

FOR IMMEDIATE RELEASE

STARLIGHT U.S. MULTI-FAMILY (NO. 5) CORE FUND ANNOUNCES 2017 FIRST QUARTER RESULTS ON TARGET AND VALUATION INCREASE REFLECTING SOLID NET OPERATING INCOME GROWTH

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TORONTO, May 18, 2017 – Starlight U.S. Multi-Family (No. 5) Core Fund (TSX.V: STUS.A, STUS.U) (the “Fund”) today announced its results of operations and financial condition for the three months ended March 31, 2017 (the “First Quarter”). The Fund commenced operations on October 18, 2016 after the exchange of limited partnership units of Starlight U.S. Multi-Family Core Fund, Starlight U.S. Multi-Family (No. 2) Core Fund, Starlight U.S. Multi-Family (No. 3) Core Fund, and Starlight U.S. Multi-Family (No. 4) Core Fund (collectively the “Arrangement Funds”) and common shares of Campar Capital Corporation for limited partnership units (“units”) of the Fund and following the closing of its initial public offering.

All amounts in this press release are in thousands of United States dollars unless otherwise stated. All references to “C\$” are to Canadian dollars. The forecast figures below represent the financial forecast (the “Forecast”) as set out in the Fund’s final long form prospectus dated October 12, 2016.

First Quarter Highlights

- Recognized a \$9,695 fair value increase on the Fund’s properties, predominantly driven by net operating income (“NOI”) increases across the portfolio.
- NOI margin at 56.9% was higher than Forecast of 56.5%, with NOI being \$184 or 1.3% below Forecast.
- Adjusted funds from operations (“AFFO”) payout ratio was 88.5% (Forecast – 85.7%), an improvement from 90.4% in the Fund’s initial reporting period. AFFO per unit was \$0.14 (Forecast - \$0.15). Since inception of the Fund, the AFFO payout ratio has been 89.4% (Forecast – 88.4%).
- Indebtedness to gross book value was 64.4% representing a reduction from 65.4% as at December 31, 2016 and within the Fund’s targeted range.
- Interest coverage ratio was strong at 2.45 times.
- As at March 31, 2017, the weighted average interest rate on mortgages payable was 3.10% and the weighted average term to maturity was 3.99 years.
- The Fund entered into a variable rate collar contract to provide protection from the impact of any potential weakening of the U.S. dollar on the Fund’s Canadian dollar distributions. The twelve month contract allows the Fund to exchange U.S. funds each month within a range of C\$1.33 to C\$1.3850 to fund Canadian dollar distributions.

Portfolio Highlights


The following property level highlights for the three months ended March 31, 2017 include the comparative period in which the Properties were owned by the Arrangement Funds:

- Portfolio average market rent (“AMR”) increased by 1.7% to \$1,170 driven by strong increases of 5.4% in Dallas and Orlando / Tampa while economic occupancy remained stable at 92.4%.

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- Same property AMR increased by 2.3% reflecting strong rent growth specifically in Dallas, Orlando / Tampa, Atlanta and Austin.
 - NOI at \$13,825 was a 26.6% increase over the corresponding period in 2016 and the NOI margin at 56.9% represented a 70 basis point improvement.
 - Same property NOI at \$10,865 was a 1.7% increase over the corresponding period in 2016 and the NOI margin at 56.4% represented a 40 basis point improvement driven by significant margin increases in the Dallas and Orlando / Tampa markets due to strong AMR growth, stable occupancy and effective cost management.

Operating Results

The Fund's revenue from property operations for the First Quarter was \$24,311 and NOI was \$13,825, compared to the amounts in the Forecast of \$24,775 and \$14,009, respectively. Revenue from property operations was \$464 or 1.9% lower than Forecast, which the Fund attributed to both lower economic occupancy of 92.4% compared to Forecast of 93.1% along with lower than forecasted AMR. As at March 31, 2017, the Fund's AMR was \$1,170 and AMR per square foot was \$1.21, representing an annualized increase of 1.0% when compared to December 31, 2016. NOI margin was 56.9%, 40 basis points higher than Forecast with NOI being \$184 or 1.3% lower than forecasted. The higher margins were due to effective cost management and reduced realty taxes compared to Forecast.

AFFO payout ratio was 88.5% (Forecast – 85.7%) during the First Quarter. The Fund considers AFFO to be an important measure in determining the sustainability of future distributions to be paid to Unitholders.

Financial Position

As of March 31, 2017, the Fund's indebtedness to gross book value was 64.4%, a reduction from 65.4% as at December 31, 2016. The Fund had strong interest coverage and indebtedness coverage ratios for the First Quarter of 2.45 and 2.27 times, respectively. The weighted average interest rate on the Fund's mortgages payable was 3.10% as at March 31, 2017. The Fund currently has C\$11M of unused capacity on its credit facility. From January 1, 2017 to March 31, 2017 the Fund purchased and cancelled 204,300 class A limited partnership units ("Class A units") under the normal course issuer bid (the "NCIB") for C\$1,868, the equivalent of \$1,411.

Subsequent Events

As of May 18, 2017 and subsequent to March 31, 2017, the Fund had purchased an additional 112,400 Class A units under the NCIB at a total cost of C\$1,067, the equivalent of \$789.

About Starlight U.S. Multi-Family (No. 5) Core Fund

The Fund 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. The Fund currently owns 23 properties, consisting of 6,792 suites with an average year of completion in 2011.

For the Fund's complete condensed consolidated interim financial statements and Management's Discussion and Analysis ("MD&A") for the First Quarter, and any other information relating 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 May 2017 Newsletter which is available on the Fund's profile at www.starlightus.com.



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Non-IFRS Financial Measures

The Fund's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain terms used in this press release including NOI, "same property", AFFO, indebtedness, gross book value, indebtedness to gross book value, interest coverage ratio and indebtedness coverage ratio (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. 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. Details on non-IFRS measures are set out in the Fund's MD&A for the First Quarter and are available on the Fund's profile on SEDAR at www.sedar.com.

Forward-looking Statements

Certain statements contained in this press release 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, AMR, taxes, the Fund's use of its NCIB, 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 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 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 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. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to



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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 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 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.

To learn more about Starlight U.S. Multi-Family (No. 5) Core Fund, visit www.starlightus.com or contact:

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