change in restricted cash		731
Amortization of financing costs		(76)
FFO	**$**	**330**
Add / (Deduct):		
Amortization of financing costs		76
Sustaining capital expenditures and suite renovation reserves		(17)
AFFO	**$**	**389**

A reconciliation of the Fund's FFO payout ratio and AFFO payout ratio adjusted for equity deployed are provided below:

Adjusted distributions			Q1-2022 [1]
Cash paid for acquisition of Properties [3]		$	76,848
Adjusted distributions on equity deployed [4]		$	246
FFO and AFFO payout rations adjusted for equity deployed	**Q1-2022 [1]**		**Forecast [2]**
FFO payout ratio adjusted for equity deployed	74.5%		94.4%
AFFO payout ratio adjusted for equity deployed	63.2%		75.4%

(1) Figures represent the actual results of the Initial Reporting Period.
(2) Figures represent the Q1 2022 Forecast for the Forecast Properties, adjusted for the actual days in the Initial Reporting Period.
(3) This figure represents the cash paid for acquisitions of Properties ($71,738) as well as costs incurred for the Offering ($5,110) as reported in the consolidated financial statements of the Fund for Q1-2022.
(4) The Fund elected to pay the 3.1% annualized targeted distribution on the gross subscription proceeds from the Offering during Q1-2022 even though 100% of the Offering proceeds have not yet been fully deployed. Adjusted distributions on equity deployed is calculated as a percentage of actual equity distributions over equity deployed during Q1-2022.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws and which reflect the Fund's current expectations regarding future events, including the overall financial performance of the Fund and its properties, including the impact of COVID-19 and its variants on the business and operations of the Fund.

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, the impact of COVID-19 on the Fund's portfolio as well as the impact of COVID-19 on the markets in which the Fund operates, acquisitions, financing, 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, AMR, taxes 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 statements involve 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, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. Those risks and uncertainties include: the impact of COVID-19 and variants thereof on the Fund's properties as well as the impact of COVID-19 on the markets in which the Fund operates; changes in government legislation or tax laws which would impact any potential income taxes or other taxes rendered or payable with respect to the Fund's properties or the Fund's legal entities; the ability of the Fund to deploy the remaining proceeds of the Offering; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19 or otherwise; the realization of property value appreciation and timing thereof, and the availability of residential properties for acquisition; the availability of debt financing; and the price at which properties may be acquired. 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 ability to deploy the remaining proceeds from the Offering; the impact of COVID-19 and variants thereof on the Fund's portfolio as well as the impact of COVID-19 on the markets in which the Fund operates; the applicability of any government regulation concerning the Fund's tenants or rents as a result of COVID-19 or otherwise; the realization of property value appreciation and timing thereof; the inventory of residential real estate properties; the availability of residential properties for acquisition and the price at which such properties may be acquired; the ability of the Fund to benefit from any asset management initiatives the Fund conducts at certain properties; the price at which the Fund's properties may be disposed and the timing thereof; closing and other transaction costs in connection with the acquisition and disposition of the Fund's properties; the availability of mortgage financing and current interest rates; the capital structure of the Fund; the extent of competition for residential properties; the growth in NOI generated from asset management initiatives; the population of residential real estate market participants; assumptions about the markets in which the Fund operates; expenditures and fees in connection with the maintenance, operation and administration of the Fund's properties; the ability of the Manager to manage and operate the properties of the Fund; the global and North American economic environment; and governmental regulations or tax laws. Given this unprecedented period of uncertainty, there can be no assurance regarding: (a) the impact of COVID-19 on the Fund's business, operations and performance or the volatility of the Units; (b) the Fund's ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) that the Manager or any of its affiliates, will continue its involvement as asset manager of the Fund in accordance with its current asset management agreement; and (e) other risks inherent to the Fund's business and/or factors beyond its control which could have a material adverse effect on the Fund. 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 securities law, the Fund undertakes no obligation to update or revise publicly any forward-looking information, whether because of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

About Starlight Western Canada Multi-Family (No. 2) Fund

The Fund is a trust formed under the laws of Ontario for the primary purpose of indirectly acquiring, owning and operating a portfolio of income producing multi-family rental properties located in British Columbia. The Fund has interests in and operates a portfolio comprising interests in 661 income producing multi-family suites located in British Columbia.

For the Fund's complete consolidated interim financial statements and MD&A for the three months ended March 31, 2022 and any other information related 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 March 2022 Newsletter which is available on the Fund's profile at www.starlightinvest.com.

Please visit us at **www.starlightinvest.com** and connect with us on LinkedIn at **www.linkedin.com/company/starlight-investments-ltd-**

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