

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Starlight U.S. Multi-Family (No.5) Core Fund (the “**Fund**”)
7 St. Thomas Street, Suite 801
Toronto, ON
M5S 2B7

Item 2. Date of Material Change

June 11, 2019

Item 3. News Release

On June 11, 2019, the Fund issued a joint news release with Tricon Capital Group Inc. (“**Tricon**”) relating to the material change, which was disseminated through the newswire services of CNW Group. A copy of the news release is attached as Schedule “A” hereto and is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Item 4. Summary of Material Change

On June 11, 2019, Tricon and the Fund announced that Tricon completed the previously announced acquisition of the Fund. Tricon’s shareholders and the Fund’s unitholders both approved the proposed acquisition at their respective special meetings held on June 6, 2019. Following the special meetings, the Court of Queen’s Bench (Alberta) issued a final order approving the acquisition on June 7, 2019.

Based on the closing trading price of the common shares of Tricon on the Toronto Stock Exchange (the “**TSX**”) on June 10, 2019, the total consideration payable (including assumed debt) was approximately \$1.33 billion.

The final exchange ratios for each class of Fund units are as follows:

Class of Units	Exchange Ratio (per Unit) ¹
Class A	0.9669 Tricon Shares
Class C	0.9820 Tricon Shares
Class D	0.9697 Tricon Shares
Class E	1.2737 Tricon Shares
Class F	0.9713 Tricon Shares

¹ The exchange ratios have been rounded for presentation purposes.

Class H	1.0563 Tricon Shares
Class U	1.2800 Tricon Shares

In connection with the closing of the transaction, the Fund's existing units will be delisted from the TSX Venture Exchange and the Fund will apply to cease to be a reporting issuer.

Item 5. Full Description of Material Change

For a full description of the material change, please see the news release attached hereto as Schedule "A", which news release forms an integral part of this material change report.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

David Veneziano
Vice President, General Counsel & Corporate Secretary
Telephone: (416) 323-2482

Item 9. Date of Report

June 13, 2019

SCHEDULE “A”

(see attached)

Not for distribution to U.S. Newswire services or for distribution in the United States.



Tricon Completes Acquisition of Starlight U.S. Multi-Family (No. 5) Core Fund Comprising a 23-Property, ~7,300 Unit U.S. Multi-family Portfolio

All financial information is presented in U.S. dollars unless otherwise indicated.

Toronto, Ontario – June 11, 2019 – Tricon Capital Group Inc. (“Tricon” or the “Company”, TSX: TCN) and Starlight U.S. Multi-Family (No. 5) Core Fund (the “Fund”, TSXV: STUS.A, STUS.U) announced today that Tricon has completed the previously announced acquisition of the Fund. Tricon’s shareholders and the Fund’s unitholders both overwhelmingly approved the proposed acquisition at their respective special meetings held on June 6, 2019. Following the special meetings, the Court of Queen’s Bench (Alberta) issued a final order approving the acquisition on June 7, 2019.

The acquisition of the Fund establishes a new U.S. multi-family platform for Tricon. The acquired portfolio consists of 23 high quality properties with an average vintage of 2012 totalling approximately 7,300 units. The assets are primarily garden-style apartment complexes featuring resort-style amenities and are located in desirable suburban neighbourhoods within U.S. Sun Belt states. The acquisition was valued at approximately \$1.4 billion including the issuance of 50,779,311 Tricon common shares (“Tricon Shares”) to the Fund’s unitholders and Tricon indirectly assuming approximately \$916 million of the Fund’s existing debt. Based on the closing trading price of Tricon Shares on the TSX on June 10, 2019, the total consideration payable (including assumed debt) was approximately \$1.33 billion.

“The establishment of a growth-oriented U.S. multi-family rental platform is an exciting milestone for Tricon, as it accelerates our shift to predictable income streams and uniquely positions us as a provider of both multi-family and single-family rental housing to the middle market resident demographic within attractive Sun Belt markets,” said Gary Berman, Tricon’s President and CEO. “We are now focused on ensuring a smooth integration of asset management, exploring property management synergies with our single-family rental business, and ultimately attracting third-party capital to accelerate growth and drive operating efficiencies.”

With the acquisition of the Fund’s portfolio, Tricon is poised to generate recurring rental income from approximately 10,300 multi-family apartment units across stabilized and development assets, as well as a stabilized portfolio of over 18,000 single-family rental homes. Tricon now has approximately \$7.2 billion (C\$9.7 billion) of assets under management, and generates approximately \$30 million of recurring annual fee income from managing third-party assets.

“We thank our unitholders for their support since the inception of Starlight U.S. Multi-Family in 2013 which enabled the Fund to grow into a sizeable and attractive portfolio,” said Daniel Drimmer, Chief Executive Officer and Director of Starlight U.S. Multi-Family (No. 5) Core GP, Inc., the general partner

of the Fund. “We look forward to becoming shareholders of Tricon and joining a larger and more diversified company that is well positioned to grow and create value.”

The final exchange ratios for each class of Fund units are as follows:

Class of Units	Exchange Ratio (per Unit)¹
Class A	0.9669 Tricon Shares
Class C	0.9820 Tricon Shares
Class D	0.9697 Tricon Shares
Class E	1.2737 Tricon Shares
Class F	0.9713 Tricon Shares
Class H	1.0563 Tricon Shares
Class U	1.2800 Tricon Shares

Eligible former unitholders of the Fund who are residents of Canada and not tax-exempt are able to make a joint tax election to defer all or a portion of the Canadian capital gain which would otherwise be realized in respect of the disposition of their Fund units in consideration for Tricon Shares. If you wish to make the election, please visit <https://www.tax.ca/Starlight2019>. The website will be available as of June 12, 2019. Electing unitholders must send in their signed, completed election forms to Tricon per the instructions on the website no later than Monday, September 30, 2019.

In connection with the closing of the transaction, the Fund's existing units will be delisted from the TSX Venture Exchange and the Fund will cease to be a reporting issuer. In addition, Tricon is pleased to announce Tracy Sherren's appointment to its Board of Directors. Ms. Sherren, the Chief Financial Officer and Group Head, Commercial at Starlight Investments, as well as the Chief Financial Officer of True North Commercial REIT (TSX: TNT.UN) , was nominated by Starlight Investments to serve on Tricon's board pursuant to certain nomination rights granted to Starlight Investments in connection with the transaction.

About Tricon Capital Group Inc.

Tricon is a residential real estate company primarily focused on rental housing in North America, with approximately \$7.2 billion (C\$9.7 billion) of assets under management. Tricon invests in a portfolio of single-family rental homes, multi-family rental apartments and for-sale housing assets, and manages third-party capital in connection with its investments. Since its inception in 1988, Tricon has invested in real estate and development projects valued at approximately \$21 billion. More information about Tricon is available at www.triconcapital.com.

For further information, please contact:

Wissam Francis
EVP & Chief Financial Officer
Tel: 416-323-2484
Email: wfrancis@triconcapital.com

Wojtek Nowak
Managing Director, Capital Markets
Tel: 416-925-2409
Email: wnowak@triconcapital.com

¹ The exchange ratios have been rounded for presentation purposes.

* * * *

This press release contains forward-looking statements and information relating to expected future events and the Company's financial and operating results and projections, including statements regarding the Company's growth and investment opportunities and performance goals and expectations of its investees, including, in particular, statements regarding the integration of the Fund's portfolio, available management synergies, the predictability of future income streams and the prospect of attracting third-party capital. Such forward-looking information is typically indicated by the use of words such as "will", "may", "expects" or "intends". Such forward-looking information and statements involve risks and uncertainties and are based on the Company's current expectations, intentions and assumptions in light of its understanding of relevant current market conditions and its current business plans and prospects. If unknown risks arise, or if any of the assumptions underlying the forward-looking statements prove incorrect, actual results may differ materially from management expectations as projected in such forward-looking statements. Examples of such risks and uncertainties are described in the Company's continuous disclosure materials from time-to-time, as available on SEDAR at www.sedar.com. Accordingly, although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

6948047