

STARLIGHT U.S. RESIDENTIAL FUND ANNOUNCES Q2-2024 RESULTS INCLUDING NORMALIZED SAME PROPERTY NOI GROWTH OF 4.4%

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Toronto – August 14, 2024 – Starlight U.S. Residential Fund (TSXV: SURF.A and SURF.U) (the “Fund”) announced today its results of operations and financial condition for the three months ended June 30, 2024 (“Q2-2024”) and six months ended June 30, 2024 (“YTD-2024”). Certain comparative figures are included for the three months ended June 30, 2023 (“Q2-2023”) and six months ended June 30, 2023 (“YTD-2023”).

All amounts in this press release are in thousands of United States (“U.S.”) dollars except for average monthly rent (“AMR”) or unless otherwise stated. All references to “C\$” are to Canadian dollars.

“The Fund owns a high-quality, well located portfolio of multi-family communities which reported an increase in same property net operating income of 4.4% from Q2-2023 to Q2-2024,” commented Evan Kirsh, the Fund’s President. “The Fund continues to focus on increasing net operating income at its properties through active asset management and navigating the current challenging capital markets environment with the goal of maximizing the total return for investors upon exit.”

Q2-2024 HIGHLIGHTS

- Q2-2024 total portfolio revenue and net operating income (“NOI”)¹ were \$10,097 and \$6,306 (Q2-2023 - \$9,953 and \$6,072), respectively, representing an increase of \$144 and \$234, primarily due to strong same property revenue growth of 5.1% and normalized same property NOI¹ growth of 4.4%, partially offset by the disposition of 86 single-family properties (“SF Properties”) since the second quarter of 2023 (“Primary Variance Driver”).
- The Fund completed 23 in-suite light value-add upgrades at the multi-family properties (“MF Properties”) during Q2-2024, which generated an average rental premium of \$108 and an average return on cost of approximately 33.3%.
- The Fund achieved economic occupancy¹ during Q2-2024 of 93.9%.
- As at August 13, 2024, the Fund had collected approximately 99.1% of rents for Q2-2024, with further amounts expected to be collected in future periods, demonstrating the Fund’s high quality resident base and operating performance.
- The Fund reported a net loss and comprehensive loss attributable to unitholders for Q2-2024 of \$3,840 (Q2-2023 - \$33,682). Q2-2023 included an amount for fair value loss on investment properties.
- During Q2-2024, the Fund continued with the disposition program of the SF Properties completing six dispositions during the quarter for net proceeds of \$1,760 (YTD-2024 - 13 SF Property dispositions for net proceeds of \$3,619).
- On June 28, 2024, the Fund refinanced the existing Indigo Apartments loan payable by entering into a new first mortgage for \$62,223 with a five-year term and monthly interest only (“IO”) payments bearing interest at a fixed rate of 5.85%. In addition, a subsidiary of the Fund entered into an unsecured financing amounting to \$18,277 for a three-year term, bearing monthly IO payments at a minimum of 4.00% per annum with interest accrued up to a maximum of an additional 8.00% payable upon the repayment of the unsecured financing (“Unsecured Financing”). Upon completion of the Unsecured Financing, a portion of the proceeds were used to repay \$14,700 towards the Fund’s credit facility (“Fund Credit Facility”).

¹ This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see “non-IFRS financial measures”).



YTD-2024 HIGHLIGHTS

- YTD-2024 total portfolio revenue and NOI were \$20,029 and \$12,574 (YTD-2023 - \$19,869 and \$11,976), respectively, with the increases resulting primarily from the same property revenue growth of 4.6% and normalized same property NOI growth of 5.5% from YTD-2023 to YTD-2024.
- The Fund completed 68 in-suite light value-add upgrades at the MF Properties during YTD-2024, which generated an average rental premium of \$90 and an average return on cost of approximately 29.3%.
- The Fund reported a net loss and comprehensive loss attributable to unitholders for YTD-2024 of \$14,280 (YTD-2023 - \$38,144), with the decrease primarily resulting from the higher fair value loss on investment properties reported in YTD-2023.
- On May 1, 2024, the Fund amended the Ventura loan payable to extend the term to February 9, 2026, discharge its obligation to purchase a replacement interest rate cap and defer a portion of the debt service at the property, whereby the Fund can defer up to \$125 per month subject to certain terms.
- On May 30, 2024, the board of trustees of the Fund (the "Board") approved the first one-year extension of the Fund's term to November 15, 2025 to provide the Fund with the opportunity to capitalize on anticipated improvements in the real estate investment market.



FINANCIAL CONDITION AND OPERATING RESULTS

Highlights of the financial and operating performance of the Fund as at June 30, 2024 and for Q2-2024 and YTD-2024, including a comparison to December 31, 2023 and Q2-2023 and YTD-2023, as applicable, are provided below:

	June 30, 2024	December 31, 2023		
Key Multi-Family Operational Information				
Number of multi-family properties owned	6	6		
Total multi-family suites	1,973	1,973		
Economic occupancy ⁽¹⁾	93.9 %	90.5 %		
Physical occupancy ⁽¹⁾⁽²⁾	93.8 %	92.7 %		
AMR (in actual dollars) ⁽¹⁾⁽²⁾	\$ 1,607	\$ 1,617		
AMR per square foot (in actual dollars) ⁽¹⁾	\$ 1.69	\$ 1.70		
Estimated gap to market versus in-place rents ⁽²⁾	1.0 %	1.4 %		
Number of Single-Family Rental Homes	12	25		
	June 30, 2024	December 31, 2023		
Selected Financial Information				
Gross book value ⁽²⁾	\$ 554,708	\$ 563,338		
Indebtedness ⁽²⁾	\$ 466,722	\$ 460,692		
Indebtedness to gross book value ⁽²⁾⁽³⁾	84.1 %	81.8 %		
Weighted average interest rate - as at period end ⁽⁴⁾	5.92 %	5.78 %		
Weighted average loan term to maturity ⁽⁴⁾	2.04 years	0.84 years		
	Q2-2024	Q2-2023	YTD-2024	YTD-2023
Summarized Income Statement (Excluding Non-Controlling Interest) ⁽⁵⁾				
Revenue from property operations	\$ 10,097	\$ 9,953	\$ 20,029	\$ 19,869
Property operating costs	\$ (2,645)	\$ (2,554)	\$ (5,153)	\$ (5,222)
Property taxes ⁽⁶⁾	\$ (1,146)	\$ (1,327)	\$ (2,302)	\$ (2,671)
Adjusted income from operations / NOI	\$ 6,306	\$ 6,072	\$ 12,574	\$ 11,976
Fund and trust expenses	\$ (797)	\$ (1,092)	\$ (1,607)	\$ (1,824)
Finance costs ⁽⁷⁾	\$ (9,341)	\$ (6,533)	\$ (18,400)	\$ (15,308)
Other income and expenses ⁽⁸⁾	\$ (8)	\$ (32,129)	\$ (6,847)	\$ (32,988)
Net loss and comprehensive loss - attributable to unitholders ⁽⁵⁾	\$ (3,840)	\$ (33,682)	\$ (14,280)	\$ (38,144)
Other Selected Financial Information				
Funds from operations ("FFO") ⁽²⁾	\$ (1,693)	\$ (2,078)	\$ (3,431)	\$ (3,676)
FFO per unit - basic and diluted	\$ (0.05)	\$ (0.07)	\$ (0.11)	\$ (0.12)
Adjusted funds from operations ("AFFO") ⁽²⁾	\$ (763)	\$ (1,474)	\$ (1,974)	\$ (2,497)
AFFO per unit - basic and diluted	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.08)
Weighted average interest rate - average during period ⁽⁴⁾	6.06 %	5.42 %	6.06 %	5.32 %
Interest and indebtedness coverage ratio ⁽²⁾⁽⁹⁾	0.88 x	0.74 x	0.85 x	0.79 x
Weighted average units outstanding (000s) - basic/diluted	31,818	31,820	31,818	31,820

(1) Economic occupancy for Q2-2024 and Q4-2023 and physical occupancy as at the end of each applicable reporting period. The decrease in AMR and AMR per square foot from Q4-2023 to Q2-2024 was primarily due to the Fund focusing on occupancy at the MF Properties which increased from 90.5% economic occupancy during Q4-2023 to 93.9% during Q2-2024.

(2) This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "non-IFRS financial measures and reconciliations"). The increase in FFO, AFFO, interest coverage ratio and indebtedness coverage ratio from Q2-2023 to Q2-2024 is primarily due to increases in NOI, partially offset by increases in interest costs (excluding any interest costs or debt service shortfall funding from applicable lenders which are accrued and payable upon maturity of the applicable loans payable). The AFFO, interest coverage ratio and indebtedness coverage ratio presented herein exclude \$482 and \$482 of interest costs for Q2-2024 and YTD-2024 or debt service shortfall funding from applicable lenders which are payable upon maturity of the applicable loan payable.

(3) The maximum allowable leverage ratio under the Declaration of Trust restricts the Fund from entering into any additional indebtedness whereby at the time of entering into such indebtedness, the leverage ratio does not exceed 75% (as defined in the Declaration of Trust). As of the date of issuance of this MD&A, the Fund met the maximum leverage condition and continues to focus on managing the Fund's capital structure, including the overall leverage.

(4) The weighted average interest rate on loans payable is presented as at June 30, 2024 reflecting the prevailing index rate, 30-day New York Federal Reserve Secured Overnight Financing Rate ("NY SOFR") or one-month term Secured Overnight Financing Rate ("Term SOFR" and together with NY SOFR, "SOFR"), as at that date or based on the average rate for the applicable periods as it relates to quarterly rates. As at August 14, 2024, the Fund had interest rate caps, swaps or fixed rate debt in place in certain instances, which protect the Fund from increases in SOFR above stipulated levels (as at June 30, 2024, the SOFR rate was 5.34%). The weighted average interest rate presented above as at June 30, 2024 assumes the minimum interest rate on the Unsecured Financing of 4.00%.

(5) The Fund acquired a 90% interest in The Ventura on May 25, 2022, with the remaining non-controlling interest owned by an affiliate of the manager of the Fund. The summarized income statement figures presented above reflect the net loss attributable to unitholders only, and excludes any amounts attributable to the non-controlling interest.

(6) Property taxes include the International Financial Reporting Interpretations Committee 21 - Levies fair value adjustment and treats property taxes as an expense that is amortized during the fiscal year for the purpose of calculating NOI.

(7) Finance costs include interest expense on loans payable, non-cash amortization of deferred financing costs, loss on early extinguishment of debt and fair value changes in derivative financial instruments.

(8) Includes dividends to preferred shareholders, unrealized foreign exchange gain (loss), realized foreign exchange gain, fair value adjustment of investment properties, provision for carried interest and deferred income taxes. The Fund paused monthly distributions effective with the November 2022 distribution, that would have been payable on December 15, 2022.

(9) The Fund's interest and indebtedness coverage ratios were 0.88x and 0.85x during Q2-2024 and YTD-2024, with the Fund's operating results having been offset by increases in the Fund's interest costs as a result of the Fund utilizing a variable rate debt strategy which allows the Fund to maintain maximum flexibility for the potential sale of the Fund's properties at the end of, or during, the Fund's term. These calculations exclude \$482 and \$482 of interest costs or debt service shortfall funding for Q2-2024 and YTD-2024 as these amounts are deferred and payable only at maturity of the applicable loan payable. The Fund also had interest rate caps, swaps or fixed rate debt in place as at June 30, 2024 which in certain instances protect the Fund from increases in SOFR beyond stipulated levels on its mortgages at the Fund's properties. Given the Fund was also formed as a "closed-end" trust with an initial term of three years, a targeted pre-tax yield of 4.0% and a pre-tax targeted annual total return of 11% across all classes of units, the Fund continues to monitor interest and indebtedness coverage ratios with the goal of maximizing the total return for investors during the Fund's term. On May 30, 2024, the Board approved the first one-year extension of the term to November 15, 2025 to provide the Fund with the opportunity to capitalize on anticipated improvements in the real estate investment market.



NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

The Fund's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain terms that may be used in this press release including AFFO, AMR, adjusted net income and comprehensive income, cash provided by operating activities including interest costs, economic occupancy, estimated gap to market versus in-place rents, FFO, gross book value, indebtedness, indebtedness coverage ratio, indebtedness to gross book value, interest coverage ratio, same property NOI 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. 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 management's discussion and analysis ("MD&A") in the "Non-IFRS Financial Measures" section for Q2-2024 available on the Fund's profile on SEDAR+ at www.sedarplus.ca.

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

Interest and indebtedness coverage ratio	Q2-2024	Q2-2023	YTD-2024	YTD-2023
Net loss and comprehensive loss	\$ (3,840)	\$ (33,682)	\$ (14,280)	\$ (38,144)
(Deduct) / Add: non-cash or one-time items including distributions ⁽¹⁾	2,621	31,935	11,861	35,476
Adjusted net loss and comprehensive loss ⁽²⁾	\$ (1,219)	\$ (1,747)	\$ (2,419)	\$ (2,668)
Interest coverage ratio ⁽³⁾⁽⁴⁾	0.88x	0.74x	0.85x	0.79x
Indebtedness coverage ratio ⁽⁴⁾⁽⁵⁾	0.88x	0.74x	0.85x	0.79x

(1) Comprised of unrealized foreign exchange gain, deferred income taxes, amortization of financing costs, loss on early extinguishment of debt, fair value adjustments on derivative instruments and fair value adjustment on investment properties.

(2) This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "non-IFRS financial measures").

(3) Interest coverage ratio is calculated as adjusted net loss and comprehensive loss plus interest expense divided by interest expense.

(4) These calculations exclude \$482 and \$482 of interest costs or debt service shortfall funding for Q2-2024 and YTD-2024 as these amounts are deferred and payable only at maturity of the applicable loan payable.

(5) Indebtedness coverage ratio is calculated as adjusted net loss and comprehensive loss plus interest expense divided by interest expense and mandatory principal payments on the Fund's loans payable.

The Fund's interest coverage ratio and indebtedness coverage ratio were each 0.88x during Q2-2024. The improvement in both ratios during Q2-2024, relative to Q2-2023, was due to increases in NOI and a reduction in interest costs included in such calculation (which exclude any accrued interest costs payable at maturity of the applicable loan) primarily due to the Fund having the ability to defer a portion of interest costs which are excluded from the calculations above amounting to \$482 Q2-2024. Although the interest coverage and indebtedness coverage ratios have been negatively impacted by the increases in SOFR, operating results for the Fund's properties have remained favourable. During Q2-2024, the Fund covered any operating shortfall through cash on hand, including any proceeds from financing activities as applicable.

The Fund also utilizes interest rate caps, swaps or fixed rate debt in certain instances to limit the potential impact on the Fund's financial performance from any increases in interest rates. As at June 30, 2024, the Fund's weighted average interest rate was 5.92%.

CASH PROVIDED BY OPERATING ACTIVITIES RECONCILIATION TO FFO and AFFO

The Fund was formed as a "closed-end" trust with an initial term of three years, a targeted yield of 4.0% and a pre-tax targeted total annual return of 11% across all classes of units of the Fund. For Q2-2024, basic and diluted AFFO and AFFO per Unit were \$(763) and \$(0.02), respectively (Q2-2023 - \$(1,474) and \$(0.05)), representing an increase of \$711 and \$0.03, primarily as a result of higher NOI at the Fund's properties and \$482 of accrued interest costs which are payable upon maturity of the applicable loan payable, which amounts have been added back in AFFO presented, partially offset by increases in the Fund's interest costs. The Fund covered any shortfall between cash used by operating activities, including interest costs¹, through either cash from operating activities during such applicable periods, cash on hand, or the Fund Credit Facility, including any proceeds from financing activities as applicable.

¹ This metric is a non-IFRS measure. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS (see "non-IFRS financial measures").



A reconciliation of the Fund's cash provided by operating activities determined in accordance with IFRS to FFO and AFFO for Q2-2024, YTD-2024, Q2-2023 and YTD-2023 is provided below:

	Q2-2024	Q2-2023	YTD-2024	YTD-2023
Cash provided by operating activities	\$ 6,093	\$ 4,753	\$ 11,194	\$ 10,272
Less: interest costs	(6,877)	(6,773)	(13,678)	(12,926)
Cash used in operating activities - including interest costs	\$ (784)	\$ (2,020)	\$ (2,484)	\$ (2,654)
Add / (Deduct):				
Change in non-cash operating working capital	(2,010)	(1,315)	(1,424)	(1,314)
Loss on early extinguishment of debt	(94)	—	(94)	—
Transaction costs	101	374	221	374
Change in restricted cash	1,522	1,111	1,393	674
Net loss attributable to non-controlling interests	110	430	107	531
Amortization of financing costs	(538)	(658)	(1,150)	(1,287)
FFO	\$ (1,693)	\$ (2,078)	\$ (3,431)	\$ (3,676)
Add / (Deduct):				
Amortization of financing costs	491	713	1,155	1,398
Loss on early extinguishment of debt	94	—	94	—
Vacancy costs associated with the Fund's properties upgrade program	10	40	20	80
Sustaining capital expenditures and suite or home renovation reserves	(147)	(149)	(294)	(299)
Accrued interest costs ⁽¹⁾	482	—	482	—
AFFO	\$ (763)	\$ (1,474)	\$ (1,974)	\$ (2,497)

(1) These amounts represent interest costs that are deferred and payable only at maturity of the applicable loan payable.

FUTURE OUTLOOK

Since early 2022, concerns over elevated levels of inflation have resulted in a significant increase in interest rates with the U.S. Federal Reserve raising the Federal Funds Rate by approximately 525 basis points. Interest rate increases typically lead to increases in borrowing costs for the Fund, reducing cash flow, given the Fund primarily employs a variable rate debt strategy due to the Fund's three-year term in order to provide maximum flexibility upon the eventual sale of the Fund's properties during or at the end of the Fund's term. Historically, investments in multi-family properties have provided an effective hedge against inflation given the short-term nature of each resident lease. Furthermore, the Fund does have certain interest rate caps, swaps or fixed rate debt in place which protect the Fund from increases in interest rates beyond stipulated levels and for stipulated terms as described in detail in the Fund's condensed consolidated interim financial statements for the three and six months ended June 30, 2024 and the audited consolidated financial statements for the year ended December 31, 2023, which are available at www.sedarplus.ca. The Fund also continues to closely monitor the U.S. employment and inflation data as well as the U.S. Federal Reserve's monetary policy decisions in relation to future interest rates and resulting impact these may have on the Fund's financial performance in future periods.

The primary markets in which the Fund operates in have seen an elevated level of new supply delivered during 2023 which contributed to the deceleration in rent growth in the primary markets during late 2023, relative to levels achieved in 2022 and earlier in 2023. Interest rates also continue to remain elevated which, along with higher levels of inflation and a softening in market conditions in late 2023, has significantly disrupted active and new construction of comparable communities in the primary markets in which the Fund operates in that would otherwise have been delivered in the second half of 2025 or 2026. This potential reduction in construction may create a temporary imbalance in the supply of comparable multi-suite residential properties and single-family rental homes in future periods. This imbalance, alongside the continued economic strength and solid fundamentals may be supportive of favourable supply and demand conditions for the Fund's properties in future periods and could result in future increases in occupancy and rent growth. The Fund believes it is well positioned to take advantage of these conditions should they transpire given the quality of the Fund's properties and the benefit of having a resident pool employed across a diverse job base.



The Fund continues to closely monitor the financial impact of elevated interest rates and higher levels of inflation on the Fund's liquidity and financial performance, including the costs of purchasing interest rate caps required to be replaced under certain of the Fund's loan payables and any potential reduction in interest rates which markets are expecting later in 2024. In addition, market forecasts from RealPage anticipate a potential reduction in rent growth and occupancy in 2024 for the markets in which the Fund operates in relative to the levels achieved in 2023, which the Fund considers along with a range of potential outcomes for financial performance when evaluating the Fund's liquidity position. During this period of capital markets uncertainty, the Fund may also enter into additional financing or evaluate potential asset sales to allow the Fund to maintain sufficient liquidity to provide the Fund with the opportunity to capitalize on more robust market dynamics with the goal of maximizing the total return for investors during the Fund's term.

Further disclosure surrounding the Future Outlook is included in the Fund's MD&A in the "Future Outlook" section for Q2-2024 under the Fund's profile, which is available on SEDAR+ at www.sedarplus.ca.

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, as well as the impact of elevated levels of inflation and interest rates.

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 inflation levels and interest rates, the ability of the Fund to make and the resumption of future distributions, the trading price of the Fund's TSX Venture Exchange listed class A and U units ("Listed Units") and the value of the Fund's unlisted units, which include all Units other than the Listed Units, 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. Particularly, matters described in "Future Outlook" are forward-looking information. 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 may not be achieved. Those risks and uncertainties include: the extent and sustainability of potential higher levels of inflation and the potential impact on the Fund's operating costs; the pace at which and degree of any changes in interest rates that impact the Fund's weighted average interest rate may occur; the Fund's ability to sell single-family homes; the ability of the Fund to make and the resumption of future distributions; the trading price of the Listed Units; 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 impact of elevated interest rates and inflation as well as supply chain issues have on new supply of multi-family communities; the extent to which favorable operating conditions achieved during historical periods may continue in future periods; the applicability of any government regulation concerning the Fund's residents or rents; and the availability of debt financing as loans payable become due during the Fund's term. 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 elevated levels of inflation and interest rates on the Fund's operating costs; the impact of future interest rates on the Fund's financial performance; the availability of debt financing as loans payable become due during the Fund's term and any resulting impact on the Fund's liquidity; the trading price of the Listed Units; the applicability of any government regulation concerning the Fund's residents or rents; the realization of property value appreciation and timing thereof; the inventory of residential real estate properties (including single-family rental homes); the availability of residential properties for potential future acquisition, if any, and the price at which such properties may be acquired; the ability of the Fund to benefit from any value add program 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 extent of competition for residential properties; the impact of interest costs, inflation and supply chain issues have on new supply of multi-family communities; the extent to which favorable operating conditions achieved during historical periods may continue in future



periods; the growth in NOI generated and from its value-add 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 ability of Starlight Investments US AM Group LP or its affiliates (the "Manager") to manage and operate the Fund's properties or achieve similar returns to previous investment funds managed by the Manager; the global and North American economic environment; foreign currency exchange rates; the ability of the Fund to realize the estimated gap in market versus in-place rents through future rental rate increases; and governmental regulations or tax laws. Given this period of uncertainty, there can be no assurance regarding: (a) 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) 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 relates 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 U.S. RESIDENTIAL FUND

The Fund is a "closed-end" fund formed under and governed by the laws of the Province of Ontario, pursuant to a declaration of trust dated September 23, 2021, as amended and restated. The Fund was established for the primary purpose of directly or indirectly acquiring, owning and operating a portfolio primarily composed of income producing residential properties in the U.S. residential real estate market that can achieve significant increases in rental rates as a result of undertaking high return, value-add capital expenditures and active asset management. As at June 30, 2024, the Fund owned interests in six multi-family properties consisting of 1,973 suites as well as 12 single-family rental homes.

For the Fund's complete condensed consolidated interim financial statements and MD&A for the three and six months ended June 30, 2024 and any other information related to the Fund, please visit www.sedarplus.ca. 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 August 2024 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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