

# Starlight Western Canada Multi-Family Funds Successfully Complete Strategic Business Combination of 15 Properties with 96% of Unitholders Voting in Favor of Transaction

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**Toronto – December 17, 2025** – Starlight Western Canada Multi-Family (No. 2) Fund (“Fund 2”) and Starlight Western Canada Multi-Family Limited Partnership (“Fund 1”, and Fund 1 and Fund 2 combined referred to as the “Funds”) are pleased to announce the successful closing of the previously announced consolidation of assets of both Funds (the “Transaction”), following the approval by regulators, applicable lenders and the unitholders and limited partners of Fund 2 and Fund 1, respectively (collectively the “Unitholders”) with the results of the December 12, 2025 Unitholder vote of Fund 2 yielding approximately 96% of Unitholders voting in favor of the Transaction. The completed Transaction results in a single, expanded multi-family real estate platform comprising 15 properties and 1,413 multi-family suites located throughout British Columbia (“BC”), with an aggregate value of approximately \$639.4 million.

*“Today marks an exciting milestone for investors in both of Starlight’s Western Canada Funds with a number of benefits stemming from this combination which Starlight looks forward to continuing to manage,” said Daniel Drimmer, Chief Executive Officer of Starlight Group and the Funds.*

The benefits of the Transaction include, among other things, (i) a superior investment for investors in a larger fund platform with further upside potential, including pursuant to the potential future capital raise, (ii) enhanced access to capital and potential to reduce costs of borrowing through a larger asset base, (iii) potential for enhanced synergies and reduced costs across both structures, (iv) the Transaction occurring on a tax-deferred basis for investors, and (v) continued management of the platform by an affiliate of Starlight Group.

## **Transaction Details**

The Transaction was completed on a net asset value for net asset value basis, bringing together the assets of both Funds under a unified structure. As a result of the Transaction, Fund 2 continues as the public reporting issuer and now holds a majority controlling interest in Fund 1, while Fund 1 remains a private limited partnership owned jointly by Fund 2 and the former limited partners of Fund 1. Investors that previously owned investments in Fund 1 and/or Fund 2 now hold an ownership interest in the Funds’ 15 multi-family properties. As part of the Transaction, Fund 1’s former Class A1, A2, A3 and Class B1, B2, B3 limited partnership units have been merged and subdivided into single Class A and class B limited partnership units of Fund 1, with new CUSIP numbers having been issued for such units. Fund 2’s Class A, B and C trust units remain outstanding subsequent to closing of the Transaction.



The breakdown of the exchange ratios used to affect the combination of the Funds, as well as the units outstanding prior to closing of the Transaction are outlined below.

Class of Unit	Number of Units Outstanding	Exchange Ratio - Pre-Transaction to Post-Transaction Units <sup>(1)</sup>
Fund 1, Class A1	73,515	15.06423
Fund 1, Class B1	200,590	15.06423
Fund 1, Class A2	39,585	15.05945
Fund 1, Class B2	108,010	15.06004
Fund 1, Class A3	24,250	14.95461
Fund 1, Class B3	48,250	14.93196
Fund 2, Class A	4,155,477	1.00000
Fund 2, Class B	5,373,577	1.00000
Fund 2, Class C	3,387,550	1.00000

(1) Rounded to 5 decimal places.

After closing of the Transaction, the number of Units outstanding of the Funds are outlined in the table below, as well as the pro forma economic ownership of each unit class.

New Class of Unit after Transaction	Number of Units Outstanding After Transaction	Pro Forma Economic Ownership of Funds
Fund 1, Class A	3,039,840	14.62%
Fund 1, Class B	5,368,835	25.06%
Fund 2, Class A	4,155,477	19.54%
Fund 2, Class B	5,373,577	24.49%
Fund 2, Class C	3,387,550	16.30%

The final ownership proportions were determined using third-party appraisals and relative net asset values, resulting in Fund 2 owning approximately 60.3% of the combined asset pool, while the limited partners of Fund 1 collectively own the remaining 39.7%. As part of the Transaction, the declaration of trust of Fund 2 has been amended to extend the term of Fund 2 by two years (with two optional one-year extensions at the discretion of board of trustees) and to permit a one-time public or private offering of additional trust units of Fund 2 up to 25% of the Funds' market capitalization within 18 months of closing.

### ***Declaration of Distribution***

Distributions are expected to continue to be paid on a monthly basis to Unitholders. The first such distribution being declared is payable on January 15, 2026, to the Unitholders of record on December 31, 2025 with the amounts per Unit being declared as follows:

New Class of Unit Issued after Transaction	Monthly Distribution Amount per Unit
Fund 1, Class A	\$0.02585
Fund 1, Class B	\$0.02585
Fund 2, Class A	\$0.02525
Fund 2, Class B	\$0.02449
Fund 2, Class C	\$0.02585



## ***Transaction Advisors***

CIBC World Markets Inc. acted as exclusive financial advisor to the Fund 2 Board. Blair Franklin Capital Partners Inc. acted as independent financial advisor to the Fund 2 Board in connection with the Transaction, including providing a fairness opinion. Blake, Cassels & Graydon LLP is counsel to Fund 2 and Bloom Lanys LLP is counsel to Fund 1.

## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws and which reflect Fund 2's current expectations regarding future events, including statements relating to the Transaction, the expected distributions and the timing thereof, and the benefits of the Transactions to Unitholders generally. Forward-looking information is provided for the purposes of assisting the reader in understanding Fund 2'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 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 Fund 2's operating costs; the impact of any tariffs and retaliatory tariffs on the economy; changes in government legislation or tax laws which would impact any potential income taxes or other taxes rendered or payable with respect to the properties or Fund 2's legal entities; the impact of elevated interest rates and inflation; the extent to which favorable operating conditions achieved during historical periods may continue in future periods; the applicability of any government regulation concerning Fund 2's residents or rents; the realization of property value appreciation and the timing thereof; the extent and pace at which any changes in interest rates that impact Fund 2's weighted average interest rate may occur; and the availability of debt financing. A variety of factors, many of which are beyond Fund 2's control, affect the operations, performance and results of Fund 2 and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

There are numerous risks and uncertainties which include, but are not limited to, risks related to Fund 2's Units, risks related to Fund 2 and its business including inflation and changes in interest rates. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements. Although Fund 2 believes the expectations reflected in such forward-looking information are reasonable and represent Fund 2's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause Fund 2'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 Fund 2's expectations include, among other things, the impact of inflation, the availability of mortgage financing and the interest rates for such financing, 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 put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

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 applicability of any government regulation concerning Fund 2's residents or rents; the realization of property value appreciation and the timing thereof; the inventory of residential real estate properties; the ability of Fund 2 to benefit from any asset management initiatives at certain properties; the price at which the properties may be disposed and the timing thereof; closing and other transaction costs in connection with the disposition of the properties; availability of mortgage financing and current rates and market expectations for future interest rates; the capital structure of Fund 2; the extent of competition for residential properties; the growth in net operating income generated from asset management initiatives; the population of residential real estate market participants; assumptions about the markets in which Fund 2 operates; expenditures and fees in connection with the maintenance, operation and administration of the properties; the ability of Starlight Investments CDN AM Group LP (the "Manager") to manage and operate the properties; the global and Canadian economic environment; the impact, if any, of inflation on Fund 2's operating costs; and governmental regulations or tax laws. There can be no assurance regarding: (a) inflation or changes in interest rates on Fund 2's business, operations or performance; (b) Fund 2's ability to mitigate such impacts; (c) credit, market, operational, and liquidity risks generally; (d) that the Manager or any of its affiliates, will continue its involvement as asset manager of Fund 2 in accordance with its current asset management agreement; and (e) other risks inherent to Fund 2's business and/or factors beyond its control which could have a material adverse effect on Fund 2.

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 WESTERN CANADA MULTI-FAMILY (NO. 2) FUND**

Fund 2 is a trust formed under the laws of Ontario for the primary purpose of indirectly acquiring, owning and operating a portfolio of income producing multi-family rental properties located in BC. Fund 2, subsequent to completion of the Transaction, has interests in and operates a portfolio comprising interests in 1,413 income producing multi-family suites located in Western Canada.

Please visit us at [www.starlightinvest.com](http://www.starlightinvest.com) and connect with us on LinkedIn at [www.linkedin.com/company/starlight-investments-ltd-](http://www.linkedin.com/company/starlight-investments-ltd-).

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