



FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY CORE FUNDS TO CONSOLIDATE AND ADD ADDITIONAL PROPERTIES TO CREATE STARLIGHT U.S. MULTI-FAMILY (NO. 5) CORE FUND COMPRISED OF 6,792 MULTI-FAMILY UNITS WITH VALUE OF APPROXIMATELY CDN\$1.4 BILLION

- Led by experienced management team that delivered a weighted average internal rate of return of 35% across Existing Starlight Funds
- Unitholders to benefit from significantly increased and stable cash distributions and opportunity to participate in a larger, more geographically diversified fund with further upside potential
- Portfolio to be comprised of 23 properties across 10 metropolitan U.S. sun-belt markets

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TORONTO, September 6, 2016 — Starlight U.S. Multi-Family Core Fund (TSX.V: UMF.A, UMF.U), Starlight U.S. Multi-Family (No. 2) Core Fund (TSX.V: SUD.A, SUD. U), Starlight U.S. Multi-Family (No. 3) Core Fund (TSX.V: SUS.A, SUS.U) and Starlight U.S. Multi-Family (No. 4) Core Fund (TSX.V: SUF.A, SUF.U) (collectively, the "Existing Starlight Funds"), Campar Capital Corporation (TSXV:CHK.P) ("Campar") and Starlight Investments Ltd. ("Starlight"), today announced the entering into of an agreement to consolidate the assets of the Existing Starlight Funds by way of a plan of arrangement (the "Arrangement") to create Starlight U.S. Multi-Family (No. 5) Core Fund ("Fund 5") and enlarge the combined real estate portfolio of Fund 5 further with the addition of a property located in an attractive U.S. sun-belt market as well as a minimum of three additional properties also located in attractive sunbelt markets following the successful completion of a planned public offering (the "Offering").

"Under Starlight's management, the income and value of the underlying assets in the Existing Starlight Funds have increased significantly, with each Existing Starlight Fund outperforming the targeted 12% internal rate of return considerably and delivering a weighted average internal rate of return of 35% while producing stable distributions," said Evan Kirsh, President, Starlight U.S. Multi-Family. "The combination of the Existing Starlight Funds is a compelling opportunity for Existing Starlight Fund unitholders to substantially increase cash distributions and provide an exceptional yield on the cost of their initial investment."

Mr. Kirsh continued, "Fund 5 is a superior investment opportunity for a number of reasons. It is a larger and more geographically diversified investment vehicle with properties that exhibit further upside potential. We believe in our proven strategy and are delighted to invest alongside fellow unitholders. Management of Starlight will continue to be a significant investor in Fund 5, with an existing investment

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¹ Estimated total return in CDN\$, including distributions, post carried interest payment.

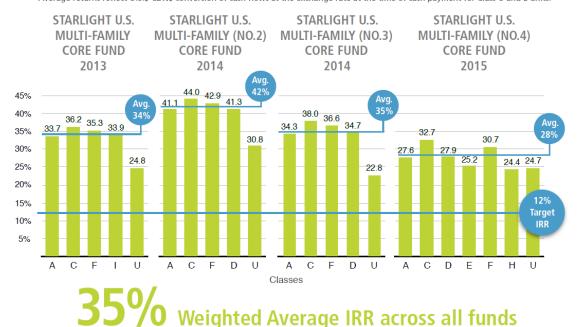




of over CDN\$100 million, and Starlight's principal has committed to invest up to an additional CDN\$5 million in the Offering."

INTERNAL RATE OF RETURN

Total return (CDN\$) since inception of the Existing Starlight Funds, including distributions, post carried interest payment. Average returns reflect U.S.\$-CDN\$ conversion of cash flows at the exchange rate at the time of cash payment for Class U and E units.



Value added returns from stable, low-risk core investments

Benefits to the Fund 5 Unitholders

1. Increased cash distributions – Starlight expects Fund 5 unitholders to earn an attractive, increased cash distribution while participating in the potential future growth in value of Fund 5's real estate assets. Fund 5 will target an annual pre-tax distribution yield of 6.5% per unit, with each of its units initially priced at CDN\$10 or US\$10. Existing Starlight Fund units ("Existing Units") will be exchanged for the Fund 5 units, with unitholders receiving more of the Fund 5 units than Existing Units on exchange as a result of the substantial asset value appreciation in each of the Existing Starlight Funds. The result will be a greater total distribution than was received from a current investment in each Existing Unit. For more details on the increase in total distribution, see the Exchange Values and Total Distribution Increase table at the end of this news release and also visit www.starlightus.com to calculate the total distribution increase for an Existing Starlight Fund unitholder based on their current investment.

Fund 5 will target a 12% pre-tax internal rate of return ("IRR") upon disposition either at or before the end of the targeted three-year investment horizon. The AFFO payout ratio is expected to be approximately 83.2% in the first year.









2. Superior investment in a larger, more geographically diversified fund with further upside potential — Fund 5's portfolio will be comprised of recently constructed properties located in attractive U.S. sun-belt submarkets with favourable demographic trends including strong employment growth and increasing population, resulting in robust rental growth rates. The properties will be contributed from each of the Existing Starlight Funds plus an additional property located in San Antonio, Texas (to be contributed, in part, by Campar). Fund 5 also intends to acquire a minimum of three additional properties in attractive sun-belt markets to provide further diversification and growth potential. These three properties will be acquired following the successful completion of the Offering.

Upon completion of the Arrangement and following the inclusion of the additional assets, Fund 5 will have 23 properties comprising 6,792 multi-family units, appraised at approximately CDN\$1.4 billion, and is expected to benefit from increased geographical diversification across 10 metropolitan areas in the southern United States. Management believes that additional growth remains to be realized in the U.S. sun-belt rental real-estate markets and that further geographical diversification across the property portfolio mitigates the risk and exposure to any one market.

3. Experienced management with track record of value creation — Starlight is comprised of more than 110 experienced real estate professionals with deep experience in multifamily real estate asset management on both sides of the North American border. Starlight currently manages CDN\$6.4 billion of real estate assets encompassing more than 33,000 multi-family units in over 400 properties across Canada and the southern United States, with approximately 9,000 of those multi-family units in the southern United States. An extensive network of joint venture partners, financial institutions, brokers, property managers and other real estate professionals allows Starlight to source, structure and execute compelling investment opportunities. Through its ownership of Existing Units, Starlight has co-invested in each of the Existing Starlight Funds, creating meaningful alignment with its fellow investors. Starlight's principal and management will maintain a substantial investment in the outstanding units of Fund 5.

Starlight intends to continue executing its proven investment and asset management strategy to deliver superior performance for Fund 5, deriving stable returns from attractive assets in target markets that exhibit favourable fundamentals. Investors in the Existing Starlight Funds have benefitted from this approach.

Fund 5 unitholders will continue to participate in value maximization through: (i) active management of a diversified asset base, (ii) divestment of assets and the redeployment of capital in new properties in order to further diversify the portfolio and capitalize on the opportunity to further improve net operating income growth and asset values, and (iii) upside potential in the value of the properties as investor demand for U.S. multi-family real estate continues to increase.

4. Tax deferral for unitholders — Unitholders resident in Canada may be able to defer capital gains tax as Existing Units can be rolled into Fund 5 without creating a taxable event. Please consult the management information circular and letter of transmittal for further information. Fund 5 also









supports the preservation of value as U.S. taxes that would have been incurred as a result of the sale of the properties by the Existing Starlight Funds are deferred by combining the Existing Starlight Funds in Fund 5.

Fund 5 will also have the ability to utilize tax-free rollover strategies for the acquisition of new properties with the proceeds from divestitures, which will allow Fund 5 to create further geographical diversification and to acquire assets with greater upside potential while deferring any U.S. tax liability that may otherwise arise on disposition of the divested properties.

For more information on Fund 5 and the Offering, please see Fund 5's news release which is expected to be disseminated on the date of this news release and available at www.SEDAR.com.

Arrangement Agreement

The arrangement agreement among each of the Existing Starlight Funds, Campar, Starlight and other specified parties includes customary provisions including non-solicitation provisions, the right to match any superior proposal and expense reimbursement payable in specified termination circumstances.

Unitholder Approvals and Voting Support

A special resolution of each Existing Starlight Fund must be passed by at least (i) 66 2/3% of the votes cast by Existing Starlight Fund unitholders present in person or represented by proxy at the applicable security holder meeting voting as a single class, and (ii) subject to receipt of a discretionary exemption from the Ontario Securities Commission ("OSC"), a majority of the votes attached to the Existing Units voted by disinterested unitholders at each meeting pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") voting as a single class, as further described below. The Campar special resolution must also be passed by at least (i) 66 2/3% of the votes cast by the shareholders present in person or represented by proxy at the Campar meeting, and (ii) a majority of the votes attached to the shares voted by disinterested shareholders pursuant to MI 61-101.

MI 61-101 requires approval of the Arrangement to be received from a majority of the votes attached to the Existing Units voted by disinterested unitholders voting separately on a class-by-class basis at each of the Existing Starlight Fund's meetings. However, Starlight, on behalf of the Existing Starlight Funds, has applied to the OSC for exemptive relief on the basis that, among other reasons (i) each Existing Starlight Fund's governing limited partnership agreement provides that unitholders vote as a single class unless the nature of the business to be transacted at the meeting affects holders of one class of units in a manner materially different from its effect on holders of another class of units, and Starlight, as manager of each Existing Starlight Fund, and the general partner of each Existing Starlight Fund have determined that the Arrangement does not affect holders of one class of Existing Units in a manner materially different from its effect on holders of another class of Existing Units of that Existing Starlight Fund; (ii) as the relative returns (and, accordingly, the number of Fund No. 5 units to be received on exchange of Existing Units of each class of each Existing Starlight Fund) are to be determined in accordance with the terms established in the governing limited partnership agreement of each Existing









Starlight Fund that were set at the time of each such issuer's initial public offering when investors selected their preferred class and purchased their Existing Units, the interests of the holders of each class of Existing Units of each Existing Starlight Fund are aligned in respect of the Arrangement, (iii) the board of the general partner of each Existing Starlight Fund has received a fairness opinion, (iv) the board of the general partner of each Existing Starlight Fund believes that providing a class vote would provide disproportionate power to a potentially small number of unitholders of classes of each Existing Starlight Fund which would not be appropriate and (v) to the best of the knowledge of Starlight and the general partner of each Existing Starlight Fund, there is no reason to believe that any Existing Starlight Fund's unitholders of any particular class would not approve the Arrangement. There can be no assurance that the requested relief will be granted by the OSC.

Pursuant to MI 61-101, the following Existing Units and shares beneficially owned by interested securityholders will be excluded from the majority vote of disinterested unitholders:

Existing Starlight Funds / Campar	Number of Excluded Units	Percentage of Excluded Units
Starlight U.S. Multi-Family Core	861,699	17.91%
Fund		
Starlight U.S. Multi-Family (No. 2)	624,974	18.46%
Core Fund		
Starlight U.S. Multi-Family (No. 3)	568,330	10.81%
Core Fund		
Starlight U.S. Multi-Family (No. 4)	411,200	6.72%
Core Fund		
Campar	11,350,000	20.64%

Concurrently with the execution of the arrangement agreement, D.D. Acquisitions Partnership, an entity controlled by Daniel Drimmer, and each of the other directors and officers of each of the Existing Starlight Funds and Campar, as well as certain additional unitholders of the Existing Starlight Funds and shareholders of Campar, have entered into voting and support agreements pursuant to which each has agreed to vote those units owned in each of the Existing Starlight Funds and those shares owned in Campar in favour of the Arrangement. In connection with the voting and support agreements, 18.78% of Starlight U.S. Multi-Family Core Fund unitholders, 19.36% of Starlight U.S. Multi-Family (No. 2) Core Fund unitholders, 11.60% of Starlight U.S. Multi-Family (No. 3) Core Fund unitholders, 7.40% of Starlight U.S. Multi-Family (No. 4) Core Fund unitholders and 62.27% of Campar shareholders have agreed to vote IN FAVOUR of the Arrangement.

In the event that any of the above approvals of unitholders from each of the Existing Starlight Funds or the Campar shareholders is not obtained, the arrangement agreement will be terminated and the Arrangement will not proceed. Completion of the Arrangement is also subject to the approval of the TSX Venture Exchange, approval by the Court, and the satisfaction or waiver of the other conditions specified in the arrangement agreement.









Subject to obtaining TSX Venture Exchange and Court approval and the satisfaction or waiver of all other conditions specified in the arrangement agreement, if unitholder approvals from each of the Existing Starlight Funds and the approval of Campar shareholders are obtained at each respective meeting, it is anticipated that the Arrangement will be completed in mid-October 2016.

Board Recommendation

In connection with the Arrangement, the independent members of each board of directors of the general partner of each of the Existing Starlight Funds (the "Boards") and the independent director of Campar were required to approve the transaction. In connection with such approvals, each of the Boards retained Origin Merchant Partners as its independent financial advisor to provide advice. Origin Merchant Partners has provided an opinion to each of the Boards stating that, and based upon and subject to the assumptions, limitations and qualifications therein, the Arrangement is fair, from a financial point of view to the unitholders of each of the Existing Starlight Funds (other than Daniel Drimmer and Evan Kirsh and their respective affiliated entities). Based on the fairness opinions, the reasons set out above and other considerations, the directors of the general partner of each of the Existing Starlight Funds and the directors of Campar have unanimously concluded (with Daniel Drimmer declaring his interest and refraining from consideration and voting in the case of each of the Existing Starlight Funds and with Daniel Drimmer and Martin Liddell declaring their interest and refraining from consideration and voting in the case of Campar) that the Arrangement is in the best interests of each of its respective Existing Starlight Funds (and unitholders of each of the Existing Starlight Funds) and Campar and, accordingly, have each unanimously approved the Arrangement and related matters and each unanimously recommends that security holders vote IN FAVOUR of the Arrangement and related matters.

Management Information Circular and Meeting Date

Full details of the Arrangement, including detailed information on the implications for holders of the different classes of Existing Units in the Existing Starlight Funds and shareholders of Campar as well as procedures to submit proxies and other related materials relating to Fund 5, can be found in the joint management information circular that will be mailed to unitholders and shareholders in early September. The management information circular will also be viewable on each Existing Starlight Fund's and Campar's profile at www.SEDAR.com as well as at www.starlightus.com.

The Boards of the Existing Starlight Funds and Campar's board of directors have selected the close of business (Toronto time) on September 6, 2016 as the record date for each special meeting. Accordingly, unitholders of the Existing Starlight Funds and shareholders of Campar as at the close of business (Toronto time) on September 6, 2016 will be eligible to vote at the special meetings. Proxy forms must be received by Equity Financial Trust Company, at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 Attention: Proxy Department or by fax to (416) 595-9593, prior to 10:00 a.m. (Toronto time) on October 4, 2016. It is anticipated that the special meeting of each Existing Starlight Fund and Campar will take place on October 6, 2016, and that the Arrangement will be completed in mid-October 2016.









About the Existing Starlight Funds and Fund 5

Each of the Existing Starlight Funds and Fund 5 is a limited partnership formed under the *Limited Partnerships Act* (Ontario) for the primary purpose of indirectly acquiring, owning and operating a portfolio of diversified income producing rental properties in the U.S. multi-family real estate market.

About Campar

Campar is a capital pool company incorporated on August 20, 2014 pursuant to the *Business Corporations Act* (Ontario). The principal business of Campar is the identification and evaluation of assets or businesses with a view to completing a qualifying transaction. On August 25, 2016, Campar received conditional approval from the TSX Venture Exchange for its qualifying transaction, which Campar expects to close on or about September 30, 2016.

To learn more about Starlight U.S. Multi-Family Core Fund, visit www.starlightus.com or contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release includes certain statements which may constitute forward-looking information within the meaning of Canadian securities laws, including, but not limited to, statements or information relating to the successful completion of the Arrangement and Offering and timing thereof, target IRR, future dispositions of properties, the benefits of the Arrangement, including the earning of stable returns, future cash distributions and increases in property values, the performance of the U.S. sun-belt rental real-estate markets, the ability of security holders and Fund 5 to defer taxes, the first year implied AFFO payout ratio, the meeting date for each special meeting and receipt of the requested relief from the OSC. Such forward-looking information, in some cases, can be identified by terminology such as "may", "will", "would", "expect", "plan", "anticipate", "believe", "intend", "target", "potential", "continue", or the negative thereof or other similar expressions concerning matters that are not historical facts.

By their nature, forward-looking statements and information involve known and unknown risks, uncertainties and other factors 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 control of the Existing Starlight Funds, Fund 5 and Campar, affect the operations, performance and results of such issuer's and their respective businesses, and could cause actual results to differ materially from current expectations of estimated or





anticipated events or results. 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. These risks include, but are not limited to, the risk of failure to satisfy the conditions to completion of the Arrangement and the Offering, the risk that the anticipated benefits of the Arrangement may not be realized, including as concerns regarding the performance of the U.S. sun-belt rental real-estate markets and risks related to the availability of suitable properties for purchase by Fund 5, the risk of not receiving the requested relief from the OSC, the availability of mortgage financing for properties, and general economic and market factors, including interest rates, business competition and changes in government regulations or in tax laws. For more information on risks relating to the Arrangement and risks relating to Fund 5, read the management information circular that will be mailed to unitholders and shareholders in mid-September.

Information contained in forward-looking statements are based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including the perceptions of management of the Existing Starlight Funds, Fund 5 and Campar of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the inventory of multi-family real estate properties; the availability of properties for acquisition and the price at which such properties may be acquired; the availability of mortgage financing and current interest rates; the extent of competition for properties; the population of multi-family real estate market participants; assumptions about the markets in which Fund 5 will operate; the ability of the manager of Fund 5 to manage and operate the properties; the global and North American economic environment; foreign currency exchange rates; and governmental regulations and tax laws.

These forward looking statements are made as of the date of this news release and, except as expressly required by law, the Existing Starlight Funds and Campar undertake 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.

Non-IFRS Measures

AFFO is not a measure defined under International Financial Reporting Standards as prescribed by the International Accounting Standard Board. Details on non-IFRS financial measures, including AFFO, are set out in each Existing Starlight Fund's management's discussion and analysis for the period ended June 30, 2016 available on each Existing Starlight Fund's profile at www.sedar.com and will also be available in the management information circular of Fund 5 which will be available at www.sedar.com and <a href="h

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Exchange Values and Total Distribution Increase¹

Fund	Initial Investment per Unit	Value of Unit at Exchange ²	Exchange Ratio	Initial Annual Distribution	Implied Fund5 Pro Forma Annual Distribution	Increase in Annual Distribution	Yield on Initial Investment	
Starlight U.S. Multi-Family Core Fund								
Class A - CDN\$	\$10.00	\$23.73	2.3728x	\$0.70	\$1.54	120.3%	15.42%	
Class C - CDN\$	\$10.00	\$25.03	2.5031x	\$0.77	\$1.63	111.5%	16.27%	
Class F - CDN\$	\$10.00	\$24.47	2.4468x	\$0.75	\$1.59	111.5%	15.90%	
Class I - CDN\$	\$10.00	\$23.72	2.3717x	\$0.73	\$1.54	111.5%	15.42%	
Class U - US\$	\$10.00	\$18.32	1.8325x	\$0.70	\$1.19	70.2%	11.91%	
Starlight U.S. Multi-Family (No. 2) Core Fund								
Class A - CDN\$	\$10.00	\$24.15	2.4148x	\$0.70	\$1.57	124.2%	15.70%	
Class C - CDN\$	\$10.00	\$25.69	2.5694x	\$0.70	\$1.67	138.6%	16.70%	
Class F - CDN\$	\$10.00	\$25.07	2.5073x	\$0.70	\$1.63	132.8%	16.30%	
Class D - CDN\$	\$10.00	\$24.23	2.4228x	\$0.70	\$1.57	125.0%	15.75%	
Class U - US\$	\$10.00	\$19.08	1.9082x	\$0.70	\$1.24	77.2%	12.40%	
Starlight U.S. Multi-F	amily (No. 3) Core Fu	nd						
Class A - CDN\$	\$10.00	\$17.47	1.7466x	\$0.70	\$1.14	62.2%	11.35%	
Class C - CDN\$	\$10.00	\$18.65	1.8649x	\$0.70	\$1.21	73.2%	12.12%	
Class F - CDN\$	\$10.00	\$18.19	1.8193x	\$0.70	\$1.18	68.9%	11.83%	
Class D - CDN\$	\$10.00	\$17.58	1.7584x	\$0.70	\$1.14	63.3%	11.43%	
Class U - US\$	\$10.00	\$14.08	1.4076x	\$0.70	\$0.92	30.7%	9.15%	
Starlight U.S. Multi-Family (No. 4) Core Fund								
Class A - CDN\$	\$10.00	\$13.27	1.3275x	\$0.70	\$0.86	23.3%	8.63%	
Class C - CDN\$	\$10.00	\$14.13	1.4130x	\$0.70	\$0.92	31.2%	9.18%	
Class D - CDN\$	\$10.00	\$13.33	1.3333x	\$0.70	\$0.87	23.8%	8.67%	
Class E - US\$	\$10.00	\$12.87	1.2874x	\$0.70	\$0.84	19.6%	8.37%	
Class F - CDN\$	\$10.00	\$13.79	1.3788x	\$0.70	\$0.90	28.0%	8.96%	
Class H - CDN\$	\$10.00	\$13.08	1.3081x	\$0.50	\$0.46	-8.4%	4.58%	
Class U - US\$	\$10.00	\$12.80	1.2802x	\$0.70	\$0.83	18.9%	8.32%	

¹ Assumes an effective exchange rate of CDN\$1.30 to US\$1.00. The effective exchange rate that will be used to calculate the actual exchange ratios will be determined based on the simple average of the noon rates of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars for the three business day period ending on the third business day prior to the effective date of the Arrangement.

² The exchange ratios for a particular class of Existing Units for a particular Existing Starlight Fund is determined to be the quotient equal to: (i) the net equity value (which is based on the aggregate appraised value (as determined by an independent appraiser) of the properties owned by the applicable Existing Starlight Fund less the applicable "carried interest" of each Existing Starlight Fund) of such Existing Starlight Fund allocable to such class, calculated on the basis of the corresponding "proportionate class interest" definition set out in the applicable Existing Starlight Fund limited partnership agreement (provided that in the case of units other than class E units of Starlight U.S. Multi-Family (No. 4) Core Fund and class U units of any Existing Starlight Fund, the value is converted into Canadian dollars using the effective exchange rate) divided by the total outstanding units of such class, divided by (ii) the issue price of the corresponding class of units of Fund5 (being US\$10.00 in the case of Fund5 class E units and Fund5 class U units and CDN\$10.00 in the case of all other classes). The exchange ratio for Campar is equal to (i) Campar's equity value (which is based on 80% of the appraised value of the San Antonio, Texas property to be contributed by Campar) divided by the number of outstanding shares of Campar, divided by (ii) CDN\$10.00.

