

NORTHVIEW CANADIAN HIGH YIELD RESIDENTIAL FUND FILES PRELIMINARY PROSPECTUS FOR MAXIMUM \$430 MILLION INITIAL PUBLIC OFFERING



STARLIGHT, KINGSETT AND AIMCO REALTY COMMIT TO A MINIMUM OF \$105 MILLION OF UNITS, TOGETHER WITH A COMMITMENT BY TIMBERCREEK INVESTMENT MANAGEMENT INC. FOR \$35 MILLION OF UNITS ON A LEAD ORDER PRIVATE PLACEMENT BASIS

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Toronto – **April 29, 2020** – /CNW/ - Northview Canadian High Yield Residential Fund (the "**Fund**") announced today that it has filed with the securities commissions of each of the provinces and territories of Canada, other than Québec, and obtained a receipt for, a preliminary prospectus for an initial public offering of trust units (the "**Offering**"). The 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**"), approval of the Alberta Court of Queen's Bench, 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, and the Offering is anticipated to close on or about the second day.

Starlight Group has committed to invest, through an affiliate, a minimum of \$30,000,000 in the Fund and KingSett Group, together with AIMCo Realty Investors LP, have committed to invest a minimum of \$75,000,000 in the Fund. In addition, Timbercreek Investment Management Inc. has committed to subscribe 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. The Fund will target an annual pre-tax distribution yield of 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 preliminary prospectus dated April 27, 2020 of the Fund 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, and for no consideration, 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 (together with its affiliates, "**Starlight**") is the promoter of the Fund and an affiliate of Starlight Group will act as manager of the Fund. Starlight 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. Starlight 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 believes it has been among North America's most active real estate investors since its inception in 1995 and employs more than 200 professionals, including more than 125 professionals in Canadian multi-residential real estate with expertise in investments, asset management, finance and legal. Starlight 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.

The syndicate of agents for the Offering will be led by CIBC World Markets Inc.

A preliminary prospectus 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, other than Québec. The preliminary prospectus is still subject to completion or amendment. Copies of the preliminary prospectus may be obtained from CIBC World Markets Inc. 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 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. In addition, 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.

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 Investors LP, the subscription for Class C Units on a lead order basis by Timbercreek Investment Management Inc. and the timing of the Offering, 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 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 preliminary prospectus, including under the heading "Risk Factors" therein, as well as, among other things, risks related to 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, prospective purchasers of real estate, business competition, use of derivatives, changes in government regulations or income tax laws. 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.

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